



# PUNJAB CHEMICALS

AND CROP PROTECTION LTD.

CIN NO. L24231PB1975PLC047063

Regd. Office & Works

Milestone-18, Ambala-Kalka Road, Village & P.O. Bhankharpur, Derabassi, Distt SAS Nagar, Mohali (Punjab)-140201, INDIA

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Date: 11<sup>th</sup> July, 2024

## BY E FILING

The Manager Department of Corporate Services BSE Limited <b>MUMBAI-400 001</b> Re: BSE Scrip Code: 506618	The Manager Listing Department National Stock Exchange of India Limited <b>MUMBAI-400 051</b> NSE Scrip Symbol: PUNJABCHEM
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### Sub: Annual Report under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/ Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company along with the Notice of 48<sup>th</sup> AGM for the Financial Year 2023-24. The same is being sent through electronic mode to those members whose email addresses are registered with the Company/ Registrar and Transfer Agent/Depositories.

The Annual Report is also available on the website of the Company at [www.punjabchemicals.com](http://www.punjabchemicals.com).

This is for your information and record.

Thanking you,

Yours faithfully

**For PUNJAB CHEMICALS AND  
CROP PROTECTION LIMITED**

**RISHU CHATLEY  
COMPANY SECRETARY  
& COMPLIANCE OFFICER  
(ACS-19932)**

Encl : as above



# BUILDING FOR RESPONSIBILITY, PROFITABILITY AND SUSTAINABILITY

Punjab Chemicals and Crop Protection Limited  
48<sup>th</sup> Annual Report 2023-24



उद्यमेन हि सिध्यन्ति  
कार्याणि न मनोरथैः



20.07.1932 - 18.12.1997

**S D SHROFF**

(Known to all as 'Sasubhai')

*He dared. He cared. He shared.*

*Vision of inclusive growth continues .....*

## Contents

- |    |   |     |   |
|----|---|-----|---|
| 02 | 5 Principal messages of this report                           | 23  | Our leadership team                               |
| 04 | Corporate snapshot  | 24  | Quality, Environment, Health and Safety framework |
| 06 | Our multi-decade story of growth and value-creation           | 26  | Corporate Social Responsibility                   |
| 08 | Our global footprint  | 27  | Management discussion and analysis                |
| 10 | The Chairman's message  | 34  | AGM Notice  |
| 13 | Building for responsibility, profitability and sustainability | 49  | Board's Report                                    |
| 16 | Value creation  | 62  | Business Responsibility & Sustainability Report   |
| 18 | How we have performed across the years                        | 100 | Report on Corporate Governance                    |
| 20 | ESG commitment resides at the core of Punjab Chemicals        | 123 | Standalone Financial Statements                   |
|    |   | 198 | Consolidated Financial Statements                 |

## Corporate Information

### Chairman Emeritus

Ghattu Ramanna Narayan

### Chairman

Mukesh Dahyabhai Patel

### Board of Directors

#### Managing Director

Shalil Shashikumar Shroff

#### Directors

Capt. Surjit Singh Chopra (Retired)

Vijay Dilbagh Rai

Sheo Parsad Singh

Aruna Rajendra Bhinge

Tara Subramaniam

Shivshankar Shripal Tiwari

Avtar Singh

### Key Managerial Personnel

#### Chief Executive Officer

Vinod Kumar Gupta

#### Chief Financial Officer

Ashish R Nayak

#### Company Secretary and Compliance Officer

Rishu Chatley

### Bankers

SVC Cooperative Bank Limited

Bank of Baroda

Yes Bank Limited

### Auditors

#### Statutory Auditors

M/s B S R & CO. LLP

Chartered Accountants

#### Cost Auditors

M/s Khushwinder Kumar & Co.

Cost Accountants

#### Secretarial Auditors

M/s P.S. Dua & Associates

Company Secretaries

### Registered Office

Milestone 18, Ambala Kalka Road

Village & P.O.; Bhankharpur,

Derabassi District S.A.S. Nagar Mohali,

(Punjab) 140 201

Tel: 01762-280086/522250

Fax: 01762-280070

E-mail: info@punjabchemicals.com

website: www.punjabchemicals.com

### Corporate Office

Plot No. 645-646, 5<sup>th</sup> floor,

Oberoi Chambers II

New Link Road, Andheri (West),  
Mumbai 400 053

Tel: 022-26747900

Fax: 022-26736193

E-mail: enquiry@punjabchemicals.com

### Manufacturing Units

Agro Chemicals Division, Derabassi,  
Punjab

Specialty and Other Chemicals  
Division, Lalru, Punjab

Industrial Chemicals Division, Pune,  
Maharashtra

### Registrar & Share Transfer Agent

Alankit Assignments Ltd., RTA Divison

Alankit Heights 4E/2, Jhandewalan  
Extension

New Delhi -110 055

Tel: 011-42541234/23541234

Fax: 011-41543474

E-mail: rta@alankit.com

website: www.alankit.com

### Corporate Identity Number

L24231PB1975PLC047063



## 5 PRINCIPAL MESSAGES OF THIS REPORT

**1**

The green shoots of improvement enhanced our productivity and competitiveness, strengthening performance.

**2**

The crop protection chemicals sector encountered a steep decline in demand and realisations in 2023-24, but the Company reported a creditable performance protecting its Balance Sheet.

**3**

Punjab Chemicals enjoys the advantage of being a go-to CRAMS provider for domestic and international agrochemical companies, positioned to gain as the industry expands. The Company responded with a range of initiatives that helped re-imagine its business model.

**4**

Punjab Chemicals continued to target niche products with potential and address clients who are market leaders. The Company is expanding its customer base in contract manufacturing by entering into long-term engagements with customers and offering attractive cum cost-effective solutions.

**5**

Punjab Chemicals is well-placed to diversify and expand into new geographies through new product launches. Poised to capitalise on a shift in the global supply chain, the Company strengthened research, strengthened the product pipeline, sought new customers, explored multi-year partnerships and moderated costs.

## CORPORATE SNAPSHOT

## Punjab Chemicals and Crop Protection Limited

A credible Partner for the downstream agrochemical & performance chemical sectors.

A dependable Supplier of critical downstream products for nearly five decades across 11 countries.

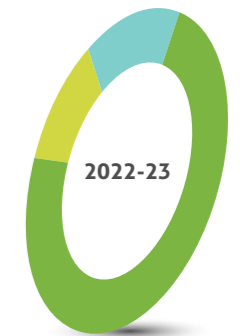
Now transforming with speed with the objective to enhance responsibility, profitability and sustainability.



## SEGMENTWISE REVENUE



● Agro chemicals: 71%  
● Industrial chemicals: 13%  
● Specialty chemicals: 16%



● Agro chemicals: 73%  
● Industrial chemicals: 12%  
● Specialty chemicals: 15%



## OUR VISION

To become a major player in the CRAMS segment with innovation and a preferred partner in Agrochemicals and Performance Chemicals.



## OUR MISSION

- To meet and exceed customer expectation with quality and cost competitiveness.
- To focus on products and chemistries which ensure value addition for customers.
- To focus on community development in and around areas where we operate.
- To keep research & technology as the backbone for future growth



## OUR MOTTO

We visualise Punjab Chemicals as a company that pursues its corporate goals to manufacture and market of world-class products with industrial and enterprising activity, but without losing the sight of ecological preservation and social responsibility.

- Customer value
- Customer experience
- Environment responsibility
- Social responsibility

## BUSINESS COMMITMENT

At Punjab Chemicals, our ethos revolves around a dedication to quality. This principle resonates not just in our manufacturing processes and products, but also in our collaborative approach with our business partners. Our commitment entails efficient research capabilities for tailored product solutions, meeting delivery expectations, maintaining competitive pricing, prioritising environmental stewardship, and continuously adding value for all stakeholders.

## OUR FRAMEWORK

Established on November 19, 1975, Punjab United Pesticides & Chemicals Ltd. originated through a partnership with Excel Industries Ltd. and Punjab State Industrial Development Corporation. Over time, the Company transformed into a rapidly expanding agrochemical entity, complemented by the performance chemical and industrial chemical segments.

With a diverse product range, robust market presence, and wide distribution channels, the Company enjoys recognition in the Indian and global export segments across five continents.

## OUR MANUFACTURING SITES

Punjab Chemicals has three cutting-edge manufacturing facilities invested with the most stringent international standards. Situated in Derabassi and Lalru in Punjab, as well as Pimpri, Chinchwad, in Maharashtra, these units are supported by robust research and development capabilities, pilot plant infrastructure, and stringent safety protocols. While all three plants hold ISO 9001:2015 certifications, the Derabassi and Lalru plants additionally meet ISO 14001:2015 and 45001:2018 standards, and the Pune plant is certified by FSSC 22000 and FSSAI. The Company's corporate office is based in Mumbai.

## OUR PRODUCT PORTFOLIO

The Company produces a range of products including agrochemicals, performance chemicals, fine chemicals, specialty chemicals, basic chemicals, industrial chemicals, phosphorus derivatives, and phosphates.

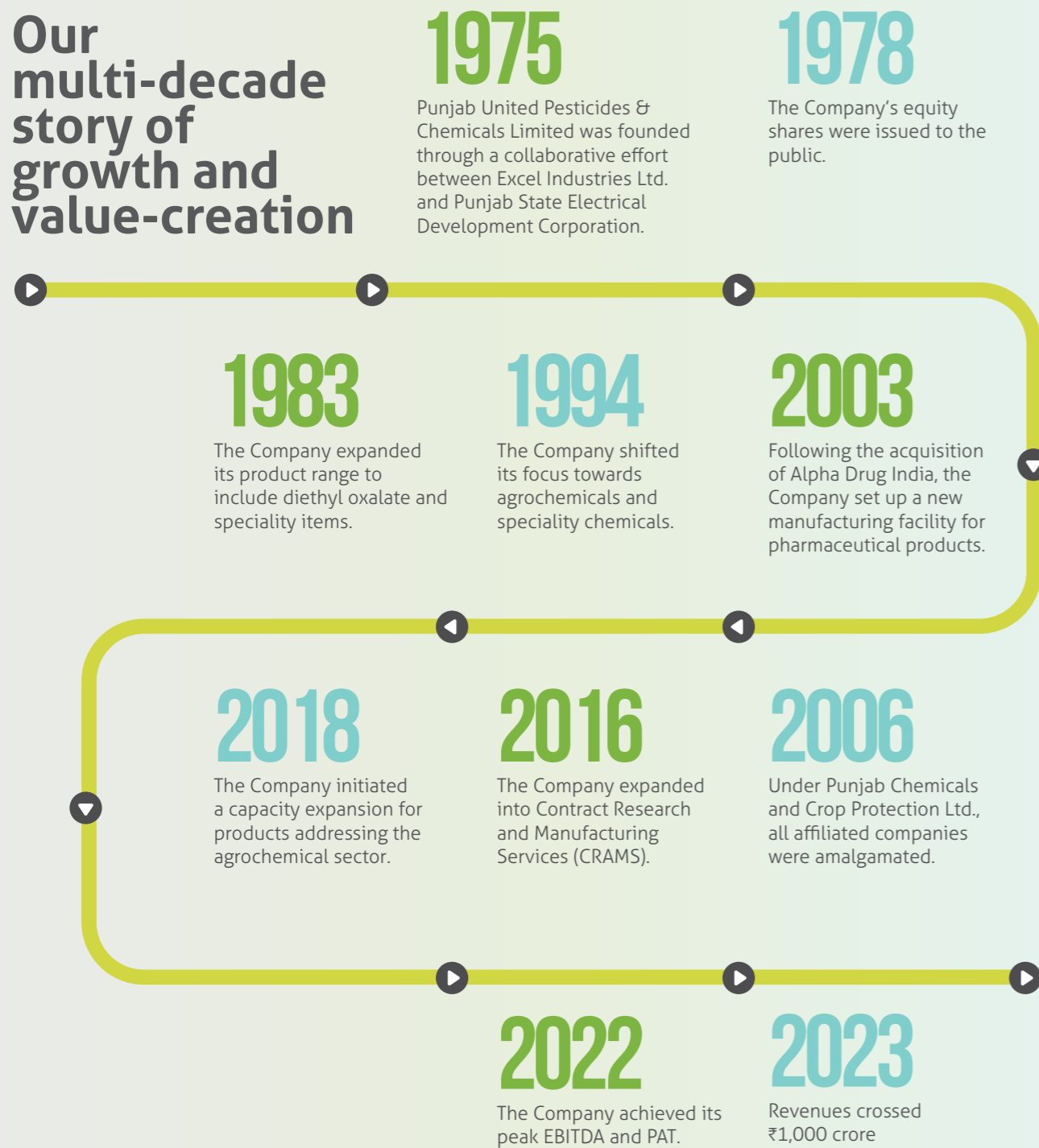
## OUR WORKFORCE

The Company comprised a workforce of 1214 employees as on March 31, 2024. Their skillset encompasses expertise in research, manufacturing, information technology, finance, marketing and other areas.

## OUR LISTING

The Company's shares are publicly traded on the National Stock Exchange and Bombay Stock Exchange. As of March 31, 2024, the market valuation of the Company was ₹1,218 crore on the NSE.

## Our multi-decade story of growth and value-creation



## Our long-term business strategy

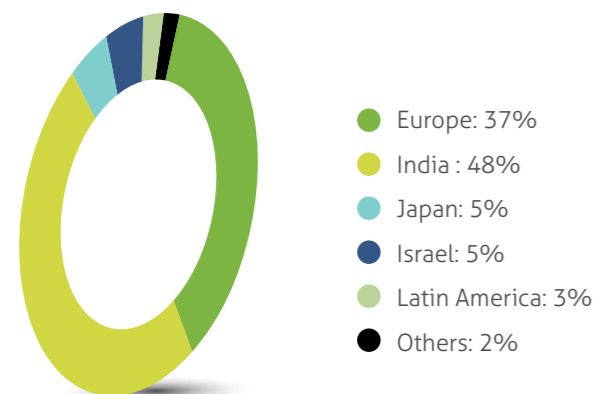
Strategic focus	Innovate and excel	Cost leadership	Supplier of choice	Robust people practices	Responsible corporate citizenship	Value-creation
<b>Key enablers</b>	<ul style="list-style-type: none"> <li>Focus on process and product excellence</li> <li>Generate more from less</li> <li>Improve material yields and quality benchmarks</li> <li>Develop raw material partners within India</li> </ul>	<ul style="list-style-type: none"> <li>Rich experience translating into attractive manufacturing economies</li> <li>Investment in process automation leading to enhanced process stability</li> <li>Manufacture of products from within product families/ expand on synergy</li> </ul>	<ul style="list-style-type: none"> <li>A preferred brand within our sector</li> <li>Trusted provider of quality products</li> <li>Service marked by reliability (on-time and in full), sustainability and profitability</li> <li>Repeat customer engagements</li> </ul>	<ul style="list-style-type: none"> <li>Employer of more than 1,200 people across four locations</li> <li>People engagement marked by competence enhancement, delegation, empowerment, responsibility and accountability</li> <li>Growing training, rewards and recognition</li> </ul>	<ul style="list-style-type: none"> <li>Engaged in community development through diverse engagements</li> <li>Large rural CSR focus</li> <li>Investment of ₹1.81 crore in CSR activities in 2023-24</li> </ul>	<ul style="list-style-type: none"> <li>Accelerated working capital turns</li> <li>Accelerating new product launches</li> <li>Enhanced capacity utilisation, strengthening RoCE</li> <li>Robust governance standards</li> </ul>
<b>Material issues addressed</b>	Need to invest in advanced chemical technology; and technology-intensive value-added products	Need to leverage economies of scale, location, experience and brand to moderate costs	Need to provide a superior price-value proposition marked by enhanced quality and service within the prevailing market realisations	Need to inspire talent leading to superior productivity and overall performance Become the employer of choice	Need to engage responsibly and sensitively with the community, enhancing their prosperity	Need to enhance value for all stakeholders through effective interventions
<b>Capitals impacted</b>	Manufactured, Intellectual, Financial	Financial, Intellectual, Natural, Social and Relationship	Intellectual, Manufactured Social and Relationship	Intellectual, Human Relationship	Social and Relationship	Financial, Intellectual



## Our global footprint

The Company generated 48% of its revenues from within India and 52% from across the world in 2023-24.

### Share of business across continents



## THE CHAIRMAN'S MESSAGE



Mukesh D. Patel  
Chairman

## We are reinventing our company to enhance competitiveness across market cycles

### DEAR SHAREHOLDERS,

It is my privilege to present this report, signifying and highlighting our journey and accomplishments throughout 2023-24 in this transforming world of the agrochemical industry.

### OVERVIEW

This year has showcased that our downstream markets went through the steepest and most extended correction and industry is struggling to break even, and the Balance sheets and business models of most players were impaired.

For us this year started strongly, maintaining growth momentum established by the Company in recent years. However, in last quarters, erratic demand from critical markets and price corrections resulted in lower than expected demand. There was an overall

correction in the industry due to inventory and price correction resulting in muted demand for some of our products.

The Exports continue to remain impacted due to lower prices, cautious approach by industry towards inventory and adverse weather condition. Channel destocking continues across the globe. The products with aggressive pricing from China and uncertainty around future pricing is compelling companies to delay buying decisions.

### COMPANY PERFORMANCE AND OUTCOMES

This year has been a testament to our relentless pursuit of excellence, evident through remarkable achievements and significant strides towards sustainability and growth.

I am pleased to communicate that in spite of all the market conditions and challenges, Punjab Chemicals finished the year under review with ₹933 crore revenue from operations, with EBITDA ₹116 crore with a 12.10% EBITDA margin. The Gross margins for 2023-24 improved from 36.8% to 38.7%, which is a testament to the joint efforts of our R&D and operations team and also by managing product mix so as to better absorb overheads.

In the course of few years, we have created a new operating platform for the Company's sustainable growth.

Today's Punjab Chemicals has a larger number of products to market, with a robust product pipeline that promises better revenue visibility. We are continuously adding to our technical capabilities with research (on product and processes) and enhancing manufacturing capabilities with stronger infrastructure sustained by a progressively rising investment in new equipment and higher capacity generating superior manufacturing output and efficiencies. We are more competitive on account of timely procurement, product integration and superior working capital management and we are more process-driven on account of a robust digital platforms.

### CAPABILITY AND DISCIPLINE

At Punjab Chemicals, we embarked on a differentiated journey, the challenge that we encountered a few years ago: that the change within would always be larger than the change outside our company. This indicated that we always endeavor to foresee trends and position our company ahead of the curve. This change was not possible without coherent strategy, focused approach and drive and building organisational capabilities and is extending beyond the strategic direction set in the Board room; moving towards becoming a part of everyday thinking at every level, from strategic to tactical and from aggregation of some decisions to building new strategies. The Company possessed a multi-decade legacy. This legacy had defined the Company's existence, respect and its trust. We focused on further gaining the trust of all our stakeholders - customers, suppliers, employees and communities.

We have engaged all our stakeholders to think differently, to result in new innovations, ideas and looking at the industry with a freshness and come out stronger from current market

We recruited a new generation of professionals who brought with new perspectives a new way of doing things that we appraised and integrated into our corporate culture; the result is that we became a rejuvenating melting pot of concepts and ideas.

challenges. We have recognised that a creative approach would need to be complemented by an operating discipline that made it possible for the Company to create a plan to ensure market competitiveness.

We will sharpen our focus behind key priority segments and use innovative technologies to become a "partner of choice", focusing on specialties and intermediates.

For long term competitiveness, we are working on changes in process and product mix and we are also strengthening our existing systems by investing in new infrastructure and building a team of professionals. During the year under review, we have invested in a new ERP software (SAP S4 Hana) that enhanced process checks and controls, automation to enhance productivity and safety. All these initiatives are adding value to our corporate culture and resulting in a rejuvenating melting pot of concepts and ideas; rewiring industry best practices within company for superior outcomes and investment in a formal structure to address competence gaps and enhanced training initiatives.

### GREEN SHOOTS

Our objective was to deepen our cost leadership to a point when we would remain liquid and profitable even during the most challenging market cycles. I am pleased to communicate that the green shoots of our long-term transformation agenda became visible during the challenging realities of the last financial year.

- The Company reported profits during every quarter of the last financial year.
- The Company's market share was protected across most major products and margins were largely protected at a time when these eroded for most peer companies.
- The Company's manufacturing yields (input-output ratio) improved following process and product improvements and overheads moderated protecting our competitiveness.



## THE CHAIRMAN'S MESSAGE

## OUTLOOK

At Punjab Chemicals, our objective is to scale our business each year in line with our desired goal. We seek to build a holistically sustainable company, marked by responsible – safety coupled with a lower carbon footprint – practices across every area of our working.

We seek to increase our revenues, our profitability, our margins and to create

a momentum that generates growth and become a company that enhances stakeholder value in an attractive and sustainable way.

Further I would extend heartfelt appreciation to our dedicated teams, esteemed customers, and steadfast shareholders. Your contribution, trust and unwavering support have been the cornerstones of our success and accomplishments and we eagerly

anticipate the unfolding chapters of this shared narrative.

I ensure you that we seek to emerge as a respected corporate with a wider recall that 'If it is Punjab Chemicals, then it must be world-class.'

Our journey has just begun.

**Mukesh D. Patel**  
Chairman

## Our strategic outlook

## Products selection

Select from a pool of products going off-patent

Shortlist products marked by complex process

Target niche products with a high growth potential

Enhance collaborative approach with clients

Backward integration to basic chemicals

Appraise prospective products overlooked by the market

Target clients that are global agrochemical / specialty chemical leaders



## Existing synergy

Process/Product selection having reasonable hurdles

Create a formidable value chain starting from the basic chemicals stage

Strengthen product portfolio based on existing strong chemistries

Progressively reduce Company's dependence on China for raw materials



## Alternative supplier status

Add new chemistry capabilities with R&D

Prospect companies looking for China + 1 supply chains

Enter into long-term product supply partnerships

Manufacture a family of products

Evolve into a one-stop solutions provider



# Building for responsibility, profitability and sustainability

At Punjab Chemicals, we are building a business for long-term success.

## Responsibility

We invest in responsible decarbonisation and environment management systems, talent and practices

## Profitability

We generate adequate surpluses to sustain reinvestment with the objective to create an even larger surplus

## Sustainability

We build for holistic sustainability so that what has been achieved today can be replicated, enhancing the predictability of impacts and outcomes

# Building for responsibility, profitability and sustainability

## OVERVIEW

At Punjab Chemicals, we recognise that the interplay of Responsibility, Profitability and Sustainability will empower the Company to enhance value for all stakeholders in a perpetual way.

At our company, there is a clarity on how strategies related to each can enhance value within their areas of influence and eventually enhance value for the Company as a whole.

This clarity represents a foundation that is transparent, scalable and adaptable to changes in the business environment.

## PRIORITIES

- Extended to more chemistries (bromination and others)
- Broad-base the product mix towards value-addition
- Build a new leadership team
- Automate processes; enhance uptime and productivity

- Enhance process yields; moderate energy consumption per unit of output

## PERFORMANCE

- Report growth higher than the chemicals industry average in India
- Remain in industry downtrends; demonstrate the ability to rebound faster
- Focus on revenue visibility and free cash flows
- Generate growth capital from within

## OUTCOME

- More than double the proportion of revenues from new products derive from larger volumes.
- Generate multifold revenue growth
- Enhance the EBITDA margin

# The resources that go into value-creation

## Financial capital



We grow our business through funds mobilised from internal accruals, promoters, banks and financial institutions in form of net worth, accruals and debt.

## Manufactured capital



We invest in manufacturing assets, technologies, equipment and logistics leading to production. Our emphasis is to keep enhancing the effectiveness of this Capital through progressive improvements across its constituents.

## Human capital



We invest in talent (on roll and contracted) experience and competence. Our emphasis is to keep investing in our human capital with the objective to enhance passion, productivity and performance.

## Natural capital



We procure resources derived from nature with a commitment to moderate our environmental impact. Our emphasis is aligned with the needs of the world, encapsulated in generating more from less.

## Intellectual capital



We leverage proprietary knowledge to optimise costs and enhance operational excellence. Our emphasis is to enhance the value of intangible properties (brand and goodwill) leading to superior outcomes. Technical knowhow, Intellectual Property.

## Social and Relationship capital



We deepen investments in communities and partners (vendors, suppliers and customers), securing our stability and corporate citizenship. Our emphasis is on enhancing the stability of this eco-system, strengthening operational predictability and business sustainability.

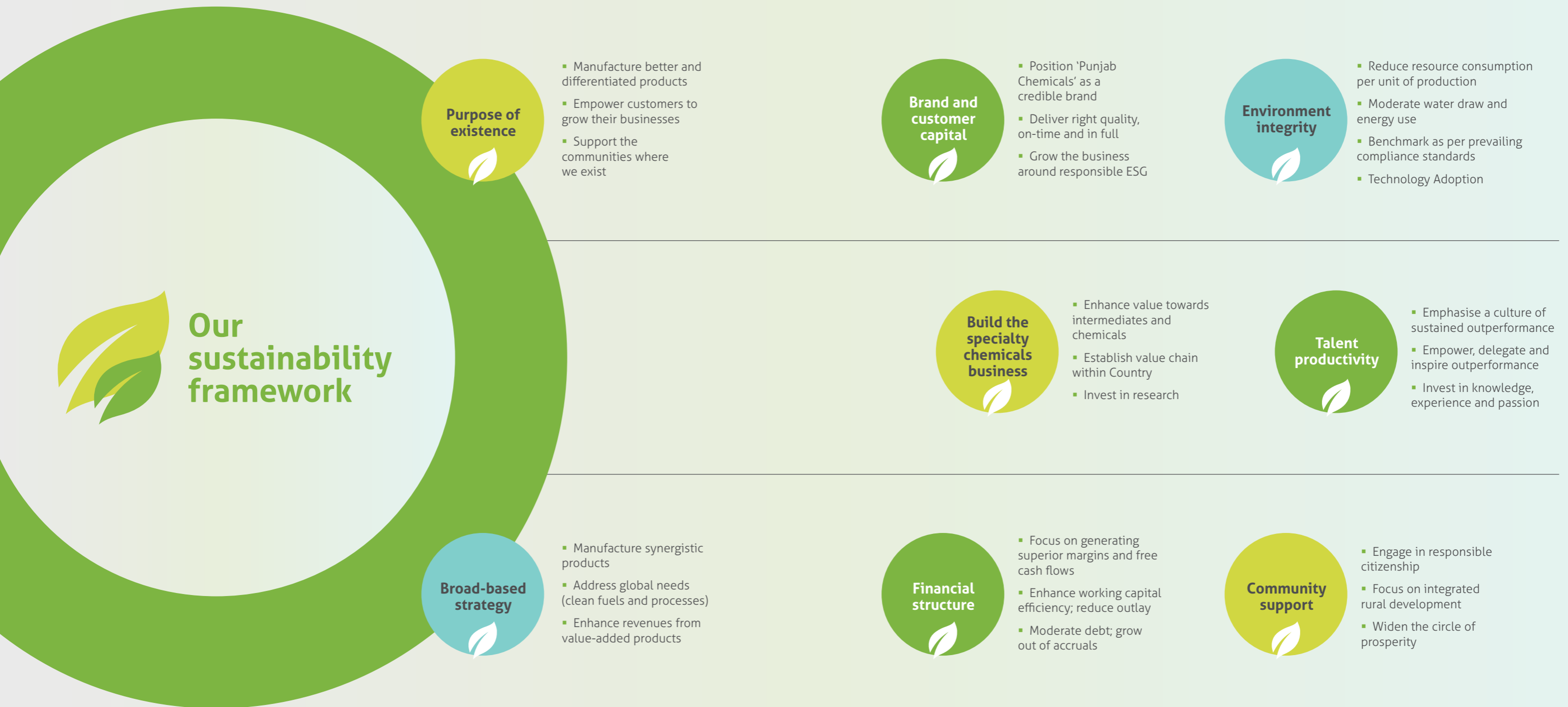
# How Punjab Chemicals is positioned to enhance long-term value for all stakeholders

## OVERVIEW

There is a growing shift to the integrated appraisal of companies, calling in diverse aspects (financial, management commentary, governance, remuneration and sustainability) over the conventional focus on profits.

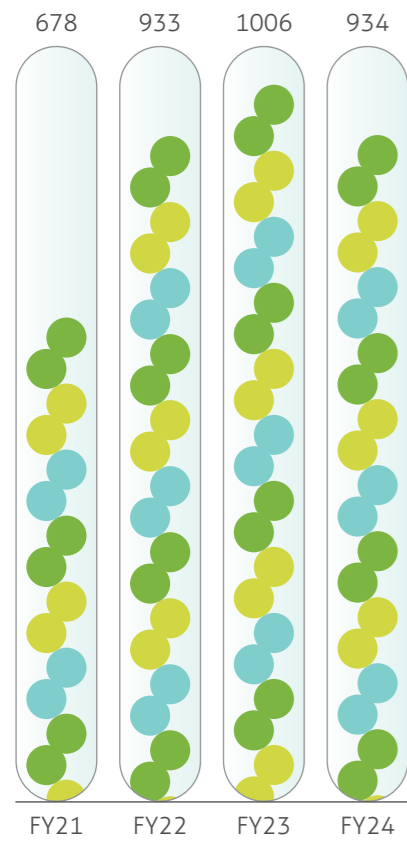
This wider and holistic approach enhances an understanding of how the Company services all stakeholders (employees, customers, suppliers, business partners, local communities, shareholders, lenders, legislators, regulators and policy makers).

This all-rounded appraisal has been extended to broad-based communication captured in this Integrated Report.



# How we have performed across the years

## Revenues (₹ cr)



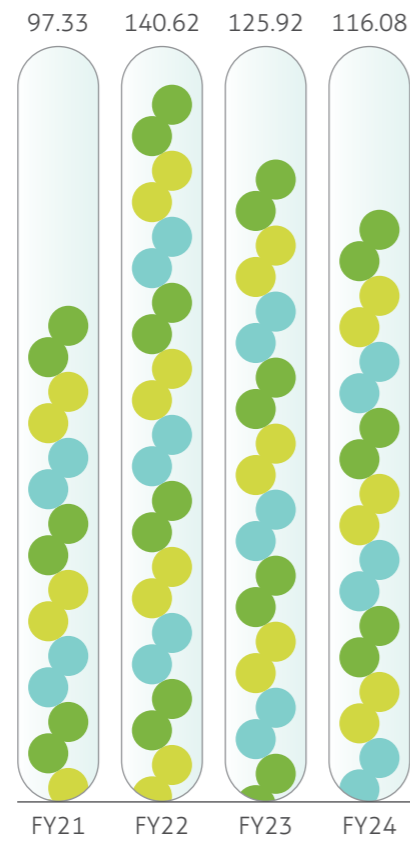
**Definition**  
Growth in sales net of taxes.

**Why this is measured**  
It is an index that showcases the Company's ability to maximise revenues, which provides a basis against which the Company's performance can be compared with sectoral peers.

**What this means**  
Aggregate sales declined by 7.15%

**Value impact**  
The Company's volume off-take remained creditable in an otherwise challenging year for the economy.

## Operating EBITDA (₹ cr)



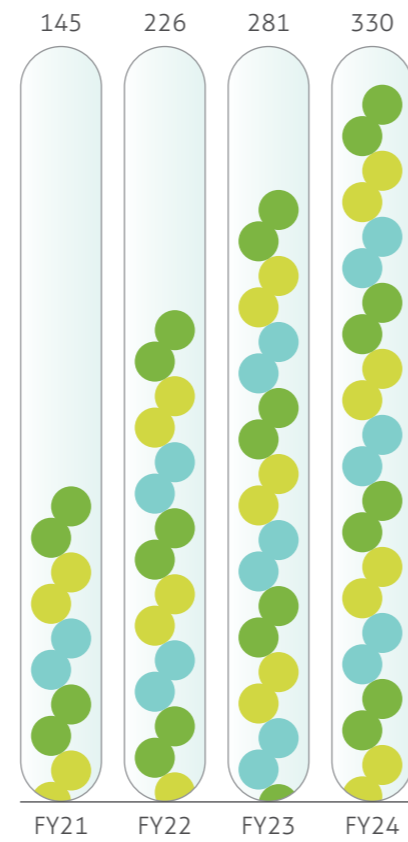
**Definition**  
Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

**Why this is measured**  
It is an index that showcases the Company's ability to generate a surplus after operating costs, creating a base for comparison with sectoral peers.

**What this means**  
Helps create a robust surplus generating engine that facilitates reinvestment.

**Value impact**  
The Company reported a 7.81% decrease in EBITDA in 2023-24 due to challenging market condition.

## Net worth (₹ cr)



**Definition**  
This is derived through the accretion of shareholder-owned funds.

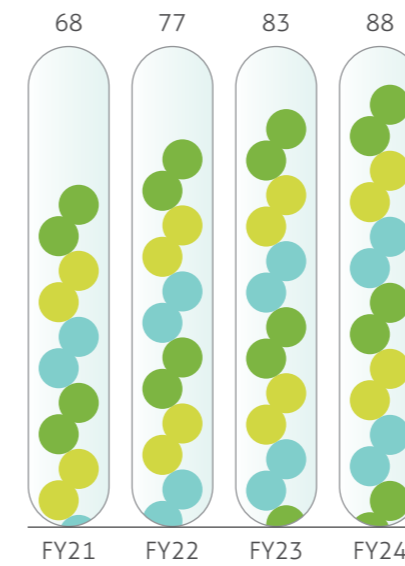
**Why this is measured**  
Net worth indicates the financial soundness of the Company – the higher the better.

**What this means**  
This indicates the borrowing capacity of the Company that influences the gearing (which, in turn, influences the cost at which the Company can mobilise debt).

**Value impact**  
The Company's net worth strengthened 17.44% during the year under review, which was credible in a challenging year.

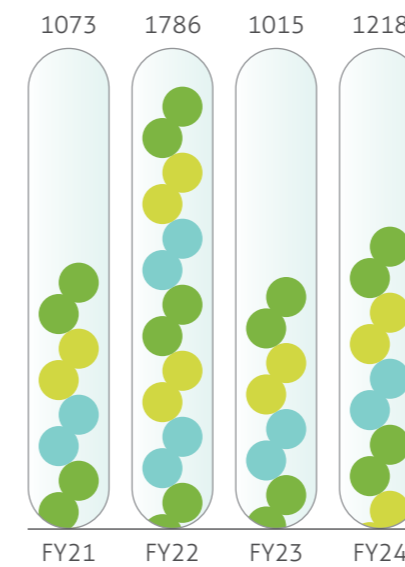
# Enhancing stakeholder value

## Salary and wages (₹ cr)



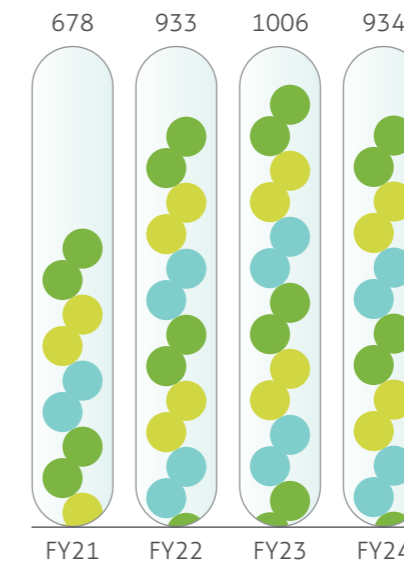
**Employee value**  
The Company invested a progressively larger amount in employee remuneration, underlining its role as a responsible employer.

## Market capitalization (₹ cr)



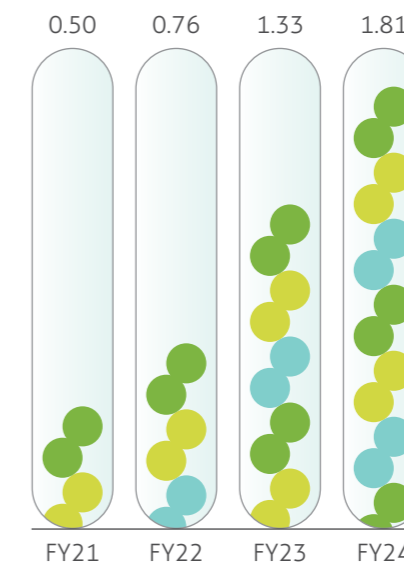
**Shareholder value**  
The Company strengthened shareholder value through a complement of prudent business strategy, accruals reinvestment and cost management.

## Revenues (₹ cr)



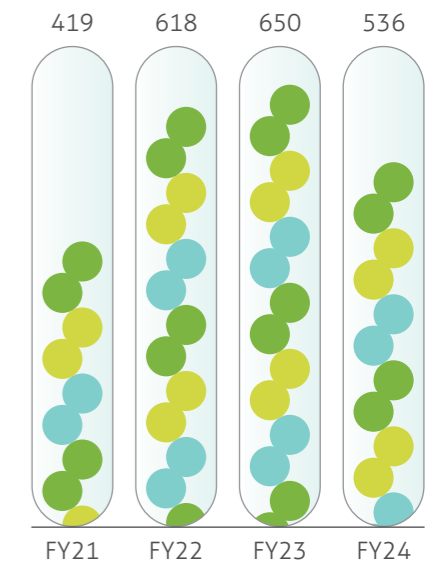
**Customer value (revenues)**  
Despite of turbulent market conditions, the Company continued to service its customers.

## CSR investment (₹ cr)



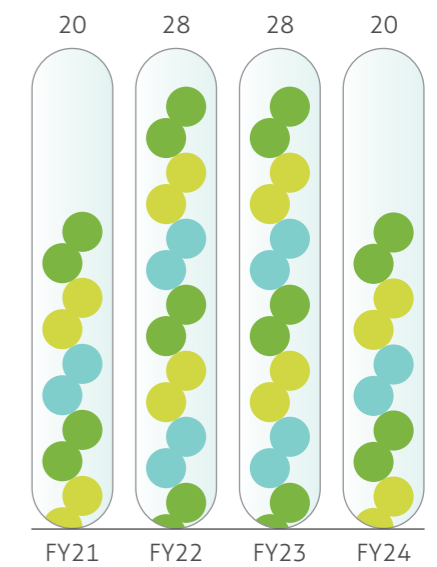
**Community value**  
The Company enriched communities in the geographies of its presence through a complement of CSR programmes.

## Procurement (₹ cr)



**Vendor value**  
The Company pursued just in time procurement policy and further diversified its supplier base.

## Taxes paid (₹ cr)



**Exchequer value**  
The Company paid its taxes in full and on time, attesting its responsible citizenship.

# ESG commitment resides at the core of Punjab Chemicals



## OVERVIEW

There is a priority the world over for companies to conduct themselves like responsible corporate citizens. This increased priority is the result of unforeseen developments of global significance transforming global economies realities almost overnight. This is putting a premium on resilience and responsible governance. There is also a conviction that a deep governance culture – as opposed to a kneejerk response - enhances corporate stability, increases counter-cyclicality and lays the foundation for the creation of long-term stakeholder value.

## PUNJAB CHEMICALS AND ESG

At Punjab Chemicals, a culture of environment-social-governance (ESG) represents the heart of our business. We believe that this commitment is critical considering that we manufacture a product that consumes water, natural resources, fossil fuels and electricity in large volumes, any moderation in which can have significant upsides.

**Our environment component** ensures that we consume environmentally responsible resources, utilise an optimal quantum of finite fossil fuels, recycle waste, moderate our carbon footprint and build resistance to climate change.

### Our social component

addresses a proactive investment in talent, relationships (customer and vendors) and social responsibility.

### Our governance component

indicates how we will engage in business, indicating strategic clarity, explaining conduct codes, highlighting Board composition and indicating an alignment with UNGC principles and extensive de-risking, among others.

This comprehensive platform – environment, social and governance will make it possible to generate long-term growth across market cycles, enhancing value for all stakeholders.



## ENVIRONMENT

A growing number of global manufacturers are recognising the financial and environmental benefits from sustainable business practices. Besides, stringent environmental norms regulating agencies are helping reduce resource depletion, water scarcity, pollution and other harmful impacts.

The result of these realities is a greater emphasis on sustainable manufacturing. This comprises the manufacture of products through economically sound processes that moderate the consumption of energy and natural resources while reducing negative environmental impact, in addition to enhancing employee, community and product safety.

At Punjab Chemicals, we focus on manufacturing more from less, the basis of all environmental responsibility. This approach has been woven around the elements of Plan-Mitigate-Adapt-Resilience.

There is a growing commitment to reduce energy intensity, moderate greenhouse gas emission intensity and graduate to cleaner processes and fuels. The Company achieved zero waste in landfill and zero

effluents discharge targets while moderating water consumption intensity.

The Company emphasises the alignment of business with the United Nations' ten principles for manufacturing responsibility and environmental sustainability, covering human rights, labor interests, environment responsibility and anti-corruption initiatives.



## SOCIAL

At Punjab Chemicals, business transformation and related competitiveness are derived from a passionate people ferment, touching a range of stakeholders.

### Employees

At Punjab Chemicals, we invested in a culture of excellence, marked by resource productivity, continuous cost competitiveness, timely talent investments (recruitment, retention and training) and safety.

### Customers and vendors

The Company grew its stable eco-system of vendors (provided capital equipment and spares and primary customers (trade partners). The Company derived a large proportion of revenues from primary customers of ten years or more.

### Community

The Company engaged with the community around its manufacturing locations, widening its circle of prosperity. At Punjab Chemicals, our corporate citizenship is characterised by several priorities. We view our business as a means to contribute positively to the world. Our involvement in corporate social responsibility initiatives is aligned with national and regional objectives. The Company collaborates with the communities surrounding its manufacturing sites, aiming to enhance prosperity through targeted interventions in line with the United Nations'

Sustainable Development Goals. The Company's CSR initiatives are concentrated on the following domains:

- Advocating quality and inclusive education
- Advocating health and sanitation for all
- Ensuring the sustainability of the environment
- Advocating civic amenities, community service, and infrastructure development.
- Combating poverty and hunger
- Offering assistance during natural calamities



## GOVERNANCE

At Punjab Chemicals, our governance platform provides clarity on the way we will grow our business. This enhances organisational predictability and stability. Our governance architecture has been influenced by the following priorities.

**Board of Directors:** At Punjab Chemicals, our strategic direction is influenced by our Board of Directors that comprises professionals and industrialists of standing who have enriched our multi-sectorial business understanding and strategic direction.

**Positioning:** At Punjab Chemicals, we have positioned ourselves not as much as a chemicals company as much as a responsible chemical solutions provider, resulting in the manufacture of a range of chemicals addressing a widening customer spectrum. This positioning has enhanced our strategic clarity, opening us to opportunities, attracting knowledge professionals and strengthening our product / process research.

**Brand-driven growth:** At Punjab Chemicals, we believe the biggest asset in our business (brand) is not reflected in our Balance Sheet. Over the years, we have built our brand through patient investments in technology, digitalisation, environmental responsibility, new product introductions and world-class quality. The one word that encapsulates all that we are and all that we do is 'trust'.

**Digitalisation:** At Punjab Chemicals, we are investing in a bigger way in automation and digitalisation with the objective to enhance primary customer delight, manufacturing effectiveness, communication clarity, systemic integrity and cost management.

**Long-term competitiveness:** At Punjab Chemicals, we have invested in our business around

long-term commitment cascading to allocations towards the highest standards of assets, technologies, brands, people, locations, products and trade partners.

**Controlled growth:** At Punjab Chemicals, we invested debt and accruals in our business to capitalise on fleeting market realities, but going ahead, much of our growth will be derived from the prudent use of accruals without stretching our Balance Sheet.

**Data-driven:** At Punjab Chemicals, we are an increasingly analytics-driven organisation based around informed decision-making. The management shares data with executives and distribution partners, helping mature the organisation around modern standards of competitiveness.

### As of March 31, 2024, the Board comprised nine Directors

One Executive Director  
Five Non Executive Independent Directors (including two women Directors)  
Three Non Executive Non Independent Directors

### Board Committees

Audit Committee  
Stakeholder's Relationship Committee  
Nomination and Remuneration Committee  
Risk Management Committee  
CSR Committee

### Our policies

Whistle Blower Policy  
Prevention of Sexual Harassment (POSH)  
Grievance Handling  
Policy on Cyber Security and Risk related to Data Privacy  
Anti-Bribery and Anti-Corruption Policy

### Code of Conduct

Code of Conduct for ethics for Board members and Senior Management  
Code of Conduct to regulate, monitor and report trading by Insiders (Insider Trading Code)

## Leadership team: Board of Directors



**Mr. Mukesh D. Patel**

Chairman & Independent Director



**Mr. Shalil Shroff**

Managing Director



**Mr. Vijay Rai**

Independent Director



**Ms. Tara Subramaniam**

Independent Director



**Ms. Aruna Bhinge**

Independent Director



**Mr. Sheo Prasad Singh**

Independent Director



**Captain Surjit Singh Chopra (Retired)**

Non-Executive  
Non-Independent Director



**Mr. Avtar Singh**

Non-Executive  
Non-Independent Director



**Mr. Shivshankar Shripal Tiwari**

Non-Executive  
Non-Independent Director

\*The status is as on March 31, 2024

# Quality, Environment, Health and Safety framework



Punjab Chemicals prioritises Quality, Environment, Health, and Safety (QEHS) standards. We are committed to delivering high-quality products and services by following strictly QEHS guidelines throughout our operations. The Company's focus is on environmental sustainability and the well-being of its employees and stakeholders, ensuring a safe and responsible approach to business. The Company comprises strong EHS systems, processes, inspection and training to enhance awareness and ensure practices.

## QUALITY

We are a systems-driven organisation supported by precisely crafted Quality Management Systems. These systems seamlessly align with the wide range of products and manufacturing processes at our sites, encompassing

comprehensive analyses, including effluent water treatment.

Our manufacturing sites and research facilities exhibit state-of-the-art and fully compliant quality control laboratories; these labs are updated to match the latest requirements. Our

qualified and trained team manages these laboratories and ensures an accuracy and precision in all quality-related operations, validating our pursuit of uncompromising quality standards.

## ENVIRONMENT

We prioritise environmental protection at all of our manufacturing facilities. As a part of our eco-conscious initiatives, more than 1000 plants were grown during the last financial year, fostering a culture of sustainability. By maintaining a large green belt within our plants, we try to keep the environment pollution-free. We upgraded our effluent treatment plant at Derabassi and this facility

is being upgraded to more efficient system with the latest technology. Both our Derabassi and Lalru units (Punjab) are member of new common effluent treatment plant and a member of Common treatment and disposal facility for solid waste. The Company also possesses zero liquid discharge (ZLD) facilities. Waste reduction is taken aggressively with a focus on enhanced efficiencies

& recovery. Emphasising water conservation, our facility contains an innovative effluent treatment plant and water treatment plant that actively recycle water, minimising wastage and promoting ecological responsibility. The Company remains steadfast in its dedication to preserve the environment and uphold sustainable practices at all our manufacturing sites.

## HEALTH

At Punjab Chemicals, we are committed to send our employees home with complete safety each day and cultivating a nurturing work environment. We take the utmost care of our employees' well-being by providing well-equipped occupational health centers at our manufacturing plants, offering round-the-clock services. These advanced facilities include beds, essential

first aid supplies, medicines, and ambulance van to attend to any emergency medical requirements, all under the supervision of medical practitioners. We sustained tie-up with an ESI hospital within 2 Kms of the Company's manufacturing units and three visiting doctors (two visiting daily). To ensure the continued health and safety of our associates, regular medical checks and

occupational health assessments were conducted diligently, aimed at the early identification and prevention of potential health risks. We conducted health education camps / sessions addressing diseases like cardio, blood pressure and hyper-tension; we organised yoga and enhanced food habit awareness.

## SAFETY

Punjab Chemicals prioritises safety with comprehensive infrastructure present at all critical points, equipped with state-of-the-art fire detection and prevention equipment. Our dedicated safety facilities are meticulously designed to ensure the utmost protection for our personnel and assets.

To maintain a high standard of safety, we conduct regular training sessions, simulations, periodic inspections, and audits. Our participative management approach fosters the institutionalisation of safety practices, making it an integral part of our organisational culture.

As part of our commitment to safety awareness, we organise annual Safety Week celebrations, engaging our

workforce in informative campaigns, events and quizzes. Every day a safety thought is shared by the safety team with all employees through email; safety slogans are displayed at different locations within the units. We undertook programs on process safety management (including mandatory process safety information, interpretation and validation of process controls) and conducted hazards and operability studies, hazards identification and risk assessment across processes in addition to audits, training, mock drills, mechanical cum reaction integrity (differential scanning calorimetry or accelerating rate calorimetry) and documented near-miss, incident and accident reporting system with corrective and preventive actions.

We have implemented a standard operating protocol to address safety violations, monitored in general meetings, processes representative meetings and safety committee meetings with warnings and other action modes. We followed a safety training calendar around eight hours of training each month per employee with bi-annual mock drills. Our focus is on process safety management principles.

These initiatives play a crucial role in enhancing safety consciousness and reinforce our dedication to a secure working environment. We remain steadfast in our pursuit of excellence in safety practices, safeguarding the well-being of all associates and visitors.

# Corporate Social Responsibility



Punjab Chemicals works on the philosophy of 'Let us grow together'.

We showcase a strong commitment to provide quality education, promote health care, community betterment and environmental sustainability.

We collaborate with the people of nearby areas to address their needs and dedicate ourselves to various community welfare initiatives by extending support to schools and students, offering medical aid to those in need, organising preventive

medical checkup camps, eye checkup camps, blood donation camps, special camps for women and providing infrastructure / equipment to civil hospital.

We recognise the significance of infrastructure development and engage in projects that uplift the community's well-being.

To ensure the relevance and effectiveness of our efforts, we engage in constructive discussions with villagers and the local administration.

This collaborative approach allows us to undertake targeted actions for community development, enabling positive and sustainable transformations within the areas that we serve. We remain deeply invested in the prosperity and welfare of the community, striving to create a meaningful and lasting impact on the lives of those we touch.

During 2023-24, the Company spent ₹1.81 crore towards achieving CSR goals in three areas



# Management discussion and analysis



## GLOBAL ECONOMY

### Overview

The economy world over continued to face challenges in view of geopolitical uncertainties, the aftershock of COVID-19 and the impact of global warming. Global economic growth declined from 3.5% in 2022 to an estimated 3.1% in 2023. A disproportionate share of global growth in 2023-24 came from Asia, despite a weaker-than-expected recovery in China. The economic slowdown was an account of sustained weakness in USA, higher energy costs in Europe, weak global consumer sentiment on account of the Ukraine-Russia war and the Red

Sea crisis, resulting in higher logistics costs.

The growth of advanced economies was expected to slow from 2.6% in 2022 to 1.5% in 2023 and 1.4% in 2024 following policy tightening. Global inflation is expected to decline steadily from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024, due to a tighter monetary policy aided by relatively low international commodity prices. Core inflation decline was expected to be gradual; inflation was not expected to return to target until 2025 in most cases. The focus of the Central Bank was on managing a decline in inflation and carrying out

a calibrated fiscal consolidation to support durable medium-term growth.

### Outlook

Asia is expected to continue to account for a bulk of global growth in 2024-25. Inflation is expected to ease gradually as cost pressures moderate; headline inflation in G20 countries is expected to decline. The global economy demonstrated resilience amid high inflation and monetary tightening. Growth is expected to recover to previous levels over the next two years.



## INDIAN ECONOMY

### Overview

India continued to be a bright spot in global economy and it retained its position as the fifth largest economy with a GDP of about USD 3.7 trillion in nominal terms. The Indian economy was estimated to grow 8.2% in 2023-24 compared to 7.2% in 2022-23.

Nominal GDP witnessed a growth of 9.6% in 2023-24 over the growth rate of 14.2% in 2022-23.

Real GVA grew 7.2% in 2023-24 over 6.7% in 2022-23. This GVA growth was mainly due to a significant growth of 9.9% in the manufacturing sector in 2023-24 over -2.2% in 2022-23 and a growth of 7.1% in 2023-24 over 1.9% in 2022-23 for the mining and quarrying sector.

India's monsoon for 2023 hit a five-year low with August being the driest month in a century. From June to September, the country received only 94% of its long-term average rainfall. Erratic monsoon and was expected to put a pressure on rice and pulse production; food

inflation was expected to remain a challenge. However, an exception was wheat production, expected to touch a record 114 million tons in the 2023-24 crop year on account of a higher coverage. The growth in agriculture and the allied sector declined to 0.8% compared to 4.7% in 2022-23, implying that though the country's economy grew, there was a decline in the production of agriculture and related sectors. Due to an unfavourable monsoon, the agriculture sector was affected.

Inflation is expected to moderate in 2024-25 to 4.5% compared to an estimated 5.5% in 2023-24 and 6.7% recorded in 2022-23. A global crisis, including supply chain disruptions, ongoing geopolitical issues and a potential global economic slowdown could disturb robust economic numbers, creating a challenge for policymakers. Central Bank policies continue to rein in inflation by providing investment incentives, or welfare programs with far-reaching implications on the Indian economy.

India's Nifty 50 index grew 30% in 2023-24 and India's stock market emerged as the world's fourth largest with a market capitalisation of USD 4 trillion. Foreign investment in Indian government bonds jumped in the last three months of 2023. India was ranked 63 among 190 economies in the ease of doing business, according to World Bank ratings. India's unemployment declined to a low of 3.2% in 2023 from 6.1% in 2018.

### Outlook

India withstood global headwinds in 2023 and is likely to remain the world's fastest-growing major economy on the back of a stable industry friendly policy framework, growing demand, moderate inflation, stable interest rates and robust foreign exchange reserves. It is expected to emerge as a USD 4 trillion economy in 2024-25, could surpass Japan to become the world's fourth largest economy and emerge as the world's third largest economy by 2027.

## GLOBAL AGRICULTURAL SECTOR REVIEW

Agriculture contributes 4.3% of the global GDP and employs 26.4% of the world workforce. Enhancing agricultural development stands as one of the most potent strategies to

eradicate extreme poverty, promote widespread prosperity, and provide nourishment for an anticipated population of 10 billion by 2050. Agriculture plays a vital role in driving

economic growth, constituting ~4% of the global gross domestic product (GDP) and comprising over 25% of the GDP in certain least-developed nations.

## INDIAN AGRICULTURAL SECTOR OVERVIEW

Agriculture serves as the primary livelihood for about 61% of India's population and contributes 25% to the national income. It is dominated by food crops, with 75% of the cultivated land allocated to crops like wheat and rice. Food security adds to the importance of this sector.

The Indian agriculture market reached approximately USD 457.26 billion in 2023. It is projected to grow at

a compound annual growth rate (CAGR) of 4.90% between 2024 and 2032, reaching around USD 703.30 billion by 2032. This growth could be driven by factors such as increasing production, investments, and purchasing power.

India ranked second globally in terms of agricultural gross value-added, after China. It contributes 11.9% to the global agriculture gross value-

added and 12% to India's exports. India's food and grocery market were the world's sixth largest, with retail contributing 70% of the sales.

Diverse agro-climatic conditions empower India to produce a wide range of crops, making it the world's second largest producer of cereals and the largest producer of certain vegetables and fruit. Its share in global agricultural exports was 5%.

## CROP PROTECTION CHEMICAL INDUSTRY OVERVIEW

The destiny of the crop protection industry is linked to the agriculture sector. The Indian crop protection industry is diverse, with small / medium players dealing in generic off-patent molecules and large multinational players with high-priced new generation and patented molecules.

India is the fourth largest producer of agrochemicals in the world after USA, Japan and China and the second largest exporter of agrochemicals, marked by major advantages like low manufacturing costs and the

ability to efficiently handle hazardous products and processes, technically trained manpower, seasonal domestic demand, and production capacities for generics to cater to overseas markets. India attracted multinationals due to domestic growth opportunities. There was a steady increase in the acceptance of new generation molecules.

The Indian agrochemicals market is driven by an increasing demand for food production amidst growing population and the necessity to mitigate crop losses due to extreme

weather patterns, pests and diseases, alongside advancements in agricultural technology driving the adoption of new crop solutions.

The Indian agrochemicals industry is projected to clock a robust compound annual growth rate (CAGR) of 9% from 2024-25 to 2027-28, driven largely by government support, expanding production capacities, a flourishing domestic cum export market, and a steady stream of innovative products.

## SPECIALTY CHEMICALS INDUSTRY OVERVIEW

The specialty chemicals market represented 22% of India's overall chemicals and petrochemicals market and was valued at USD 32 billion. In terms of trade, specialty chemicals accounted for a significant portion—more than 50% of all chemical exports.

The emergence of the Indian specialty chemicals market was driven by the country's strong process engineering capabilities, low-cost manufacturing capabilities, and abundant manpower. Government initiatives such as the petroleum, chemicals, and petrochemicals investment region (PCPIR) policy and production-linked

incentive (PLI) schemes strengthened the confidence of manufacturers to invest. Several fundamental factors drove growth within the specialty chemicals industry. A rising need for specialised products in sectors like pharmaceuticals, agrochemicals, and electronics stemmed from evolving consumer preferences and advancements in technology. Innovation in renewables, batteries, AI, and cloud are expected to drive the demand for high performance specialty chemicals. The increased requirement of construction, water treatment, food and feed additives

could sustain the existing product pipeline.

As pollution control regulations become more stringent and labour costs increase in other countries, manufacturers could diversify their production. Due to this, global manufacturers are considering alternative geographies with and India's favorable ecosystem likely to emerge as a viable option, positioning the Indian specialty chemicals market for rapid growth.

(Source: Indian chemical news, grandviewresearch.com)

## SECTORIAL DEMAND DRIVERS

**Availability of new land:** Increased urbanisation has emphasised the need for optimising yields and inputs safeguarding crops.

**Policies implemented by the government:** The Indian government acknowledges agriculture as one of the 12 champion sectors with a substantial potential in the global supply chain, especially in mitigating crop losses. A higher penetration of PMFBY could incentivise farmers

towards crop diversification and a larger market for new products.

**Impact of climate change:** Changing weather patterns can impact insects, diseases, weeds, fungi, and other pests, affecting food availability, quality, and agricultural production. New seeds and advanced crop protection chemicals could gain market share in managing pests and disease.

**Integrated pest management:** A new method of crop protection is an emerging trend shaping market growth. Pest control involves almost 35% of a farmer's crop production cost.

**Increasing use of herbicides:** Investments are being made in the development of new varieties of herbicides that are effective and eco-friendlier. Most modern herbicides are formulated to decompose within a short period of time after application.

A shifting preference of consumers toward fruits and green vegetables, propelled by an increase in awareness regarding health and fitness, catalyzes the use of herbicides in agricultural applications.

**Rising population in India:** The expected global population for 2024 is 8 billion, which is further estimated to grow to 8.6 billion by 2030, creating a shift in consumption patterns. There is a need to not just increase production to ensure that the nutritional needs of the population are met.

**Off-patent molecules:** The expiration of patents for over 100 agrochemical products by 2023, representing a sales value of USD 11 billion, signifies a substantial opportunity for the agrochemical industry.

**China+1:** India is becoming a desirable hub for agrochemical and speciality chemical production. The manufacturing cost differential between China and India has diminished, partly attributed to China's stringent pollution control, leading to increased expense. This

transition in the global supply chain, referred to as 'China plus one,' has encouraged multinational producers to procure larger quantities from cost-effective nations like India.

**Research and development:** Agrochemical and specialty chemical companies are expanding their production value chains by intensifying investments in research and development. They are capitalising on their research expertise to offer contract research and manufacturing services, potentially enhancing their profitability.

**Shifts in consumer preferences:** Growing consumer awareness and demand for organic and sustainably produced food are influencing agricultural practices and the development of agrochemicals that align with these preferences, driving innovation towards environment-friendly solutions.

**Trade policies and tariffs:** International trade policies and tariffs impact the availability and cost of agrochemical inputs and products,

influencing global market dynamics and supply chains.

**Technological advancements:** Rapid advancements in technology, such as precision agriculture, artificial intelligence, and biotechnology, are transforming the agrochemical industry by improving efficiency, efficacy and the sustainability of products and practices.

**Regulatory Changes:** Global regulatory shifts towards sustainability and stricter environmental standards are shaping the development and adoption of agrochemicals, favouring products with a lower environmental impact and promoting sustainable agricultural practices.

**Economic expertise:** The Indian chemicals sector provides an affordable and adaptable manufacturing infrastructure, a proficient workforce, proficiency in research and development, and a robust framework for environmental, health, and safety regulations.

(Source: Hindustan Times, Technavio, Mordor Intelligence, Data Reportal, Orfonline.org, Research report)

## Business outlook

The inventory correction cycle is expected to get over in next few quarters and demand for products could return to normal levels. Competitive raw material pricing, aggressive work on cost efficiency and subdued energy prices could help us to perform well. Herbicides comprise the largest product based in Agrochemicals business and we have a strong presence in this segment. The Company is likely to benefit from the maturation of recent product launches, expanding market share in some products and deepening a relationship with our customers. In addition, the Company intends to introduce more new products for export markets during 2024-25. The

Company continues to maintain a robust order book in exports with regular contract renewals providing revenue visibility and expansion. The Company's increasing investments and activities in the R&D domain will continue to hone its scientific prowess and complex chemistry capabilities to not only increase the loyalty of its existing innovator customers but also attract new innovator customers.

Considering these factors, Punjab Chemicals is poised to gain market share and emerge as one of the India's leading specialty chemicals players with deep partnerships with customers.

An increase in market share and the corresponding growth can take place only when the business is

being responsibly conducted. We strive to improve resource efficiency, reduce waste and pollution, and promote sustainable consumption through ethical marketing practices to ensure 'responsible growth for a better tomorrow'. Our strategic diversification of the product portfolio, customer base and manufacturing base are important milestone. Through these strategic moves, we are poised to address vast opportunities in CRAMS, broaden our presence in the segments we serve and strengthen our position in specialty segments. We remain committed to creating sustainable growth and delivering value to stakeholders while advancing healthcare solutions for the betterment of society.

## COMPANY BUSINESS OVERVIEW

With over 40 years of service, Punjab Chemicals has established itself as a leading agrochemical company in India. Our strong brand recognition and global presence are built on the pillars of trust, integrity, and respect. We secured exclusive manufacturing rights from multinational corporations, developed several products in joint development exercise to meet the evolving needs of customers. From research and development to manufacturing, marketing, and customer engagement, we provide a comprehensive range of services. We consistently delivered value-added solutions to farmers in India and worldwide, creating a niche and leaving a lasting impact on customers. Through a strategic, differentiated, and partnership-based approach, we achieved rapid growth and aim to deliver superior returns to stakeholders.

Punjab Chemicals' research and development (R&D) is directed

towards solving customer problem and providing sustainable solutions. With shifting supply chains due to supply shocks in the recent past, optimism towards Indian industry and enhancement in capability to solve complex problems, respond with fast solutions, engage in safe execution and deliver quality products remained core pillar of our success. Throughout the year, the R&D team worked on several products in various phases of development; the pipeline contained products across agrochemicals, specialty chemicals and intermediate applications. The business development and R&D department continues to review the existing research pipeline based on deep partnerships with customers and intensive market research. This agility ensures that manufacturing is dynamic in an environment where sudden changes are common, making it possible to commercialise and deliver the products. We continue

to build our talent pipeline and R&D resources to expand our capabilities and products addition. We continue to enrich our teams with a continuous exposure to the best minds in industry and interactions with experts.

Among various manufacturing locations, capacity utilisation for the Derabassi unit continued to be healthy. Despite challenging market conditions, we were able to sustain our market share and moving towards gaining market shares for key product portfolio. Efforts to improve Lalru unit utilisation progressed well, with customers approving products and new products being added. We expect Lalru unit utilisation to reach healthy levels over the next few quarters. The industrial chemicals division continues to deliver a strong performance. We continue to invest in asset renewal, technology upgradation, automation and other initiatives for safe, efficient and faster deliveries of products.

## SWOT ANALYSIS

Punjab Chemicals is among the most reliable agro and specialty chemicals manufacturing companies. With the objective to emerge among the fastest growing in its niche, enhancing value in a consistent way – A quality driven organisation.

### Strengths

- Low cost operator having developed a cost competitive process over the last decade, maximising its export potential.
- Availability of technically trained manpower and surplus production capacity to address incremental demand
- Long-term multi-product associations with multinational companies and domestic clients
- New technologies and integrated supply chain with a focus on R&D.

### Weaknesses

- Dependence on imported raw materials, presenting challenges such as price fluctuations and supply chain disruptions.
- The entire agrochemical sector faced challenges such as chemical resistance, limited adoption of new technologies, compliance

with quality standards, and environmental concerns.

- The existence of numerous small players has added to sectorial fragmentation, which could lead to price conflicts and compromise the quality of products.

### Opportunities

- Global manufacturers are looking to reduce their high dependence on China. The Company is poised to benefit from a shift in the supply chain, partnering with more multinational companies and domestic players.
- Favourable government's policies, which emphasise enhancing agricultural productivity and crop diversification could be beneficial.
- Varied agro-climatic zones across India contribute to the cultivation of a broad range of crops, increasing the demand for agrochemicals.
- Increased exports to global markets, prioritising quality and environment friendly products, could assist Indian companies in expanding their reach.
- Rising interest in organic farming and biopesticides offers Indian

agrochemical firms an opportunity to develop novel products.

- New product introduction, especially with the market opening up due to a large number of products going off patent, opens up the market for intermediate and end products.

### Threats

- Excess capacity and technical competence in China could continue creating pricing pressures.
- Multinational companies with well-known brands and a significant market presence represent a competitive threat to Indian agrochemical firms.
- The changing regulatory environment concerning registration and compliance represents a challenge for Indian companies operating in the agricultural sector.
- Increasing environmental concerns and heightened public awareness about the potential risks of agrochemicals could lead to stricter regulations and a reduced demand for chemical-based products.

## COMPANY BUSINESS OVERVIEW

### Analysis of the profit and loss statement

**Revenues:** Revenues from operations reported a 7.15% degrowth from ₹1,006 crore in 2022-23 and reached ₹934 crore in 2023-24.

**Expenses:** Total expenses decreased by 6.17% from ₹921 crore in 2022-23 to ₹864 crore in 2023-24. Raw material costs, accounting for a 59% share of the Company's revenue from operations, decreased by 15.61% from ₹655 crore in 2022-23 to ₹553 crore in 2023-24. Employee expenses, accounting for a 9.40% share of the Company's revenues from operations, increased by 5.45% from ₹83 crore in 2022-23 to ₹88 crore in 2023-24.

### Analysis of the Balance Sheet

**Sources of funds:** The capital employed by the Company increased 21.64% to ₹455 crore as on March 31, 2024 from ₹374 crore as of March 31, 2023. Return on Capital employed declined by 27.78% from 28.59% to 20.65% in 2023-24. The net worth of the Company increased by 17.44% from ₹281 crore as of March 31, 2023 to ₹330 crore as on March 31, 2024 owing plough back of profits. The Company's equity share capital comprised 1,22,62,185 equity shares of ₹10 each.

Long-term debt of the Company decreased by 15% to ₹52.56 crore as of March 31, 2024. The long-term debt-equity ratio of the Company stood at 0.16 in 2023-24 compared to 0.22 in 2022-23 owing to new borrowings during the year.

Finance costs of the Company increased by 15.59% from ₹18 crore in 2022-23 to ₹21 crore in 2023-24 is due to increase in borrowings and rate of interest globally. The Company's gross debt (including working capital) / equity ratio was a comfortable 0.37 at the close of 2023-24, 0.32 at the close of 2022-23).

**Applications of funds:** Fixed assets (net block) of the Company increased by 6.33% from ₹217 crore as of March 31, 2023 to ₹230 crore as on March 31, 2024.

Depreciation on assets increased by 16.57% from ₹19 crore in 2022-23 to ₹22 crore in 2023-24 due to increase in assets due to acquisition of assets.

Non-current investments of the Company increased from ₹1.37 crore as on March 31, 2023 to ₹1.44 crore as on March 31, 2024 owing to reinstatement of investments.

Working capital management: Current assets of the Company increased by

4.14% from ₹362 crore as on March 31, 2023 to ₹377 crore as on March 31, 2024 owing to increase in the debtors due to change in the business model. The current ratios of the Company stood at 1.59 at the close of 2023-24 compared to 1.48 at the close of 2022-23.

Inventories including raw materials, work-in-progress and finished goods among others decreased by 21% from ₹168 crore as on March 31, 2023 to ₹133 crore as on March 31, 2024. The inventory turnover ratio reduced from 6.25 in 2022-23 to 6.21 in 2023-24.

Despite marginal growth in revenues, trade receivables increased by 37.79% from ₹143 crore as on March 31, 2023 to ₹197 crore as on March 31, 2024. Trade receivable turnover ratio stood at 5.48 as on March 31, 2024 as compared to 7.89 as on March 31, 2023.

**Margins:** Lower cost absorption due to flat revenues impacted the margins during the year under review. The EBITDA margin of the Company reduced by 9 bps from 12.51% in 2022-23 to 12.42% while the net profit margin of the Company reduced by 33 bps.

### Key ratios

Ratio analysis (Consolidated)	2023-24	2022-23	Reason for variance above 25% year on year
Current ratio	1.59	1.48	No major variation
Debt equity ratio	0.37	0.32	No major variation
Debt service coverage ratio	3.06	3.77	No major variation
Return on equity/Return on investment	17.55	24.14	The ratio has mainly decreased due to decrease in profit
Inventory turnover	6.21	6.25	No major variation
Trade receivables turnover ratio	5.48	7.89	No major variation
Trade payables turnover ratio	5.39	5.97	No major variation
Net capital turnover ratio	6.64	8.58	No major variation
Net profit ratio (%)	5.74	6.07	No major variation
Return on capital employed	20.65	28.59	Due to decrease in profit and increase in trade receivable
Interest coverage ratio	4.51	5.93	No major variation
Operating profit margin	10.02	10.59	No major variation
Return on net worth	16.23	21.77	No major variation

## HUMAN RESOURCES

PCCPL remains steadfast in acknowledging the pivotal role played by its human resources in driving growth. It is committed to empowering employees in their continual pursuit of knowledge and skill enhancement.

The Company continues to build its technical and managerial capabilities with the addition of the professionals across various functions during the year. Internal training and development mechanisms were further strengthened and employees are being trained to cater to growing future needs and market challenges.

Trainings was conducted for technical and soft skills.

PCCPL seeks to be a leader in innovation and new products introduction. Extensive training on safety, process safety management and external audits are being conducted to ensure people's awareness and alignment with best practices. The Company is dedicated to nurturing employee capabilities, fostering innovation, and advancing organisational objectives by leveraging talent acquisition, learning and development, performance

management, and effective succession planning.

Emphasis is placed on strengthening HR policies and processes, cultivating a robust value system, and nurturing behavioral skills aligned with the Company's present and future goals. PCCPL's primary focus is to ensure a workplace characterised by fairness, transparent compensation, flexible work arrangements, and an environment that prioritises the health, safety, and overall well-being of its employees.

## INTERNAL CONTROLS AND ADEQUACY

The Company upholds strong internal control systems governing its business processes, ensuring operational efficiency, precise financial reporting, and rigorous compliance with applicable laws and regulations. The Audit Committee oversees these

systems, examining internal audit reports.

This committee not only evaluates suggestions for improvement but also actively oversees the implementation of corrective actions. Furthermore,

it collaborates with the Company's statutory auditors to assess the efficiency of the internal control framework. Regular reports on its discoveries are presented to the board of directors, promoting transparency and informed decision-making.

## CAUTIONARY STATEMENT

The Management Discussion & Analysis (MD&A) section contains statements regarding the Company's objectives, expectations, and forecasts that might be forward-looking as per relevant securities laws and

regulations. It's important to note that actual results could vary from these statements due to economic conditions, climatic influences, government policies, and other unforeseen factors. While the MDA

includes all mandatory information, any missing details in this section are provided elsewhere in the Annual Report.

# PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

CIN: L24231PB1975PLC047063

Registered Office: Milestone 18, Ambala Kalka Road, Village & PO Bhankharpur, Derabassi

Dist. SAS Nagar, Mohali (Punjab)- 140201

Telephone Nos.: 01762- 280086, 522250, Fax Nos.: 01762-280070

E-mail: info@punjabchemicals.com, website: www.punjabchemicals.com

## NOTICE

**NOTICE** is hereby given that the 48<sup>th</sup> Annual General Meeting of the Members of Punjab Chemicals and Crop Protection Limited will be held on Friday, the August 2, 2024 at 10:00 a.m. (IST) through Video Conferencing /Other Audio-Visual Means ("VC/OAVM") facility, to transact the following business:

### ORDINARY BUSINESS

To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions**:

**1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2024 and the Reports of the Board of Directors ("the Board") and Auditors' thereon.**

"RESOLVED THAT the Audited Financial Statements (Standalone and Consolidated) of the Company, Reports of the Board of Directors and the Auditors' thereon for the financial year ended on March 31, 2024 along with Annexures as laid before this Annual General Meeting be and are hereby received, considered, approved and adopted."

**2. To declare a dividend on Equity Shares of the Company for the financial year ended March 31, 2024.**

"RESOLVED THAT a dividend of ₹3/- (Three rupees) per equity share (30%) recommended by the Board of Directors be and is hereby declared on the equity shares of ₹10/- (Ten rupees) each fully paid-up of the Company for the year ended March 31, 2024 and be paid, subject to deduction of tax at source and, in accordance with the provisions of Section 123 and the other applicable provisions, if any of the Companies Act, 2013."

**3. To appoint a Director in place of Mr. Shivshankar Shripal Tiwari (DIN: 00019058) who retires by rotation and being eligible, offers himself for re-appointment.**

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies

Act, 2013, Mr. Shivshankar Shripal Tiwari (DIN: 00019058), a Director of the Company who retires by rotation at this Meeting, being eligible for re-appointment be and is hereby re-appointed as a Director of the Company."

**4. Re-designation of Mr. Mukesh Dahyabhai Patel (DIN: 00009605) as Non-Executive Non-Independent Director of the Company.**

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirement), 2015 (including any statutory modification(s) or enactment thereof for the time being in force) and upon recommendation of the Nomination and Remuneration Committee and the approval of Board of Directors of the Company, the consent of members be and is hereby accorded for change in designation of Mr. Mukesh Dahyabhai Patel (DIN: 00009605), from Non-Executive Independent Director to Non-Executive Non-Independent Director of the Company, liable to retire by rotation with effect from August 2, 2024.

**RESOLVED FURTHER THAT** Mr. Mukesh Dahyabhai Patel (DIN: 00009605) shall be entitled to receive sitting fees for attending meetings of Board or Committees thereof as well as commission within the overall limits prescribed under the Act, as approved by the Board from time to time".

**5. Re-designation of Mr. Vijay Dilbagh Rai, (DIN: 00075837) as Non-Executive Non-Independent Director of the Company.**

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions, if any, of SEBI (Listing Obligations and Disclosure Requirement), 2015 (including any statutory modification(s) or enactment thereof for the time being in force) and upon recommendation of the Nomination and Remuneration Committee and the approval of Board of Directors of

the Company, the consent of members be and is hereby accorded for change in designation of Mr. Vijay Dilbagh Rai (DIN: 00075837), from Non-Executive Independent Director to Non-Executive Non-Independent Director of the Company, liable to retire by rotation with effect from August 2, 2024.

**RESOLVED FURTHER THAT** Mr. Vijay Dilbagh Rai (DIN: 00075837) shall be entitled to receive sitting fees for attending meetings of Board or Committees thereof as well as commission within the overall limits prescribed under the Act, as approved by the Board from time to time".

### SPECIAL BUSINESS

**6. Continuation of Directorship of Mr. Mukesh Dahyabhai Patel (DIN: 00009605) as Non-Executive Non-Independent Director of the Company beyond the age of 75 years.**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, consent of the members be and is hereby accorded to the continuation of Mr. Mukesh Dahyabhai Patel (DIN: 00009605), as Non-Executive Non-Independent Director of the Company beyond the age of 75 years upto expiring of his term as director liable to retire by rotation."

**7. Continuation of Directorship of Mr. Vijay Dilbagh Rai (DIN: 00075837) as Non-Executive Non-Independent Director of the Company beyond the age of 75 years.**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, consent of the members be and is hereby accorded to the continuation of Mr. Vijay Dilbagh Rai (DIN: 00075837), as Non-Executive Non-Independent Director of the Company beyond the age of 75 years upto expiring of his term as director liable to retire by rotation."

**8. Ratification of the remuneration payable to the Cost Auditors of the Company for the financial year ending March 31, 2025.**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and upon recommendation of the Audit Committee and as proposed by the Board of Directors, consent of the Members be and is hereby accorded for the payment of remuneration of ₹1,95,000/- (Rupees One Lakh Ninety Five Thousand Only) plus applicable taxes thereon and reimbursement of out of pocket expenses at actuals to be paid to M/s Khushwinder Kumar & Co., Cost Accountant, Jalandhar, (Firm Registration No.100123) who has been appointed by the Board as the Cost Auditors of the Company for the financial year 2024-25."

### Notes:

- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ["the Act"], setting out material facts concerning the business under Item No. 4 to 8 of the Notice, is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"] and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ["ICSI"] in respect of the Director seeking appointment/re-appointment at this Annual General Meeting ["AGM"] is also annexed.
- The Ministry of Corporate Affairs, Government of India ["MCA"] has vide its circular No. 9/2023 dated September 25, 2023, read with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021 and December 28, 2022 [collectively referred to as "MCA Circulars"] allowing, inter-alia, conducting of AGMs through Video Conferencing/Other Audio-Visual Means ["VC/OAVM"] facility on or before September 30, 2024, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular dated May 5, 2020. The Securities and Exchange Board of India ["SEBI"] also vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 ["SEBI Circular"] has provided certain relaxations from compliance with certain provisions of the Listing Regulations.

Hence, in compliance with these Circulars, provisions of the Act and Listing Regulations, the 48<sup>th</sup> AGM of the Punjab Chemicals and Crop Protection Limited ["Company"] is being conducted through VC/OAVM

facility on Friday, the August 2, 2024 at 10:00 a.m. (IST), without the physical presence of Members at a common venue. **The deemed venue for the 48<sup>th</sup> AGM shall be the Registered Office of the Company at Milestone 18, Ambala Kalka Road, Bhankharpur, Derabassi, Distt. SAS Nagar, Mohali (Punjab) -140201.**

**3. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD THROUGH VC / OAVM, PHYSICAL ATTENDANCE OF THE MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE AGM AND HENCE THE ATTENDANCE SLIP AND PROXY FORM ARE NOT ANNEXED TO THIS NOTICE. THE ROUTE MAP IS ALSO NOT REQUIRED TO BE ANNEXED TO THE NOTICE.**

4. The facility for joining AGM through VC/OVAM will be available for up to 1,000 Members who may join on a first come first serve basis. However, the above restriction shall not be applicable to the members holding more than 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel(s), the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizers etc. Members can login and join 15 (fifteen) minutes prior to the scheduled time of meeting and the window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time.
5. The Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Institutional Investors / Corporate Shareholders (i.e. other than Individual / HUF / NRI etc.) can appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC / OAVM or to vote through remote e-Voting. They are requested to send a certified copy of the Board Resolution of authorisation to the Scrutinizer by e-mail at [cspdsua@gmail.com](mailto:cspdsua@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
7. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote during the AGM.
8. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of

Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act will be available for inspection by the Members in electronic mode during the AGM. Members who wish to inspect, may send their request through an email at [investorhelp@punjabchemicals.com](mailto:investorhelp@punjabchemicals.com) up to the date of AGM.

9. In line with the MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. The Notice convening the 48<sup>th</sup> AGM has been uploaded on the website of the Company at [www.punjabchemicals.com](http://www.punjabchemicals.com) and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited ["BSE"] and National Stock Exchange of India Limited ["NSE"] at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also available on the website of Central Depository Services (India) Limited at [www.evotingindia.com](http://www.evotingindia.com).

#### 10. Book Closure and Dividend

- i) The Register of Members and the Share Transfer Books of the Company will be closed **from Friday, the July 26, 2024 to Friday, the August 2, 2024 (Both days inclusive)**. The dividend of ₹3/- (Rupees Three Only) per equity share of ₹10/- (Rupees Ten Only) each i.e. 30%, if approved by the Members at the AGM, will be paid subject to deduction of income-tax at source ('TDS'), wherever applicable, within the time limit prescribed under Companies Act, 2013 and SEBI Listing Regulations as under:
  - a. To all the Beneficial Owners as at the end of the day on Thursday, the July 25, 2024 as per the list of beneficial owners to be furnished by the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") in respect of the shares held in electronic form; and
  - b. To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company/ Registrar and Share Transfer Agent on or before the close of business hours on Thursday, the July 25, 2024.
- ii) Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with

TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company by sending documents through e-mail by Monday, the July 15, 2024.

A communication providing information and detailed instructions with respect to tax on the dividend for the financial year ended March 31, 2024 is being sent separately to the Members whose email addresses are registered with the Company/DPs.

- iii) Further, in order to receive the dividend in a timely manner, Members holding shares in physical form and not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to mail the following documents to Company's Registrars and Transfer Agents: Alankit Assignments Limited, so that it reaches to them latest by Monday, the July 15, 2024:
  - a. signed request letter mentioning their name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
    - Name and Branch of Bank and Bank Account type;
    - Bank Account Number & Type allotted by the Bank after implementation of Core Banking Solutions;
    - 11 digit IFSC Code.
  - b. copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
  - c. self-attested copy of the PAN Card; and
  - d. self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such

- Members for change/ addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective Depository Participants (DPs).

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

iv) Dividend warrants / demand drafts will be dispatched to the registered address of the Members who have not updated their bank account details.

v) Members are requested to note that, dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The Members/ Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. For details of unclaimed dividend and for shares transferred to IEPF, please refer to Company's website viz. [www.punjabchemicals.com](http://www.punjabchemicals.com). The Company has transferred 1,09,179 Ordinary Shares of the face value of ₹10/- per share to the demat account of the IEPF Authority during the financial year 2017-18. The details of such shares transferred to IEPF has been uploaded on the website of the Company at [www.punjabchemicals.com](http://www.punjabchemicals.com). No claim shall lie against the Company in respect of the dividend/ shares so transferred. During the financial year 2023-24, no equity shares or dividend amount was required to be transferred to IEPF.

Members for change/ addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective Depository Participants (DPs).

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

- iv) Dividend warrants / demand drafts will be dispatched to the registered address of the Members who have not updated their bank account details.

v) Members are requested to note that, dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The Members/ Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. For details of unclaimed dividend and for shares transferred to IEPF, please refer to Company's website viz. [www.punjabchemicals.com](http://www.punjabchemicals.com). The Company has transferred 1,09,179 Ordinary Shares of the face value of ₹10/- per share to the demat account of the IEPF Authority during the financial year 2017-18. The details of such shares transferred to IEPF has been uploaded on the website of the Company at [www.punjabchemicals.com](http://www.punjabchemicals.com). No claim shall lie against the Company in respect of the dividend/ shares so transferred. During the financial year 2023-24, no equity shares or dividend amount was required to be transferred to IEPF.

**Members who have not yet encashed their dividend warrant(s) for the financial year 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 are requested to claim the same without any delay.**

11. Pursuant to Regulation 39(4) read with Schedule V and Schedule VI of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the Unclaimed Suspense Account:

Sr. No.	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year as on April 1, 2023	228	10634
(ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	5	304
(iii)	Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year.	5	304
(iv)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year as on March 31, 2024	223	10330

The voting rights on shares lying in the Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares establishes his/her title of ownership to claim the shares.

12. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz. Issue of duplicate securities certificate; renewal/exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Further SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/65 dated May 18, 2022 has simplified the procedure and standardized the format of documents for transmission of securities. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4 & ISR-5, as the case may be. The said forms can be downloaded from the Company's website at <https://www.punjabchemicals.com/dividend-shareholders-information/>.
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code etc. to their DPs in case the shares are held in electronic form and to M/s Alankit Assignments Ltd. in case the shares are held in physical form, quoting their folio no.
14. SEBI, vide its circular dated November 3, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any dividend payment in respect of such folios, only through electronic mode with effect from April 1, 2024, only upon furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.
- Further, relevant FAQs published by SEBI on its website can be viewed at the following link: [https://www.sebi.gov.in/sebi\\_data/faqfiles/jan-2024/1704433843359.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf). Members holding shares of the Company in physical form are requested to go through the requirements hosted on the website of the Company at [www.punjabchemicals.com](http://www.punjabchemicals.com) and furnish the requisite details.
15. SEBI vide Circular no. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023 (updated as on August 4, 2023) has specified that a shareholder shall first take up his/her/their grievance with the listed entity/RTA by lodging a complaint directly with the concerned listed entity and if the grievance is not redressed satisfactorily, the shareholder may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal at <https://scores.sebi.gov.in> in accordance with the process laid out therein. Only after exhausting all available options for resolution of the grievance, if the shareholder is not satisfied with the outcome, he/she/they can initiate dispute resolution through the Online Dispute Resolution ("ODR") Portal at <https://smartodr.in/login>. Shareholders are requested to take note of the same.
- The aforesaid SEBI Circular can be viewed on the following link: Investor services <https://www.punjabchemicals.com/investor-relations/>.
16. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. For relevant forms, please visit the Company's

website at <https://www.punjabchemicals.com/investor-relations/>.

17. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or M/s Alankit Assignments Ltd. the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
18. (i) Members who wish to inspect the relevant documents referred to in the Notice can send an email to [investorhelp@punjabchemicals.com](mailto:investorhelp@punjabchemicals.com) by mentioning their DP ID & Client ID/ Physical Folio Number.
- (ii) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Wednesday, the July 24, 2024 through email on [investorhelp@punjabchemicals.com](mailto:investorhelp@punjabchemicals.com). The same will be replied by the Company suitably.
19. To support the 'Green Initiative', the Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with M/s Alankit Assignments Ltd. in case the shares are held by them in physical form.

## 20. Remote e-Voting before / during the AGM

- I. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, Secretarial Standard-2 on General Meeting issued by ICSI and Regulation 44 of Listing Regulations (as amended) and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an arrangement with CDSL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by CDSL.
- II. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Friday, July 26, 2024 may cast their vote by remote e-Voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company

after the dispatch of the Notice and holding shares as on the cut-off date i.e. Friday, July 26, 2024, may obtain the User ID and Password by sending a request at [investorhelp@punjabchemicals.com](mailto:investorhelp@punjabchemicals.com).

- III. **The remote e-Voting period commences on Sunday, July 28, 2024 at 09:00 A.M. (IST) and ends on Thursday, August 1, 2024 at 05:00 P.M. (IST).** The remote e-Voting module shall be disabled by CDSL for voting thereafter. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. **Friday, July 26, 2024.**
- IV. Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who could not cast their vote by remote e-Voting, will be eligible to exercise their right to vote at the end of discussion on the resolutions on which voting is to be held, upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will be eligible to participate at the AGM through VC/ OAVM but shall not be entitled to cast their vote on such resolution(s) again. The e-Voting module on the day of the AGM shall be disabled by CDSL for voting for 15 minutes after the conclusion of the Meeting.
- V. Pursuant to SEBI Circular No. SEBI/HO/FD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of the Listing Regulations, listed companies are required to provide remote e-voting facility to its members in respect of all members' resolutions. However, it has been observed that the participation by the public non-institutional members / retail members is at a negligible level. Currently there are multiple e-voting service providers ("ESPs") providing e-voting facility to listed companies in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the members. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication, but also enhancing ease and convenience of participating in e-voting process.

VI. In view of the aforesaid SEBI Circular dated December 9, 2020, individual members holding shares in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility.

Pursuant to the aforesaid SEBI Circular dated December 9, 2020, login method for e-Voting and joining virtual meetings for individual members holding shares in demat mode is given below:

Type of members	Login methods
<b>Individual member holding shares in demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach the e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are requested to visit cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select Myeasi New (Token).</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the company. On clicking the e-Voting option, the user will be able to see the e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/ KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi tab and then click on Registration option.</li> <li>Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email ID as recorded in the Demat Account. After successful authentication, users will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<b>Individual member holding shares in demat mode with NSDL</b>	<ol style="list-style-type: none"> <li>If you are already registered for the NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see the e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, the option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a personal computer or on a mobile. Once the home page of the e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL site wherein you can see the e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Type of members	Login methods
<b>Individual member (holding shares in demat mode) login through their Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting options. Once you click on the e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see the e-voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at above mentioned websites.

**Helpdesk for individual members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual members holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free number 1800 22 55 33.
Individual members holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdlco.in">evoting@nsdlco.in</a> or call at toll free number: 022-4886 7000 and 022 – 2499 7000.

**Login method for e-voting and joining virtual meeting for physical members and members other than individual holding shares in demat form:**

- The members should log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com).
- Click on "Shareholders" module.
- Now Enter your User ID:
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-Voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both members holding shares in demat mode and members holding shares in physical mode).  Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by the Company / RTA or contact Company/ RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank details or Date of Birth (DOB) (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other company in which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

9. For members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
10. Click on the EVSN for PUNJAB CHEMICALS AND CROP PROTECTION LIMITED i.e 240627003 on which you choose to vote.
11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
12. Click on the "RESOLUTION FILE LINK" if you wish to view the Resolution details.
13. After selecting the resolution you have decided to vote click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the vote cast by clicking on "Click here to print" option on the voting page.
16. If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
17. There is also an optional provision to upload Board Resolution / Power of Attorney if any uploaded, which will be made available to Scrutinizer for verification.

#### 18. Note for Non-Individual Members and Custodians – For Remote e-voting

- Non-Individual members (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or on scrutinizer email ID i.e. [cpsdua@gmail.com](mailto:cpsdua@gmail.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance Users would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- A scanned copy of the Board Resolution and Power of Attorney ("POA") which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non-Individual members are required to send the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorised signatories who are authorised to vote, to the scrutinizer and to the Company, email address i.e. [cpsdua@gmail.com](mailto:cpsdua@gmail.com) and [info@punjabchemicals.com](mailto:info@punjabchemicals.com) if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting system, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free number 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, CDSL, A, Wing, 34<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free number 1800 22 55 33.

#### Instructions for members attending the AGM through VC / OAVM and e-Voting during AGM are as under:

- i. The procedure for attending the AGM and e-Voting on the day of AGM is the same as the instructions mentioned above for remote e-Voting.
- ii. The link for VC / OAVM to attend AGM will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for remote e-Voting.
- iii. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

- iv. Members are encouraged to join the AGM through Laptops / IPads for better experience.
- v. Further, members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
- vi. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- vii. Members who would like to express their views/ ask questions as a speaker at the Meeting may pre-register themselves as a Speaker by sending a request from their registered email address mentioning their name, DP ID and Client ID/Folio number, PAN and mobile number at [investorhelp@punjabchemicals.com](mailto:investorhelp@punjabchemicals.com) by or before **Friday, July 26, 2024**. Thereafter no request will be entertained. Only those Members who have pre-registered themselves as a Speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of Speakers depending on the availability of time for the AGM.
- viii. The members who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to the date of the AGM mentioning their name, demat account number / folio number, email ID, mobile number at the Company's email ID. These queries will be replied by the Company suitably by email.
- ix. Only those members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- x. If any votes are cast by the members through the e-Voting available during the AGM and if the same members have not participated in the AGM through

VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the AGM is available only to the members attending the AGM.

#### 19. Other instructions

- I. Mr. P.S. Dua, Practicing Company Secretary, (Membership No. 4552, COP No. 3934), have been appointed as the Scrutinizer by the Board to scrutinize remote e-Voting process before the AGM as well as remote e-Voting during the AGM in a fair and transparent manner.
- II. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Members who are present during the AGM through VC/ OAVM but have not cast their votes by availing the remote e-Voting facility.
- III. The Scrutinizer will submit his report to the Chairman or to any other person authorised by the Chairman after completion of scrutiny of the votes cast through remote e-Voting before/during the AGM, within the time stipulated under the applicable laws. The results declared along with the Scrutinizer's report shall be communicated to the Stock Exchanges on which the Company's shares are listed and will also be displayed on the Company's website at [www.punjabchemicals.com](http://www.punjabchemicals.com); CDSL website at [www.evotingindia.com](http://www.evotingindia.com) and Notice Board at the Registered Office of the Company.

Subject to the receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM i.e. Friday, the August 2, 2024.

#### By order of the Board of Directors

Date: May 6, 2024  
**Registered Office:**  
 Milestone 18, Ambala Kalka Road  
 Village & P.O Bhankharpur  
 Derabassi, Dist. SAS Nagar  
 Mohali (Punjab) - 140201  
 CIN: L24231PB1975PLC047063

**Rishu Chatley**  
 Company Secretary



## Explanatory Statement In Respect of the Businesses Pursuant to Section 102 of the Companies Act, 2013

The following statement sets out all material facts relating to the businesses mentioned in the accompanying Notice:

### Item No. 4

The members of the Company in the 43<sup>rd</sup> Annual General Meeting held on August 13, 2019 have re-appointed Mr. Mukesh Dahyabhai Patel (DIN: 00009605) as an Independent Director of the Company for second term of five (5) years up to the conclusion of 48<sup>th</sup> Annual General Meeting. Therefore, his second term of five year is expiring at the ensuing Annual General Meeting.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, a person cannot continue as an Independent Director in a company for more than two consecutive terms of five years and can be eligible to be re-appointed as an Independent Director in the company only after the expiry of the cooling period of three years. Hence, in this scenario Mr. Mukesh Dahyabhai Patel (DIN: 00009605) is not eligible for continue as an Independent Director in the Company.

In the opinion of the Board, the services of Mr. Mukesh Dahyabhai Patel (DIN: 00009605) as an Independent Director is highly commendable and his continued association would be of immense benefit to the Company. The Company desirous to make him as part of the Board in future also, therefore, keeping in view of his rich experience and long association with the Company, the Board decided that he may be appointed as a Non-Executive Non-Independent Director and his services can be availed as Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

To this effect the Company has received his consent in writing to act as Non-Executive Non-Independent Director instead of Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified as per Section 164 (2) of the Companies Act, 2013; and declaration that he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

Therefore, keeping in view of the above and based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, in its meeting held on May 6, 2024, approved the change in designation of Mr. Mukesh Dahyabhai Patel (DIN: 00009605) from Non-Executive Independent Director to Non-Executive Non-Independent Director of the Company, liable to retire by rotation with effect from August 2, 2024, subject to the

approval of Members at the ensuing Annual General Meeting by way of Ordinary Resolution.

Except Mr. Mukesh Dahyabhai Patel (DIN: 00009605) and his relatives, none of the Directors / Key Managerial Personnel (KMP) of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 4 of the accompanying Notice.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for the approval of the Members.

### Item No. 5

The members of the Company in the 43<sup>rd</sup> Annual General Meeting held on August 13, 2019 have re-appointed Mr. Vijay Dilbagh Rai (DIN: 00075837) as an Independent Director of the Company for second term of five (5) years up to the conclusion of 48<sup>th</sup> Annual General Meeting. Therefore, his second term of five year is expiring at the ensuing Annual General Meeting.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, a person cannot continue as an Independent Director in a company for more than two consecutive terms of five years and can be eligible to be re-appointed as an Independent Director in the company only after the expiry of the cooling period of three years. Hence, in this scenario Mr. Vijay Dilbagh Rai (DIN: 00075837) is not eligible for continue as an Independent Director in the Company.

In the opinion of the Board, the services of Mr. Vijay Dilbagh Rai (DIN: 00075837) as an Independent Director is highly commendable and his continued association would be of immense benefit to the Company. The Company desirous to make him as part of the Board in future also, therefore, keeping in view of his rich experience and long association with the Company, the Board decided that he may be appointed as a Non-Executive Non-Independent Director and his services can be availed as Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

To this effect the Company has received his consent in writing to act as Non-Executive Non-Independent Director instead of Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified as per

Section 164(2) of the Companies Act, 2013; and declaration that he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

Therefore, keeping in view of above and based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, in its meeting held on May 6, 2024, approved the change in designation of Mr. Vijay Dilbagh Rai (DIN: 00075837) from Non-Executive Independent Director to Non-Executive Non-Independent Director of the Company, liable to retire by rotation with effect from August 2, 2024, subject to the approval of Members at the ensuing Annual General Meeting by way of Ordinary Resolution.

Except Mr. Vijay Dilbagh Rai, (DIN: 00075837) and his relatives, none of the Directors / Key Managerial Personnel (KMP) of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 5 of the accompanying Notice.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

### Item No. 6

Mr. Mukesh Dahyabhai Patel (DIN: 00009605), aged around 75 years was re-appointed as an Independent Director of the Company for second term of five (5) years up to the conclusion of 48<sup>th</sup> Annual General Meeting pursuant to the provisions of Companies Act, 2013 and other applicable provisions. Therefore, his second term of five year is expiring at the ensuing Annual General Meeting and the company is seeking approval of the members at item no. 4 to the notice for continuing his association with the Company as Non-Executive Non-Independent Director.

Further, In terms of 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, no listed Company should appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect by the members of the Company.

Mr. Mukesh Dahyabhai Patel (DIN: 00009605) is about to cross the age limit as prescribed under aforesaid Listing Regulations, therefore the Company is seeking approval of the members for continuation of his directorship beyond the age of 75 years upto the expiring of his term as director liable to retire by rotation."

Mr. Mukesh Dahyabhai Patel (DIN: 00009605) is Graduate in Chemical Engineering and has over five decades of rich experience in finance and corporate management at Director level, he was associated with various industry bodies such as

Indian Chemicals Manufacturer's Association, CHEMXCIL and Indian Association of Materials' Management. In view of his rich experience and valuable contribution to the Company, continued association of Mr. Mukesh Dahyabhai Patel would be beneficial to the company and it is desirable to continue to avail his valuable services in future also.

The Board of Directors at its meeting held on May 6, 2024 on the recommendation of Nomination and Remuneration Committee, have recommended to the Members to continue the directorship of Mr. Mukesh Dahyabhai Patel (DIN: 00009605) as a Non-Executive Non-Independent Director of the Company on crossing the age limit prescribed, subject to their approval by way of a Special Resolution.

Except Mr. Mukesh Dahyabhai Patel (DIN: 00009605) and his relatives, none of the Directors / Key Managerial Personnel (KMP) of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 6 of the accompanying Notice.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board recommends the Special Resolution set out at Item No. 6 of the accompanying Notice for the approval of the Members.

### Item No. 7

Mr. Vijay Dilbagh Rai (DIN: 00075837) who has already attained the age of 75 years was re-appointed as an Independent Director of the Company for second term of five (5) years up to the conclusion of 48<sup>th</sup> Annual General Meeting pursuant to the provisions of Companies Act, 2013 and other applicable provisions. Therefore, his second term of five year is expiring at the ensuing Annual General Meeting and the company is seeking approval of the members at item no. 5 to the notice for continuing his association with the Company as Non-Executive Non-Independent Director.

Further, In terms of 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, no listed Company should appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect by the members of the Company. The Company has already taken the approval of the Members by way of Special Resolution dated August 13, 2019 to continue his directorship as an Independent Director of the Company, which is applicable till the conclusion of 48<sup>th</sup> Annual General Meeting.

As Mr. Vijay Dilbagh Rai (DIN: 00075837) has already crossed the age limit as prescribed under aforesaid Listing Regulations, therefore the Company is seeking fresh approval of the members continuation of his directorship beyond the age of 75 years upto the expiring of his term as director liable to retire by rotation."

Mr. Vijay Dilbagh Rai (DIN: 00075837) is B. Tech from IIT, Kharagpur with courses in marketing and personnel management and has over five decades of experience in Industry out of which 28 years was with the leading industrial group in India "the Tata group" and was the CEO of Rallis India Ltd. (Rallis), one of the largest Agrochemicals Company in India, for over 12 years. He was awarded in 1999 as the Most Admired Manager in the industry by the Pesticide Formulators and Manufacturers Association. Since 2000, he has been a consultant in manufacturing management and an advisor in the area of agrochemicals manufacture and marketing. In view of his rich experience and valuable contribution to the Company, continued association of Mr. Vijay Dilbagh Rai would be beneficial to the company and it is desirable to continue to avail his valuable services in future also.

The Board of Directors at its meeting held on May 6, 2024 on the recommendation of Nomination and Remuneration Committee, have recommended to the Members to continue the directorship of Mr. Vijay Dilbagh Rai (DIN: 00075837) as a Non-Executive Non-Independent Director of the Company on crossing the age limit prescribed, subject to their approval by way of a Special Resolution.

Except Mr. Vijay Dilbagh Rai (DIN: 00075837) and his relatives, none of the Directors / Key Managerial Personnel (KMP) of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 7 of the accompanying Notice.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board recommends the Special Resolution set out at Item No. 7 of the accompanying Notice for the approval of the Members.

### Item No. 8

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of M/s Khushwinder Kumar & Co. Cost Accountant, Jalandhar (Firm

Registration No. 100123) as the Cost Auditor of the Company to conduct audit of the cost records of all the Divisions of the Company for the financial year 2024-25 on a consolidated remuneration of ₹1,95,000/- (Rupees One Lakh Ninety Five Thousand Only) plus GST thereon and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for approval / ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2025.

None of the Directors / Key Managerial Personnel (KMP) of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the accompanying Notice.

The Board recommends the Ordinary Resolution set out at Item No. 8 of the accompanying Notice for the approval of the Members.

**By order of the Board of Directors**

Date: May 6, 2024

**Registered Office:**

Milestone 18, Ambala Kalka Road  
Village & P.O Bhankharpur  
Derabassi, Dist. SAS Nagar  
Mohali (Punjab) - 140201  
CIN: L24231PB1975PLC047063

**Rishu Chatley**  
Company Secretary

### ADDITIONAL INFORMATION ON DIRECTOR BEING APPOINTED / RE-APPOINTED AS REQUIRED UNDER REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, IN THE ORDER OF THE ITEMS MENTIONED IN THE NOTICE

Name of the Director	Mr. Shivshankar Shripal Tiwari
DIN	00019058
Date of Birth	August 30, 1953
Age	71 years
Date of first appointment	May 28, 2015
Qualifications	M.Sc., Post Graduate Diploma-Business Management
Expertise in specific functional areas	He is experienced in managing the chemical plants, production, manpower management and domestic commercial market of chemicals.
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies) as on March 31, 2024	Nil
Membership of Committees/ Chairmanship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies) as on March 31, 2024	Nil
Listed entities from which Director has resigned from Directorships in the Last three (3) years.	Nil
Total no. of Board Meetings held during the year	6
Total no. of Board Meetings attended during the year	6
No. of shares held	34,469 Equity Shares
Relationships between Directors inter-se	None
Terms and conditions of appointment or re-appointment of Director	Non- Executive Non- Independent Director liable to retire by rotation
Remuneration last drawn (including Sitting fees, if any)	The Sitting fee along with commission drawn is disclosed in report on Corporate Governance forming part of Annual Report for financial year 2023-24.

Name of the Director	Mr. Mukesh Dahyabhai Patel
DIN	00009605
Date of Birth	December 12, 1949
Age	75 years
Date of first appointment	February 19, 1985
Qualifications	Graduate in Chemical Engineering
Expertise in specific functional areas	He is having over five decades of experience in finance and corporate management at Director level, he was associated with various industry bodies such as Indian Chemicals Manufacturer's Association, CHEMXCIL and Indian Association of Materials' Management.
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies) as on March 31, 2024	a. Shilchar Technologies Limited b. Banco Products (India) Limited c. TML Industries Limited

<b>Name of the Director</b>	<b>Mr. Mukesh Dahyabhai Patel</b>
Membership of Committees/ Chairmanship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies) as on March 31, 2024	<b>Audit Committee</b> Shilchar Technologies Limited (as Member) Banco Products (India) Limited (as Member) <b>Stakeholders Relationship Committee</b> Shilchar Technologies Limited (as Chairman) Banco Products (India) Limited (as Chairman)
Listed entities from which Director has resigned from Directorships in the Last three (3) years.	Shilchar Technologies Limited-ceased to be director on completion of term at closing hour of March 31, 2024.
Total no. of Board Meetings held during the year	6
Total no. of Board Meetings attended during the year	6
No. of shares held	400 Equity Shares
Relationships between Directors inter-se	None
Terms and conditions of appointment or re-appointment of Director	As per the Resolution in Item no. 4 & 6 of this Notice, read with the explanatory statement thereto.
Remuneration last drawn (including Sitting fees, if any)	The Sitting fee along with commission drawn is disclosed in report on Corporate Governance forming part of Annual Report for financial year 2023-24.

<b>Name of the Director</b>	<b>Mr. Vijay Dilbagh Rai</b>
DIN	00075837
Date of Birth	October 13, 1946
Age	78 years
Date of first appointment	February 28, 1985
Qualifications	B. Tech from IIT, Kharagpur with courses in marketing and personnel management
Expertise in specific functional areas	He has experience over five decades in Industry out of which 28 years was with the leading industrial group in India "the Tata group" and was the CEO of Rallis India Ltd. (Rallis), one of the largest Agrochemicals Company in India, for over 12 years. He was awarded in 1999 as the Most Admired Manager in the industry by the Pesticide Formulators and Manufacturers Association. Since 2000, he has been a consultant in manufacturing management and an advisor in the area of agrochemicals manufacture and marketing.
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies) as on March 31, 2024	a. Saurav Chemicals Limited b. Greaves Finance Limited
Membership of Committees/ Chairmanship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies) as on March 31, 2024	<b>Audit Committee</b> Saurav Chemicals Limited (as Member)
Listed entities from which Director has resigned from Directorships in the Last three (3) years.	Nil
Total no. of Board Meetings held during the year	6
Total no. of Board Meetings attended during the year	6
No. of shares held	Nil
Relationships between Directors inter-se	None
Terms and conditions of appointment or re-appointment of Director	As per the Resolution in Item no. 5 & 7 of this Notice, read with the explanatory statement thereto.
Remuneration last drawn (including Sitting fees, if any)	The Sitting fee along with commission drawn is disclosed in report on Corporate Governance forming part of Annual Report for financial year 2023-24.

# Board's Report

Dear members,

The Board of Directors hereby submits the 48<sup>th</sup> Annual Report of the business and operations of the Company along with the Audited (Standalone and Consolidated) Financial Statements, for the financial year ended March 31, 2024. The performance of the Subsidiary has also been referred to wherever required.

## 1. FINANCIAL RESULTS

The financial performance of the Company for the year ended March 31, 2024 is as below:

Particulars	Consolidated		Standalone	
	2023-24	2022-23	2023-24	2022-23
Revenue from Operations and Other Income	93693	100956	93332	100770
<b>Earnings before Interest, Depreciation &amp; Tax &amp; Exceptional item (EBIDTA)</b>	<b>11608</b>	<b>12592</b>	<b>11506</b>	<b>12553</b>
Depreciation / Amortisation	2216	1901	2216	1901
Finance Cost	2084	1803	1920	1780
<b>Profit / (Loss) before Tax &amp; Exceptional item</b>	<b>7308</b>	<b>8888</b>	<b>7370</b>	<b>8872</b>
<b>Profit / (Loss) before Tax (PBT)</b>	<b>7308</b>	<b>8888</b>	<b>7370</b>	<b>8872</b>
Income Tax Expenses:				
Current Tax	1680	2626	1655	2626
Deferred Tax	270	152	270	152
<b>Total Income Tax Expenses</b>	<b>1950</b>	<b>2778</b>	<b>1925</b>	<b>2778</b>
<b>Profit / (Loss) after Tax (PAT)</b>	<b>5358</b>	<b>6110</b>	<b>5445</b>	<b>6094</b>
Other Comprehensive income / (expenses) for the year (net of tax)	(36)	(242)	(29)	(92)
<b>Total comprehensive income for the year</b>	<b>5322</b>	<b>5868</b>	<b>5416</b>	<b>6002</b>
Earnings per share (EPS)				
Basic and diluted (in ₹)	43.70	49.84	44.41	49.71
<b>Reserves (excluding Revaluation reserve)</b>	<b>31790</b>	<b>26836</b>	<b>33623</b>	<b>28575</b>

## 2. OPERATIONAL PERFORMANCE

Your Directors are pleased to state that the year under review, income of the Company on standalone basis stood at ₹933 crore with a Profit before Tax (PBT) of ₹74 crore against the income of ₹1008 crore and Profit before Tax of ₹89 crore in the previous year.

The year began with a strong start, maintaining growth momentum established by the company in recent years. However, in last quarters, there was an overall correction in the industry due to inventory and price correction resulting in muted demand for some of our products.

The sales of the Company was from Agro Chemicals Division, Derabassi with net revenue of ₹664 crore

against ₹739 crore of previous year which is 71% of the total revenue. The revenue of Specialty and Other Chemicals Division, Lalru was ₹151 crore against ₹153 crore of previous year. Industrial Chemical Division Pune recorded a revenue of ₹118 crore against ₹116 crore of previous year.

The Export of the Company was ₹484 crore against ₹581 crore of the last year. The Exports continue to remain impacted due to lower prices and muted demand as channel destocking continues across the globe. The inundation of inexpensive products from China is compelling companies to uphold elevated levels of inventory within their distribution channels.

### 3. SUBSIDIARY COMPANIES / ASSOCIATE COMPANIES

The Company has only one wholly owned overseas subsidiary namely SD AgChem (Europe) NV, Belgium. Further, the Company does not have any material subsidiary.

During the year, the Board of Directors reviewed the affairs of the subsidiary. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared the Consolidated Financial Statements of the Company, which form part of this Annual Report. Further, a statement containing the salient features of the financial statements of our subsidiary in the prescribed format AOC-1 is appended to the Board's report.

During the current year, the Board of Directors on December 14, 2023 have approved an investment of upto ₹1500 lakhs into SD Agchem (Europe) NV and have also provided guarantee on behalf of SD Agchem (Europe) NV, a 100% Wholly Owned Subsidiary to secure the payment obligations of SD Agchem (Europe) NV upto an amount not exceeding ₹1500 lakhs in relation to a settlement agreement dated December 11, 2023 with ex-shareholders of Sintesis Quimica S.A.I.C, Argentina (erstwhile shareholders) (erstwhile step down subsidiary till September 2017). Under the terms of settlement, a total consideration of ₹1,483 lakhs is to be paid by SD Agchem (Europe) NV to the ex- shareholders.

Accordingly, SD Agchem (Europe) NV has recorded an incremental liability of ₹198 lakhs in the third quarter of current financial year and has also paid a sum of ₹1,148 lakhs till March 31, 2024. The remaining balance of ₹335 has also been paid subsequent to the year end.

There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

### 4. CONSOLIDATED FINANCIAL STATEMENT

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the Consolidated Financial Statements and related information of the Company and audited accounts of its subsidiary, are available on our website, at [www.punjabchemicals.com](http://www.punjabchemicals.com).

These documents will also be available for inspection during business hours at the Registered Office of the Company.

The Policy for determining material subsidiaries, adopted by the Board of Directors, pursuant to Regulation 16 of the SEBI (LODR) Regulations, 2015 (hereinafter called as "Listing Regulations") can be accessed on the Company's website at <https://www.punjabchemicals.com/wp-content/uploads/2018/07/Policy-for-determining-Material-Subsidiary.pdf>. The consolidated financial statements of the Company for the year ended on March 31, 2024 comprises the standalone financial statements

of the Company and its subsidiary (together referred to as "the Group").

The consolidated revenue of the Company during the year under review stood at ₹937 crore with a profit before tax of ₹73 crore against ₹1010 crore and profit before tax of ₹89 crore in the previous year.

### 5. DIVIDEND

The Board of Directors are pleased to recommend a dividend of ₹3/- per equity share (30%) for the financial year under review against a dividend of ₹3/- per equity shares (30%) in the previous year.

The total dividend amount to be paid for the financial year 2023-24 shall be ₹3.68 crore.

The dividend on equity shares is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. The dividend once approved by the Shareholders will be payable to those members whose name appear in the Register of members as on the record date.

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the July 26, 2024 to Friday, the August 2, 2024 (Both days inclusive) and the record date will be Thursday July 25, 2024 for the purpose of payment of dividend for the financial year 2023-24.

The dividend recommended is in line with the dividend distribution policy of the Company and the policy is available on the website of the Company at <https://www.punjabchemicals.com/wp-content/uploads/2021/05/Dividend-Distribution-Policy.pdf>.

### 6. OUTLOOK

The Company is in the business of Performance Chemicals including Agrochemicals, Specialty and other Chemicals and industrial Chemicals. This sector has been showing promising growth over the last few years as new chemicals get introduced in the market, rebalancing of supply chain takes place. The government of India is taking steps to support the industry and this will accelerate innovation and MNCs to partner with Indian companies for future growth.

The Company is investing in R&D and technical capabilities and in emerging as preferred CRAMS provide for both domestic & international agrochemical companies, thus positioned to gain further advantages as the industry expands. The Company already has a long and proven history for manufacturing and exporting various Performance Chemicals (Agro and Specialty). The Company is also working on developing new products & capabilities and working to increase the volume and add new products either under CRAM or for outright sale.

Ongoing discussions with several companies to add new products & to increase business is moving in a healthy direction. The Company has proven track record and has long experience in delivering products to many Indian

and other MNCs. The Company is working to strengthen this relationship with new products and technological innovation.

Barring unforeseen circumstances the management has a positive outlook and is confident of growth with a wide range of products and new manufacturing techniques.

### 7. FINANCE

#### a. SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2024 stood at ₹12.26 crore consisting of 1,22,62,185 equity shares of ₹10/- each. During the year under review, the Company did not issue any type of shares or convertible securities or shares with differential voting rights. The Company also did not allot /grant any stock options or sweat equity or warrants to the employees. As on March 31, 2024, the Company has not issued or outstanding any instrument convertible into Equity Shares of the Company during the Financial year. Your Company has not resorted to any buy back of its Equity Shares during the year under review.

#### b. PUBLIC DEPOSITS

The Company does not have any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

#### c. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 are provided at Note No 47 & 48 to the Standalone and Consolidated financial statements provided in this Annual Report.

#### d. TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profits in the profit and loss account and not to transfer any amount to the general reserve.

#### e. CREDIT RATING

During the year under review, there has been no change in the credit rating of the Company from any of the credit rating agencies, however your Company has received reaffirmation on its rating for Long Term Debt: BBB+ /Stable and for Short Term Debt: A2 from rating agencies.

### 8. ENVIRONMENT, SUSTAINABILITY, HEALTH AND SAFETY

Punjab Chemicals implemented a holistic approach towards the highest standards of Environment, Health and Safety. This approach is defined in the Company's policy, covering the provision of a safe workplace, clean environment and stakeholder health.

We believe that the highest standard of EHS reinforces our position as a responsible corporate citizen. This responsible EHS approach strengthens our performance: lower work interruptions, strengthening timely project completion; protects workforce interests, enhancing employee and knowledge retention; helps moderate direct and indirect costs; growing correlation between corporate respect and clean EHS performance, translating into a stronger credit-rating.

#### Our health commitment

At Punjab Chemicals, we are committed to send our employees home with complete safety each day. This priority translated into the following initiatives:

- Conducted a biannual medical check for employees and annual check for managers. Employees involved in hazardous processes undergo quarterly checks. The Company conducted periodic health awareness programmes (heart, blood pressure and sugar).
- Sustained an occupational health centre with a dedicated pharmacist; sustained a tie-up with an ESI hospital and conducted preventive medical camps through hospitals.
- Deployed an ambulance in its manufacturing units.
- Formulated a policy under which a cooperative society was formed to provide loans to employees (house building, children's education and personal loan among others).
- Operated a canteen in both units where subsidized food is provided, validated with an FSSAI license.
- Conducted health education addressing diseases like cardio, blood pressure and hyper-tension; organised yoga and food habit awareness.

#### Our safety commitment

Safety initiatives

- Automated batch charging and installed agitated nutsche filter dryers to reduce chemical and vapour emission.
- Undertook programs on process safety management (including mandatory process safety information, interpretation and validation of process controls).
- Conducted hazard and operability study, hazards identification and risk assessment across processes in addition to audits, training, mock drills, mechanical and reaction integrity (differential scanning calorimetry or accelerating rate calorimetry).
- Documented near-miss, incident and accident reporting system with corrective and preventive actions.
- Implemented a standard operating protocol to address safety violations, monitored in general meetings, processes representative meetings and safety committee meetings with warnings & other action modes.

- Followed a safety training calendar around eight hours of training each month per employee with bi-annual mock drills.
- Focusing on process safety management (PSM) principles.

The Company's sites are certified to various management systems as follows:

- ISO 9001:2015 Quality Management System
- ISO 14001:2015 Environmental Management System
- ISO 45001:2018 Occupational Health and Safety

## 9. RESEARCH & DEVELOPMENT AND QUALITY CONTROL

The activities of R&D consists of improvement in the processes of existing products, decrease of effluent load and to develop new products and by-products.

Quality Control is the strength of the Company. All raw materials and finished products and material at various stages of processing pass through stringent quality checks for ensuring quality and product meeting stringent specifications.

## 10. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 forms part of this Report.

## 11. WELFARE ACTIVITIES AND CORPORATE SOCIAL RESPONSIBILITY

Company's Corporate Social Responsibility (CSR) Policy has been posted on the website at <https://www.punjabchemicals.com/wp-content/uploads/2023/03/CSR-Policy.pdf>. During the year under review, the Company was required to spend ₹178 lakh on CSR activities. The Company has spent ₹181 lakh in the financial year 2023-24.

The amounts have been spent for promotion of education by upgrading school infrastructure, building computer labs, health care initiatives by organizing various preventive health care medical camps, blood donation camps, eye camps in nearby areas and upliftment of nearby rural areas and helping the needy by donations.

The detailed annual report as per Section 135 of the Companies Act, 2013 read with the Companies (CSR Policy) Rules, 2014 forms part of this Report.

For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which forms part of this Report.

## 12. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Regulation 22 of the Listing Regulations & Sub-section (9 & 10) of Section 177 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, inter alia, provides, for all listed companies to establish a vigil mechanism called "Whistle Blower Policy" for Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

In accordance with the same the Company has adopted a Whistle Blower Policy as a part of its vigil mechanism. The purpose of this Policy is to enable any person including the directors, employees, other stakeholders, etc. to raise concerns regarding unacceptable or improper practices and / or any unethical practices, fraud or violation of any law, rule or regulation.

The contact details of the Chairperson of Audit Committee have been mentioned in the Policy for easy access. Furthermore, employees are free to communicate their complaints directly to the Chairperson of the Audit Committee as stated in the Policy. The Audit Committee reviews reports made under this Policy and implements corrective actions wherever necessary.

Further, during the year, the Company has not received any complaint under Vigil Mechanism / Whistle Blower Policy.

Details of the Vigil Mechanism and Whistleblower Policy are made available on the Company's website at following link <https://www.punjabchemicals.com/wp-content/uploads/2018/07/Whistle-Blower-Policy-PCCPL.pdf>.

## 13. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company has in place, adequate Internal Financial Controls with reference to financial statements. During the year, such controls were tested, and no reportable material weaknesses in the design or operation were observed. Further details of the internal control systems are provided in the Management Discussion & Analysis which forms part of this Annual Report.

## 14. DEVELOPMENT AND IMPLEMENTATION RISK MANAGEMENT POLICY

Pursuant to Schedule V of Listing Regulations, the Company has set up a Risk Management Committee, to monitor the risks and their mitigation actions as well as formulating strategies towards identifying new and emergent risks. The details of the Committee and its terms of reference are set out in the Corporate Governance Report, forming part of the Board's Report.

The Company has implemented a mechanism for risk management and formulated a Risk Management Policy which is posted on the website of the Company at <https://www.punjabchemicals.com/wp-content/>

[uploads/2018/07/Risk-Management.pdf](https://www.punjabchemicals.com/wp-content/uploads/2018/07/Risk-Management.pdf). The said policy provides for creation of a risk register, identification of risks and formulating mitigation plans. Major risks identified by the business and functions are systematically addressed through mitigation actions on a continuing basis. The risk register is refreshed periodically to ensure that the risks remain relevant at all times and corresponding mitigation measures are timely and effective so that the risk profile is within identified tolerance levels. Further, the Board is apprised of any actual / emergent risk that may threaten the long term plans of the Company.

## 15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All related party transactions entered into during the year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company which may have a potential conflict with the interest of the Company at large. Accordingly, the disclosure of related party transactions in Form AOC-2 is not applicable.

Prior omnibus approval of the Audit Committee is obtained for related party transactions which are repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are reviewed on a quarterly basis by the Audit Committee.

Detailed disclosure on related party transactions as per Ind AS-24 containing name of the related party and details of the transactions entered with such related party have been provided under Notes to financial statements.

Disclosure on related party transactions on half year basis is also submitted to the stock exchanges. The policy on related party transactions as approved by the Board is available on the website of the Company at following link <https://www.punjabchemicals.com/wp-content/uploads/2022/04/Related-Party-Policy-2022.pdf>.

## 16. INSURANCE

All the properties and operations of the Company, to its best judgment have been adequately insured.

The Company has also taken Directors and Officers Liability insurance policy.

## 17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant or material orders have been passed by the Regulators, Courts or Tribunals that impact the going concern status and future operations of the Company.

## 18. AUDITORS' REPORTS AND AUDITORS

### a. STATUTORY AUDITORS

Under Section 139(2) of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years and each such term would require approval of the shareholders. In line with the requirements of the Companies Act, 2013, Statutory Auditor M/s B S R & Co. LLP Chartered Accountants, (Firm Registration No. 101248W/W-100022), were appointed as Statutory Auditor of the Company at the 46<sup>th</sup> AGM held on August 10, 2022 to hold office from the conclusion of the said meeting till the conclusion of the 51<sup>st</sup> AGM to be held in the year 2027. The requirement of annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017, notified on May 7, 2018.

During the year, the Statutory auditors have confirmed that they satisfy the independence criteria required under Companies Act, 2013, the code of Ethics issued by Institute of Chartered Accountants of India and have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Auditors' Report for the financial year 2023-24 does not contain any qualification, reservation or adverse remark, hence no comments required. The report is enclosed with the financial statements in this Annual Report.

However, the Statutory Auditors have "Observations" under Clause 2B(f) of Report on the Other Legal & Regulatory Requirements in the Standalone and Consolidated Auditors Report.

The Board after consideration has given the following explanations and comments on the "Observations" of Statutory Auditors in the Auditors Report:

The Company was using accounting software as on the beginning of the year till November 30, 2023 for maintaining its books of account and having audit trail feature. Thereafter effective from December 1, 2023, the Company migrated to another accounting software for maintaining its books of account having feature of recording audit trail and which has been activated for all transactions recorded in the software and that there has been no instance of the audit trail feature being tampered.

However it was observed by the Auditors that audit trail (edit log) was not enabled, appropriately at the database level and for certain tables at application level, for the newly migrated software.

The Company has assured that they are further strengthening the newly migrated accounting software to enable audit trail and the process will be completed in the financial year 2024-2025.

In addition, in relation to controls at service organization for accounting software used for

maintaining books of account relating to payroll which are operated by a third-party software service provider the Company has raised the matter with the service provider to report in detail the controls at the database layer and expects full reporting in the financial year 2024-2025.

#### b. SECRETARIAL AUDITORS

M/s. P.S. Dua & Associates, Company Secretaries (CP No. 3934) were appointed to conduct the Secretarial Audit of the Company for the financial year 2023-24 as required under Section 204 of the Companies Act, 2013 and Rules made there under. The Secretarial Audit Report is annexed to this report. The Secretarial Auditors' Report for the year under review does not contain any qualification, reservation or adverse remark, hence no comments required.

Further, the Board upon recommendation of the Audit Committee has reappointed M/s. P.S. Dua & Associates, Company Secretaries (CP No. 3934), as the Secretarial Auditor to undertake the Secretarial Audit of the Company for the financial year 2024-25, in terms of Section 204 of the Companies Act, 2013 and Rules there under.

#### ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has undertaken an audit for the financial year 2023-24 for all applicable compliances as per SEBI Regulations and Circulars/Guidelines issued there under. The Annual Secretarial Compliance Report has been submitted to the stock exchanges within the prescribed time.

#### c. COST AUDITORS

M/s Khushwinder Kumar & Co., Cost Accountants were appointed as Cost Auditors of your Company for auditing the cost accounts records for the financial year 2023-24 under provisions of Section 148 of the Companies Act, 2013. Further the Company has made and maintained proper cost records as specified by the central government under sub-section (1) of section 148 of the Companies Act, 2013 for its business activities carried out during the year.

Furthermore, the Board of Directors upon recommendation of the Audit Committee appointed M/s Khushwinder Kumar & Co. Cost Accountant, Jalandhar (Firm Registration No. 100123) as the Cost Auditor of the Company to conduct audit of the cost accounts of all the Divisions of the Company for the financial year 2024-25. They have submitted a certificate of eligibility for the re-appointment.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, the required resolution for ratification of the remuneration to be paid to

the Cost Auditor has been proposed at the ensuing Annual General Meeting.

The Cost Audit Report for the financial year 2022-23 was filed with the Ministry of Corporate Affairs and the Cost Audit Report for the financial year 2023-24 will be filed before the due date.

### 19. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

#### a. Independent Directors

As on March 31, 2024, the Company has five Independent Directors on its Board, including two Woman Independent Director. Mr. Mukesh Dahyabhai Patel (DIN: 00009605), Mr. Vijay Dilbagh Rai (DIN: 00075837), Mr. Sheo Prasad Singh (DIN: 06493455), Ms. Aruna Rajendra Bhinge (DIN: 07474950) and Ms. Tara Subramaniam (DIN: 07654007).

The Board at its meeting held on August 3, 2023 based on the recommendation of Nomination and Remuneration Committee appointed Ms. Tara Subramaniam (DIN: 07654007) as Additional Director (under the category of Non-Executive Independent Director) of the Company with effect from August 3, 2023 for a first term of five years and was further regularized as Independent Director by obtaining shareholders approval through Postal Ballot on September 26, 2023.

The Company has received declarations from all Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Act and the Listing Regulations and they have registered themselves with the Independent Director's Database maintained by the IICA (The Indian Institute of Corporate Affairs). In the opinion of the Board, all the Independent Directors of the Company possess the requisite qualifications, integrity, expertise and experience, including competence.

#### b. Retirement by Rotation

As per the provisions of the Companies Act, 2013, Mr. Shivshankar Shripal Tiwari (DIN: 00019058), the Non-Executive and Non-Independent Director, whose office is liable to retire at the ensuing AGM, being eligible, seeks reappointment. Based on performance evaluation and the recommendation of the nomination and remuneration committee, the Board recommends his reappointment. The notice convening the 48<sup>th</sup> AGM, to be held on Friday, August 2, 2024, sets out the details.

#### c. Re-designation Independent Directors and continuation of their directorships beyond the age of 75 years in terms of Regulation 17(1A) of SEBI Listing Regulations, 2015

The members of the Company in the 43<sup>rd</sup> Annual General Meeting held on August 13, 2019 have appointed Mr. Mukesh Dahyabhai Patel (DIN:

00009605) and Mr. Vijay Dilbagh Rai, (DIN: 00075837) as an Independent Directors of the Company for second term of five (5) years up to the conclusion of 48<sup>th</sup> Annual General Meeting. Therefore, their second term of five year is expiring at this Annual General Meeting.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, a person cannot continue as an Independent Director in a company for more than two consecutive terms of five years and can be eligible to be re-appointed as an Independent Director in the company only after the expiry of the cooling period of three years.

Hence, they are not eligible to continue as an Independent Director in the Company.

In the opinion of the Board, the services of Mr. Mukesh Dahyabhai Patel (DIN: 00009605) and Mr. Vijay Dilbagh Rai, (DIN: 00075837) as an Independent Directors are highly commendable and their continued association would be of immense benefit to the Company. The Company desirous to make them as part of the Board in future also. Therefore, in view of their rich experience and long association with the Company, the Board decided that they may be appointed as a Non-Executive Non-Independent Director and their services can be availed as Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

In this effect the Company has received their consent in writing to act as Non-Executive Non-Independent Director instead of Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified as per Section 164(2) of the Companies Act, 2013; and declaration that they are not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

Therefore, keeping in view of above and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, in its meeting held on May 6, 2024, approved the change in designation of Mr. Mukesh Dahyabhai Patel (DIN: 00009605) and Mr. Vijay Dilbagh Rai, (DIN: 00075837) from Non-Executive Independent Director to Non-Executive Non-Independent Director of the Company, liable to retire by rotation with effect from August 2, 2024, subject to the approval of the Members of the Company at the ensuing Annual General Meeting.

Further, the Company has also proposed Special Resolutions for continuation of their directorship beyond 75 years of age in the ensuing Annual General Meeting in accordance with the provisions

of Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

#### d. Relationship / Transaction with Company

The Directors of the Company had no pecuniary relationship or transactions with the Company except as mentioned in Note no. 43 of the Standalone and Consolidated Financial Statements.

Details and brief resume of the Director seeking reappointment required by prevailing regulations and rules are furnished in the Notice convening the Annual General Meeting forming part of the Annual Report.

Other details of all the Directors have been given in the Corporate Governance Report attached to this Report.

#### e. Board Diversity

The Company recognizes and embraces the importance of diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, and knowledge. Skill and industry experience, cultural and geographical backgrounds, age, ethnicity, race and gender, that will help us retain our competitive advantage.

Additional details on Board diversity are available in the Corporate Governance Report that form part of this Annual Report.

#### f. Number of meetings of the Board of Directors

The Board meetings are planned normally in advance in consultation with the Directors. During the Financial Year 2023-24, the Board met 6 times within the prescribed intervening time gap as provided in the Companies Act, 2013. The details of the Board meetings are given in the Corporate Governance Report that forms part of this Annual Report.

#### g. Annual Evaluation of Board and its Committees and of Individual Directors

As per Companies Act, 2013 and Listing Regulations, the Board has adopted a formal mechanism for evaluating its performance and as well as that of its committees, individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board, its committee & members, their experience & competencies, performance of specific duties & obligations, governance. Broadly the performance of Non-Independent/Executive/Whole Time Director(s) was evaluated on the basis of their own performance, expertise, intelligence,

their qualitative & quantitative contribution towards operational achievements, organizational performance etc. The performance of Non-Executive Independent Directors were evaluated on the basis of their constructive participation in Board/Committee/ General meetings, their informed & balanced decision making, ability to monitor financial controls, systems & certain allied parameters. The annual performance evaluation of various Board Committees constituted under Companies Act & Listing Regulations was made on the basis of their respective terms of reference, discharge of functions, governance etc.

The separate Meeting of Independent Directors was held on March 22, 2024 to review the performance of Non-Independent directors including the Chairman and the Board as a whole as per Code of Independent Directors under Companies Act, 2013 and Listing Regulations. The Independent Directors also reviewed the quality, content and timeliness of follow of information between Management and the Board. The Performance Evaluation Policy of the Board of Directors is uploaded on the Company's website at following link <https://www.punjabchemicals.com/wp-content/uploads/2018/07/Nomination-and-Remuneration-Policy.pdf>.

#### h. Details of Familiarisation Programme

The Independent Directors are regularly informed during meetings of the Board and Committees on the business strategy, business activities, manufacturing operations, updates on the chemicals industry and regulatory updates. The Directors when they are appointed are given a detailed orientation on the Company, Chemicals industry, Company's Global strategy, policies and Code of Conduct, regulatory matters, business, financial matters, human resource matters and corporate social responsibility initiatives of the Company. The details of familiarization programs provided to the Directors of the Company are mentioned in the Report on Corporate Governance and on the Company's website at <https://www.punjabchemicals.com/wp-content/uploads/2024/04/Familiarisation-Programme-for-Independent-Directors-FY-2023-24.pdf>.

#### i. Committees of the Board

Pursuant to the requirements under the Companies Act and the Listing Regulations, the Board has constituted the following committees:

- Audit Committee
- Stakeholders Relationship Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility (CSR) Committee
- Risk Management Committee

The details of the Committees viz. Composition, number of meetings held and attendance of the Committee Members in the meetings are given in the Corporate Governance Report forming part of this Annual Report.

#### j. Key Managerial Personnel ['KMP']

There was no change in Key Managerial Personnel during the year under review.

As on March 31, 2024, the Company has the following Key Managerial Personnel as per section 2(51) of the Act:

- Mr. Shalil Shashikumar Shroff, Managing Director
- Mr. Vinod Kumar Gupta, Chief Executive Officer
- Mr. Ashish Ramdas Nayak, Chief Financial Officer
- Ms. Rishu Chatley, Company Secretary and Compliance Officer

### 20. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's Board is fully balanced with required numbers of Executive and Independent Directors. As on March 31, 2024 the Board consists of 9 Members, 1 (one) of whom is Executive Director, 3 (three) Non Executive Non Independent Directors and 5 (five) Independent Directors including two women directors. The requirement of reconstitution of the Board is evaluated from time to time. Nomination and Remuneration Committee has formulated a Nomination and Remuneration Policy under Section 178 (3) of the Companies Act, 2013 which lays down criteria for determining qualifications, positive attributes and independence of a Director and remuneration for the Directors, Key Managerial Personnel and senior management level including the appointment of personnel one level below the Key Managerial Personnel.

The same can be viewed on our site at following link <https://www.punjabchemicals.com/wp-content/uploads/2018/07/Nomination-and-Remuneration-Policy.pdf>.

### 21. EMPLOYEES AND INDUSTRIAL RELATIONS

The Board of Directors and the Management are extremely thankful to all the employees for their commitment, competence and dedication in the affairs of the Company. The relation between the management and employees is transparent, healthy and cordial.

The Welfare Schemes viz. preventive health checkup, medical facilities in the factory premises, are used extensively by all categories of the employees. The Company organises Sports events for the employees for a healthy environment and developing the quality of sportsmanship among them.

The Board of Directors are pleased and place on record its appreciation for all categories of employees for their

sincere efforts and the sense of belongingness and commitment towards the Company. The management took all required efforts to keep them safe and educated.

### 22. PARTICULARS OF EMPLOYEES

The disclosure in terms of the provisions of Section 197(12) of the Act read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the name and details of employees in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other details of the concerned employees forms an integral part of this report.

### 23. PREVENTION OF SEXUAL HARASSMENT (POSH) OF WOMEN AT THE WORKPLACE

The Company has created and maintained a secured work environment for the employees. The endeavour of the Company is to give a free and cordial atmosphere without harassment, exploitation and intimidation to all business associates of the Company. To empower women and protect women against sexual harassment, a policy for Prevention and Redress of Sexual Harassment is in place which is posted on the Company's website at following link <https://www.punjabchemicals.com/wp-content/uploads/2024/01/POSH-Policy.pdf>. The Company has also constituted an Internal Complaints Committee (ICC) across its all locations to consider and resolve all sexual harassment complaints reported as per legal guidelines.

The ICC has been constituted as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the committee includes external members from NGO or with relevant experience and a senior woman employee is the presiding officer. More than half of the total members of the ICC are women. Employees can approach / report sexual harassment instance, if any, at the workplace to ICC to look into the same and facilitate free and fair inquiry process with clear time lines. ICC is not only restricted to mere redressal of complaints but also encompasses prevention and prohibition of sexual harassment. The details of sexual harassment complaints that were filed, disposed of and pending during the financial year are provided in the Business Responsibility and Sustainability Report of this Annual Report.

### 24. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under sub section 3 (c) of Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- in preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation / disclosure relating to material departures, if any;
- the Directors have selected such accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit and loss of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts of the Company on a 'going concern' basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### 25. MANAGEMENT DISCUSSION AND ANALYSIS & CORPORATE GOVERNANCE REPORT, & SUSTAINABILITY REPORT

#### i. MANAGEMENT DISCUSSION AND ANALYSIS

As required by Regulation 34(2) of the Listing Regulations, a Management Discussion and Analysis Report forms part of this Report. The state of the affairs of the business along with the financial and operational developments have been discussed in detail in the Management Discussion and Analysis Report.

#### ii. REPORT ON CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance Code as stipulated under the Listing Regulations. The Report on Corporate Governance in accordance with Rules 34(3) read with para C of Schedule V of Listing Regulations forms an integral part of this Report.

The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance is attached to the Report on Corporate Governance.

**iii. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Business Responsibility & Sustainability Report" (BRSR) forms part of this Report.

**26. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India ["ICSI"] relating to the meetings of the Board and General Meetings.

**27. ANNUAL RETURN**

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 read with Section 134(3)(a) of the Act, the Annual Return in Form MGT-7 as on March 31, 2024 is available at <https://www.punjabchemicals.com/wp-content/uploads/2024/06/Annual-Return-MGT-7.pdf>

**28. EVENTS AFTER BALANCE SHEET DATE**

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the balance sheet relates and the date of this Report.

**29. OTHER DISCLOSURES**

- There was no change in the nature of business of the Company as stipulated under sub-rule 5(ii) of Rule 8 of Companies (Accounts) Rules, 2014.
- There is no application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the financial year 2023-24.
- There was no instance of one-time settlement with any Bank or Financial Institution.
- During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.
- The Company's shares are listed on BSE Limited and the National Stock Exchange of India Limited.

**30. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

During the year, no unclaimed dividend was required to transfer in the Investor Education and Protection Fund of IEPF Authority.

**31. STATE OF AFFAIRS OF THE COMPANY**

The State of Affairs of the Company is presented as part of the Management Discussion and Analysis Report in a separate section forming part of this Report, as required under the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

**ACKNOWLEDGEMENT**

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board of Directors would also like to express their sincere appreciation for the assistance and cooperation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review.

**CAUTIONARY STATEMENT**

Statements in the Board's Report and the Management Discussion and Analysis describing the Company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include: global and domestic demand and supply conditions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country, and other factors which are material to the business operations of the Company.

**For and on behalf of the Board of Directors**

**Mukesh Dahyabhai Patel**

Chairman

DIN: 00009605

Place: Mumbai

Date: May 6, 2024

**Form AOC 1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of Subsidiaries/Associate Companies /Joint Ventures

**Part "A": Subsidiaries**

(₹ in Lakhs)

S. No.	Name of the subsidiary	SD Agchem (Europe) NV	
		Same Reporting Period	
		Current Year	Previous Year
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period		
2.	Reporting Currency	Euro	Euro
3.	Exchange rate (Closing)	90.24	89.58
4.	Share capital	7000	7000
5.	Reserves & Surplus	(8839)	(8746)
6.	Total Assets	428	309
7.	Total Liabilities	2267	2055
8.	Investments	-	-
9.	Turnover	2627	1752
10.	Profit/Loss before Taxation	(56)	0.77
11.	Tax Expenses	(24)	-
	Adjustment of tax relating to earlier periods	(24)	-
	Deferred tax	-	-
12.	Profit after Taxation	(80)	0.77
13.	Proposed Dividend	-	-
14.	% of Shareholding	100	100
15.	Country	Belgium	Belgium

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

S. No.	Name of Associates/ Joint Ventures	
1.	Latest audited Balance Sheet Date	<b>Not Applicable</b>
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	Number	
	Amount of Investment in Associates/Joint Venture	
	Extend of Holding %	
3.	Description of how there is significant influence	
4.	Reason why the associate/joint venture is not consolidated	
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	
6.	Profit / Loss for the year	
	i) Considered in Consolidation	
	ii) Not Considered in Consolidation	

**Mukesh Dahyabhai Patel**

Chairman

DIN: 00009605

**Shalil Shashikumar Shroff**

Managing Director

DIN: 00015621

**Vinod Kumar Gupta**

Chief Executive Officer

Place: Mumbai

Date: May 6, 2024

**Ashish Ramdas Nayak**

Chief Financial Officer

**Rishu Chatley**

Company Secretary



# Annual Report on Corporate Social Responsibility (CSR)

## ACTIVITIES FOR THE FINANCIAL YEAR 2023-24

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

### 1. A brief outline of the Company's CSR Policy of the Company

The Company firmly believes in Corporate Social Responsibilities (CSR) and commits to take initiatives to contribute to harmonious and suitable development of the Society and its inhabitants. The Company has pursued CSR activities for the welfare work directly. The Company has given preference for the welfare activities in the local areas of its manufacturing sites and corporate office.

### 2. The Composition of CSR Committee

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Mukesh Dahyabhai Patel	Chairman cum Independent Director	1	1
2.	Mr. Shalil Shashikumar Shroff	Managing Director	1	1
3.	Capt. Surjit Singh Chopra (Retd.)	Director	1	1
4.	Ms. Aruna Rajendra Bhinge	Independent Director	1	1

### 3. The web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company

The Company's Composition of CSR Committee, CSR Policy and CSR projects approved by the Board can be viewed at the website of the Company at <https://www.punjabchemicals.com/wp-content/uploads/2023/03/CSR-Policy.pdf>

### 4. Executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable

-Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of Section 135: **₹8915 Lakh**  
 (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: **₹178 Lakh**  
 (c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **Nil**  
 (d) Amount required to be set-off for the financial year, if any: **Nil**  
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **₹178 Lakh**
6. (a) Amount spent on CSR projects (both ongoing project and other than ongoing project): **₹181 Lakh**  
 (b) Amount spent in administrative overheads: **Nil**  
 (c) Amount spent on impact assessment, if applicable: **NA**  
 (d) Total amount spent for the financial year [(a)+(b)+(c)]: **₹181 Lakh**  
 (e) CSR amount spent or unspent for the financial year:

Total Amount spent for the Financial year (₹ in Lakh)	Amount Unspent (in ₹)				
	Total amount transferred to Unspent CSR Account as per sub section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
₹181 Lakh			Nil		

(f) Excess amount for set-off, if any:

S. No.	Particulars	Amount (₹ in Lakh)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	178
(ii)	Total amount spent for the financial year	181
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil*

\*Excess amount not availed for set-off

### 7. Details of Unspent CSR amount for the preceding three financial years

S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub section (6) of section 135 (in ₹)	Balance amount in unspent CSR account under subsection (6) of Section 135 (1) (in ₹)	Amount spent in the financial year (in ₹)	Amount transferred to a fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency
					Amount (In ₹)	Date of Transfer		
N.A.								

### 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/acquired- **N.A.**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
N.A.							

### 9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): **N.A.**

**Mukesh Dahyabhai Patel**  
Chairman of CSR Committee  
DIN: 00009605

**Shalil Shashikumar Shroff**  
Managing Director  
DIN: 00015621

**Vinod Kumar Gupta**  
Chief Executive Officer

Place: Mumbai  
Date: May 6, 2024

# Business Responsibility & Sustainability Reporting

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	:	L24231PB1975PLC047063
2.	Name of the Listed Entity	:	Punjab Chemicals and Crop Protection Limited
3.	Year of incorporation	:	1975
4.	Registered office address	:	Milestone 18, Ambala Kalka Road, Village & PO Bhankharpur, Derabassi, Dist. SAS Nagar, Mohali (Punjab)-140201
5.	Corporate address	:	Plot No. 645-646, 5 <sup>th</sup> Floor, Oberoi Chambers II, New Link Road, Andheri (West), Mumbai – 400 053
6.	E-mail	:	info@punjabchemicals.com
7.	Telephone	:	01762- 280086, 522250
8.	Website	:	www.punjabchemicals.com
9.	Financial year for which reporting is being done	:	April 1, 2023 to March 31, 2024
10.	Name of the Stock Exchange(s) where shares are listed	:	BSE Limited and National Stock Exchange of India Limited
11.	Paid-up Capital (in ₹)	:	12,26,21,850
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	:	Name: Mr. Vinod Kumar Gupta, CEO Address: Milestone 18, Ambala Kalka Road, Village & PO Bhankharpur, Derabassi, Dist. SAS Nagar, Mohali (Punjab)-140201 Email: info@punjabchemicals.com Telephone: 01762- 280086, 522250
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	:	The disclosures made in the report are on a standalone basis
14.	Name of assurance provider	:	Not Applicable
15.	Type of assurance obtained	:	Not Applicable

### II. Products/Services

#### 16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Performance Chemicals	100%

#### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacturing of Performance Chemicals	20119,20211	100%

### III. Operations

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3	1	4
International	0	0	0

#### 19. Markets served by the entity:

##### a. Number of locations

Locations	Number
National (No. of States)	Pan India
International (No. of Countries)	26

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

Our contribution of export is 52% of our total turnover during the financial year 2024.

##### c. A brief on types of customers

The Company serves customers in Performance Chemicals including agrochemicals, Specialty and other Chemicals and industrial Chemicals.

### IV. Employees

#### 20. Details as at the end of Financial Year:

##### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Employees</b>						
1.	Permanent (D)	362	316	87.29%	46	12.71%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%
3.	<b>Total Employees (D + E)</b>	<b>362</b>	<b>316</b>	<b>87.29%</b>	<b>46</b>	<b>12.71%</b>
<b>Workers</b>						
4.	Permanent (F)	853	852	99.88%	1	0.12%
5.	Other than Permanent (G)	559	558	99.82%	1	0.18%
6.	<b>Total Workers (F + G)</b>	<b>1412</b>	<b>1410</b>	<b>99.86%</b>	<b>2</b>	<b>0.14%</b>

##### b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Differently Abled Employees</b>						
1.	Permanent (D)	0	0	0.00%	0	0.00%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%
3.	<b>Total differently abled employees (D + E)</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>
<b>Differently Abled Workers</b>						
4.	Permanent (F)	0	0	0.00%	0	0.00%
5.	Other than permanent (G)	0	0	0.00%	0	0.00%
6.	<b>Total differently abled workers (F + G)</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>

**21. Participation/Inclusion/Representation of women:**

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	2	22.22%
Key Management Personnel	3	1	33.33%

**22. Turnover rate for permanent employees and workers:**

Particulars	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8.86%	1.90%	10.76%	9.43%	2.36%	11.79%	7.02%	0.29%	7.31%
Permanent Workers	6.00%	0.00%	6.00%	4.05%	0.00%	4.05%	3.34%	0.00%	3.34%

**V. Holding, Subsidiary and Associate Companies (including joint ventures)****23. (a) Names of holding / subsidiary / associate companies / joint ventures:**

S. No.	Name of the holding / subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding / Subsidiary/ Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	SD Agchem (Europe) NV, Belgium	Subsidiary	100%	No

**VI. CSR Details**

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹): ₹933 crore

(iii) Net worth (in ₹): ₹348 crore

**VII. Transparency and Disclosures Compliances****25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	<b>Yes</b> , the Senior Leadership team regularly communicates with the representatives of nearby communities including villagers to understand and address their concerns, if any. The contact no., address and email id of different locations have been specified on the following link.  <a href="https://www.punjabchemicals.com/contact-us/">https://www.punjabchemicals.com/contact-us/</a>	0	0	-	0	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors (Other than Shareholder)	NA	NA	NA	-	NA	NA	-
Shareholders	<b>Yes</b> , the Company has a grievance redressal mechanism for shareholders. The Company has appointed Alankit Assignments Limited as the Share Transfer Registrars / Agents. The Alankit Assignments Limited takes care of shareholders' enquiries / queries, requests and complaints. The Share Transfer Registrars / Agents respond to enquiries / queries, requests and complaints within the framework specified / defined by SEBI. There is a dedicated email id to receive the grievances from investorhelp@punjabchemicals.Com (weblink: <a href="https://www.punjabchemicals.com/investor-relations/">https://www.punjabchemicals.com/investor-relations/</a> )	7	0	-	0	0	-
Employees and workers	<b>Yes</b> , the Company has in place Whistle Blower mechanism and Prevention of Sexual Harassment Policy specifying the grievance redressal mechanism.  <a href="https://www.punjabchemicals.com/company-policies/">https://www.punjabchemicals.com/company-policies/</a>	0	0	-	1	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	<b>Yes</b> , the contact no., address and email id of different locations have been specified on the following link. <a href="https://www.punjabchemicals.com/contact-us/">https://www.punjabchemicals.com/contact-us/</a>	0	0	-	0	0	-
Value Chain Partners	<b>Yes</b> , the contact no., address and email id of different locations have been specified on the following link. <a href="https://www.punjabchemicals.com/contact-us/">https://www.punjabchemicals.com/contact-us/</a>	0	0	-	0	0	-
Other (please specify)	<b>Yes</b> , the contact no., address and email id of different locations have been specified on the following link. <a href="https://www.punjabchemicals.com/contact-us/">https://www.punjabchemicals.com/contact-us/</a>	0	0	-	0	0	-

## 26. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Health and Safety	Risk	Workplace accidents, hazards and injury can affect employees' morale, productivity, finances and asset integrity. There are efforts to develop a safe and healthy environment.	The Company has an ISO 45001 certified occupational health and safety (OH&S) management system which governs all the activities to ensure safe and healthy workplace for employees and to achieve Zero accident / incident adhering to the standards of EHS Management systems. Regular training and awareness, enhancing visual display, housekeeping, good maintenance practices, audits, preventing pollution at all stage of manufacturing etc. Regular review of	Negative

S. No.	Material issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				Safety risk mitigation plans by the Risk Management Committee and the Board. On-site and Off-site emergency plans and regular mock drills for emergency preparedness and enhancement of skill in employees.	
2.	Environment and Sustainability	Risk	The environmental risk in relation to emissions, climate change and to preserve nature and its biodiversity.	The Company has an ISO 14001 certification in place and take proper control measures in addressing issues of climate change, pollution management and emission control. The Company has online continuous Emissions Monitoring System connected with Central and/or State Pollution Control Boards to keep a check on emissions and comply with the statutory requirements of the Central and/or State Pollution Control Boards and emphasis on enhancing recycling of water through Zero Liquid Discharge. Planting more trees and increasing the green cover at sites and in the villages / localities adopted under CSR. Company has installed sufficient scrubbers to control the emission & to safe guard employees and environment. Sufficient utility has been provided in heat exchanges to avoid vent losses of solvents in atmosphere thus control of emission. Maximum close loop charging system for RM, Solvent, Chemicals. Maximum close loop filtration system to avoid emission in atmosphere of solvent vapor & Chemicals. Close loop bromine charging system with bromine tanks.	Negative
3.	Energy efficiency	Opportunity	Effective energy and waste management systems improves the resource management of the company thereby improving its performance and topline growth.	Explore the use of alternate and renewable energy sources to reduce consumption of fossil fuels. Reuse and recycle solvents to conserve natural resources. Company use biomass which is environment friendly fuel also for steam generation in Boiler. Proper preventive maintenance being done for effective performance of utility system like boiler, chilled water system. Solvent recoveries maximised to recycle the solvent. Maximum water recycle.	Positive
4.	CSR	Opportunity	Developmental projects to create a positive impact and improve community relations.	Contributions made by the Company towards upliftment of the community through various initiatives and partnerships focusing on the education, health, rural infrastructure development, sanitation, environment conservation among others, elevates the Company's brand value among the local community members as well as contributes towards positive social performance.	Positive

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES



This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions (Details of P1 to P9 are provided in Section C)	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.punjabchemicals.com/company-policies/								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N	N
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fair-trade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Policies have been formulated taking into account pertinent national standards such as the Factories Act, 1948, Companies Act, 2013, Listing Regulations, and various other statutes. The company has ISO 9001, ISO 14001 and ISO 45001 certifications in place. The company complies with the Environment Protection Act, 1986, Child Labor (Prohibition and Regulation) Act, 1996 and Minimum Wages Act, 1946. The Company continues to stay committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of honesty, integrity, governance, ethical and transparency in all its business transactions.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company aims to create value for all our stakeholders by striking a balance between sustainability and business activities. The Company is constantly working hard to reduce the energy consumption in an effort to reduce our carbon footprint and adopting and implementing projects that are more sustainable. Proper control measures for health and safety of employees and workers and nearby residents and communities, climate change, pollution management and emission control. Bromine tanks installed & commissioned with closed loop handling of bromine. 5% Solvent recovery enhanced in Toluene, MPC, Benzene, Morphine recovery. Old building revamping.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of each of the principles is audited and reviewed periodically by different teams and committees led by the Senior Management.								
<b>Governance, leadership and oversight</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) The Company is committed to integrate its Environmental, Social and Governance (ESG) principles into its businesses which is central to improving the quality of life of the communities it serves. It adheres to the principles of product stewardship by enhancing health, safety and environmental impacts of products and services, waste water management, nature and biodiversity. The Company has established policies for Environment, Health and Safety (EHS) and is committed to conducting beneficial and fair business practices to the labor, human capital and to the community. It provides employees and business associates with working conditions that are clean, safe, healthy and fair. It strives to be the neighbor of choice in the communities in which it operates and contributes to their equitable and inclusive development through CSR. Apart from this the company has its separate policy for Code of Conduct, Whistle Blower Policy and POSH.									

Disclosure Questions (Details of P1 to P9 are provided in Section C)	P1	P2	P3	P4	P5	P6	P7	P8	P9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Shalil Shashikumar Shroff, Managing Director and Mr. Vinod Kumar Gupta, Chief Executive Officer, reports to Board periodically on progress made on ESG agenda of the Company.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes- The Company has a committee of Board of Directors for Risk Management which is also responsible for making decisions on sustainability issues.								

10. Details of Review of NGRBCs by the Company:																			
Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9	
Performance against above policies and follow up action	Board of Directors									Annually									
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Board of Directors									Annually									
Note: In line with Company's Code of Conduct, all Board level meetings and business meetings are led by the Managing Director and Chief Executive Officer for sustainability and business responsibility discussions on continual basis. The Directors and Senior Management members affirm compliance with the Code of Conduct on annual basis.																			

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.									
P1	P2	P3	P4	P5	P6	P7	P8	P9	
No, However, the policies are reviewed periodically from a best practice perspective as well as from a risk perspective. Further, the process and compliance with the policies are also reviewed internally by various departmental heads and business heads.									

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:									
Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	All the above principal are covered by the Policies								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

## Essential Indicators

## 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	6	During Board/Committee Meetings, directors receive regular presentations covering a range of topics essential to the Company's operations. These include the Company's strategy, business operations, market performance organizational structure, product bifurcation, finance, risk management, quarterly and annual financial results, human resources, research and development, information technology, health safety & environment, regulatory updates, update on whistle blower mechanism and future outlook. The KMP were also provided trainings on POSH awareness and emergency preparedness awareness programs.	100%
Key Managerial Personnel	8		100%
Employees other than BoD and KMPs	300	POSH Awareness, Emergency Preparedness, Internal Auditors Certification, Management Skills, Electrostatic Hazards, Supervisory Skills, Excel Training, Operation & Calibration of GCL HPLC, Good Laboratory Practices, Procedure for Gas Chromatography Analysis, Procedure for Indexing of Docs.	100%
Workers	736	Jimmedari Ki Shakti, PPEs, Fire Fighting Training, Chemical Handling, MSDS, Unsafe Act and Conditions, Work Permit, Head & Eye Protection, Vessel Entry, Proper Usage of Utilities, Proper Handling of Vacuum System, Identification & Mitigation of Static Charge, Monitoring of Rotating & Static Equipments, LOTO, Emergency Response, Readiness of plant for Shut Down, Housekeeping etc.	100%

## 2. Details of fines/ penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	Settlement Commission, Principal Bench, Customs, Central Excise & Service Tax Settlement Commission, Department of Revenue, Ministry of Finance.	20,00,000	On an investigation done by DRI, it was found that company availed excess MEIS benefit of 3% instead of 2% due to inadvertently misclassification of goods. Consequently, the Company basis expert view, had assessed a liability for the differential amount to be refunded for the period from 1 April 2015 till 31 December 2019 amounting to Rs. 907 lakhs (including interest 130 lakhs) which was voluntarily deposited during 2020-21.  However, DRI issued show cause notice dated 28 December 2020 under the Custom Act, 1962 imposing penalty of equivalent amount. DRI appointed additional Director General (Adjudication), DRI, New Delhi as common adjudicating authority. In 2022, additional Director General (Adjudication), DRI, New Delhi was re-designated as Commissioner of Custom (Adjudication) Delhi as per notification no 23/2022-cus(nt) dated 31.03.2022. During the FY22-23, the company filed application before the customs and central excise settlement commission for settlement of the case under section 127B of customs	No

				act, 1962. During the FY23-24, the settlement commission passed the order by imposing penalty of Rs 20 lakhs which was subsequently deposited and intimated to the adjudicating authority who passed the final order on 24.5.24.
Settlement				
Compounding Fee				Nil

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment				Nil

## 3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not Applicable

## 4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, The Company continues to stay committed to conducting business in accordance with applicable laws, rules and regulations and the highest standards of honesty, integrity, governance, ethical and transparency in all its businesses. The Company has the Anti-Bribery and Anti-Corruption Policy to discourage bribery, corruption, gifts, payments, or any kind of consideration solicited, from or given to any person, to secure advantage in business transactions/ dealings and has also adopted Whistleblower Mechanism for reporting about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The policy is applicable to all individuals working at all levels and grades, including Board Members and Senior Managerial Personnel.

The Anti Bribery and Anti-Corruption Policy is available at <https://www.punjabchemicals.com/wp-content/uploads/2023/03/Anti-Bribery-and-Anti-Corruption-Policy.pdf>.

## 5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particulars	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

## 6. Details of complaints with regard to conflict of interest:

Particulars	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

## 7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable.

## 8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:

Particulars	FY 2023-24	FY 2022-23
Number of days of accounts payables	74 Days	76 Days

**9. Openness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	20%	Not Applicable
	b. Number of trading houses where purchases are made from	64	
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	56%	
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	3%	
	b. Number of dealers/ distributors to whom sales are made	58	
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	67%	
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	Nil	
	b. Sales (Sales to related parties/ Total Sales)	2.45%	
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	99%	
	d. Investments (Investments in related parties/ Total Investments made)	Nil	

**Leadership Indicators****1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
	Nil	

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.**

Yes- Company upholds the highest standards of corporate governance through the implementation of a robust Code of Conduct for the Board. This foundational document meticulously defines and addresses conflicts of interest, providing preventive measures and guidelines for resolution. During Board meetings, a proactive stance is taken with Members transparently disclosing any potential conflicts related to agenda items. A dedicated policy governs related party transactions, ensuring accountability and integrity. In any conflict scenario, Board members abstain from voting on pertinent matters. For detailed insights, interested parties can refer to our Code of Business Conduct and Ethics for Directors and Sr. Management, highlighting our commitment to ethical leadership and governance excellence. For in depth insights, follow our weblink <https://www.punjabchemicals.com/code-of-conduct/>

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.****Essential Indicators****1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	24%	26%	Improvement in Environmental impact parameters such as water, Air, Hazardous.
Capex	67%	52%	To improve Emission absorption system, health and safety environment for workers.

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, At Punjab Chemicals we proudly adhere to the Supplier Code of Conduct, which outlines our commitment to sustainable procurement practices. Our dedication extends beyond mere compliances; We actively seek to strengthen our environmental and social footprint by proactively mitigating risks through a carefully designed risk-based strategy.

**b. If yes, what percentage of inputs was sourced sustainably?**

100%

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for**

(a) Plastics (including packaging): As per the Plastic Waste Management rules, the company has laid down a procedure for collecting and segregating plastic waste generated during the process. Further recycling and disposal of plastic is carried out as per the CPCB guidelines.

(b) E-waste: The Company has standard procedure for handling, storage and disposal of generated E-waste as per E-Waste (Management) Rules. Further recycling and disposal of E-waste generated is carried out as per CPCB guidelines.

(c) Hazardous waste: The Company has standard operating procedure for handling, storage and disposal of generated Hazardous waste as per Hazardous Waste (Management and Transboundary) Rules. Further disposal of generated waste is carried out as per CPCB and PCB guidelines. We have an agreement in place with the TSDF site for the safe and sustainable disposal of generated waste.

(d) and other waste: The Company has standard operating procedure for handling, storage and disposal of generated canteen waste and sending for vermi-composition.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, Punjab Chemicals adheres to the waste management rules as amended from time to time and mandated by law. The company is also registered as per the Extended Producer Responsibility (EPR) plan.

**Leadership Indicators****1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
					N.A.

**2. If there are any significant social or environmental concerns and/ or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same. No**

Name of Product / Service	Description of the risk / concern	Action Taken
-	-	-

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
Benzene	88.12%	88.29%
Toluene	96.37%	96.85%
Denatured Spirt	61.41%	64.28%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	34.4MT	33MT	97MT	35.8MT	36MT	107MT
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	1149.404MT	0	0	485.920MT
Other waste	0	0	1096.08MT	0	0	1600MT

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Nil

**PRINCIPLE 3:** Businesses should respect and promote the well-being of all employees, including those in their value chain.

### Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	316	31	9.81%	316	100%	0	0.00%	0	0.00%	0	0.00%
Female	46	10	21.74%	46	100%	46	100%	0	0.00%	0	0.00%
<b>Total</b>	<b>362</b>	<b>41</b>	<b>11.33%</b>	<b>362</b>	<b>100%</b>	<b>46</b>	<b>12.71%</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>
<b>Other than Permanent employees</b>											
Male	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	852	308	36.15%	852	100%	0	0.00%	0	0.00%	0	0.00%
Female	1	0	0	1	100%	1	100%	0	0.00%	0	0.00%
<b>Total</b>	<b>853</b>	<b>308</b>	<b>36.11%</b>	<b>853</b>	<b>100%</b>	<b>1</b>	<b>0.12%</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>
<b>Other than Permanent workers</b>											
Male	558	0	0.00%	558	100%	0	0.00%	0	0.00%	0	0.00%
Female	1	0	0.00%	1	100%	1	100%	0	0.00%	0	0.00%
<b>Total</b>	<b>559</b>	<b>0</b>	<b>0.00%</b>	<b>559</b>	<b>100%</b>	<b>1</b>	<b>0.18%</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

Particulars	FY 2023-24	FY 2022-23
Cost incurred on well- being measures as a % of total revenue of the company	0.60%	0.55%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total Employees	No. of workers covered as a % of total Workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total Employees	No. of workers covered as a % of total Workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100.00%	100.00%	Y	100.00%	100.00%	Y
Gratuity	100.00%	100.00%	Y	100.00%	100.00%	Y
ESI	13.00%	65.00%	Y	14.00%	66.00%	Y
Others -please specify	Nil	Nil	Nil	Nil	Nil	Nil

3. Accessibility of workplaces.

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises/offices of the Company are accessible to differently abled employees and worker.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

At Punjab Chemicals, our strong commitment to promoting diversity, equity and inclusion is exemplified through our 'All In' initiative. We recognize the inherent value of embracing diverse perspectives and experiences, understanding that this enriches our workplace culture and fosters innovation. Based on our Code of Conduct and guided by the principles of 'Reflect,' 'Expose' and 'Transform,' we are dedicated to developing a workforce that reflects the vibrant tapestry of our communities. Through concerted efforts, we strive to develop an inclusive environment where trust, compassion and mutual respect flourish. Our approach encompasses multifaceted strategies aimed at building representative leadership, empowering our workforce, and catalyzing positive social change. Some of the initiatives include, implementation of stronger safeguards, and facilitation of bias sensitization workshops to promote awareness and understanding. weblink: <https://www.punjabchemicals.com/code-of-conduct/>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	0	0	0
Female	100	100	0	0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

The Company upholds grievance redressal policy including redressal mechanism for all categories of employees across all locations of the Company.



**7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	362	0	0.00%	339	0	0.00%
- Male	316	0	0.00%	292	0	0.00%
- Female	46	0	0.00%	47	0	0.00%
<b>Total Permanent Workers</b>	853	828	97.07%	889	863	97.08%
- Male	852	828	97.18%	889	863	97.08%
- Female	1	0	0.00%	0	0	0.00%

**8. Details of training given to employees and workers:**

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	316	147	46.52%	115	36.39%	292	75	25.68%	103	35.27%
Female	46	18	39.13%	22	47.83%	47	4	8.51%	27	57.45%
<b>Total</b>	<b>362</b>	<b>165</b>	<b>45.58%</b>	<b>137</b>	<b>37.85%</b>	<b>339</b>	<b>79</b>	<b>23.30%</b>	<b>130</b>	<b>38.35%</b>
<b>Workers</b>										
Male	852	506	59.39%	320	37.56%	889	268	30.15%	0	0.00%
Female	1	0	0	0	0	0	0	0	0	0.00%
<b>Total</b>	<b>853</b>	<b>506</b>	<b>59.32%</b>	<b>320</b>	<b>37.51%</b>	<b>889</b>	<b>268</b>	<b>30.15%</b>	<b>0</b>	<b>0.00%</b>

**9. Details of performance and career development reviews of employees and worker:**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	316	280	88.61%	292	163	55.82%
Female	46	44	95.65%	47	33	70.21%
<b>Total</b>	<b>362</b>	<b>324</b>	<b>89.50%</b>	<b>339</b>	<b>196</b>	<b>57.82%</b>
<b>Workers</b>						
Male	852	816	95.77%	889	487	54.78%
Female	1	0	0.00%	0	0	0.00%
<b>Total</b>	<b>853</b>	<b>816</b>	<b>95.66%</b>	<b>889</b>	<b>487</b>	<b>54.78%</b>

**Note:** 100% of eligible employees have received performance and career development reviews.

**10. Health and safety management system:**

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the Company is firmly committed to adhering to the guidelines and principles outlined in ISO 45001. This commitment extends to providing a secure working environment for employees, contractors, sub-contractors, visitors, and neighbouring communities at Derabassi, Lalru and Pune site. We implement measures to prevent work-related injuries and illnesses, reduce risks, and consistently enhance safety performance. Punjab Chemicals holds certifications for both ISO 45001 and ISO 14001, underscoring our dedication to occupational health and safety standards.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has a process for Risk Management which is essential for preventing incidents, injuries, occupational disease, emergency control & prevention and business continuity. Considering the hazards associated with operations and hazardous chemicals used, sites have deployed structured Hazard Assessment, Risk Assessment and Management Process – both qualitative and quantitative which is regularly reviewed and mitigation plans are put in place for high-risk areas. The process also considers roles and responsibilities, monitoring control measures, competency training and awareness of individuals associated with such activities. For all activities including routine or non-routine (permit/project activities) hazards are identified by a trained cross functional team and risk assessment and management is done through Hazard Identification and Risk Assessment (HIRA)/Job Safety Analysis (JSA)/Standard Operating Procedure (SOP) which is referred before starting any activity. The Company has procedures for process safety and functional safety including Layers of Protection Analysis (LOPA). Identified hazards and associated risks are addressed through operational control measures using a hierarchy of control approach. Techniques like Process Hazard Analysis (PHA), what if-analysis, Failure Mode Effect Analysis (FMEA) are carried out on a case-to-case basis. On a day-to-day basis unsafe conditions and hazards are also identified by employees and reported in the near miss register or in the safety suggestion box or telephonically to their HOD's. This facility is also extended to contractors working on sites. The closure of same is tracked to ensure risk control at workplace. Storing and handling of toxic chemicals like chlorine, solvents, flammable materials etc. are identified as the major process hazards at the site for which the Company has carried out Quantitative Risk Assessment; HAZOP study and engineering review by external / internal experts as appropriate.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, we encourage our employees to report near miss incidents for each department through a register. These are compiled on digital platforms, for compliance and statistical analysis through a central team of experts at each site. All sites have specific procedures for reporting of work-related hazards, injuries, unsafe conditions and unsafe acts.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, Employees and workers of organization have access to non-occupational medical healthcare services. At all sites we have dedicated doctors, person can approach them for non-occupational illness related issues.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

\*Including in the contract workforce

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

The Company is committed to continuously employing Environment, Health and Safety (EHS) practices through continual improvements. The Company has integrated EHS Policy, which is implemented across all the three sites. The EHS Policy is aligned to the Group Safety Policy; Corporate Sustainability and the safety of stakeholders. To ensure steady improvement in the EHS performance, the Company has already adopted standards such as ISO 45001:2018 and other Safety guidelines. HIRA i.e. Hazard identification and Risk Assessment and Management is being done in accordance with Hazard Identification and Risk Assessment (HIRA) Procedure. Job Safety Analysis (JSA) Procedure is being followed for no routine jobs. HAZOP i.e. Hazard and operability studies are being done to ensure adequate controls are in place to prevent process related events. Hierarchy of controls is being ensured for application of risk control measures. Control measures are in place to bring risks in acceptable range. Deployment of a Safe and Healthy system of work is assured through

periodic safety audits and inspections across sites. The controls serve as an essential barrier to protect employees and the environment from potential hazards. Operating Procedures and Safe Work Practices ensures uniform and safe operations and minimize operational errors with consistent performance. Hazard Monitoring and Communication of materials and processes are continuously monitored, reported, and communicated to all employees. All these systems and practices help to ensure availability of a safe and healthy workplace.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Safety related incidents are being investigated and investigation reports are shared across the sites for deployment of corrective actions and to stop recurrence of such incidents. Effectiveness of Corrective actions deployment being checked during safety Audits. Significant risks/ concerns arising from safety risk assessment of Health and Safety Practices are addressed through adequate engineering and system controls.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

(A) Employees	Yes, the Company extends a compensatory package to all its employees including workers in event of death.
(B) Workers	

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Company regularly monitors remittance of statutory dues by value chain partners as part of processing their bills on a regular basis with periodic audits.

**3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.**

Particulars	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	0	0	0	0

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes, on case to case basis.

**5. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	The Company has practice to visit the customers before purchasing technical products and ensure adequate training is being provided by supply chain partners to handle products safely. For domestic value chain partners also, adequate training is ensured by supply chain partners to handle products safely.
Working Conditions	

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Our rigorous supply chain assessments have revealed no significant risks in health and safety practices or working conditions. Through due diligence, we identify and mitigate risks across our supply chain. Our Active Pharmaceutical Ingredient (API) suppliers and third-party logistics partners undergo assessment by auditors to ensure compliance with our standards.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Engaging with stakeholders is crucial for us at Punjab Chemicals in addressing sustainability related concerns. We strongly believe that engaging with diverse stakeholder groups introduces a wide array of perspectives. This inclusivity fosters trust and understanding among stakeholders. Within our organization, we identify key internal and external stakeholders through peer review and analyse stakeholder groups that may have a potential impact or influence on our business operations.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Local Communities/ NGO	No	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Emails and telephonic conversations</li> <li>CSR Reports</li> </ul>	Continuous	* CSR Activities
Suppliers	No	<ul style="list-style-type: none"> <li>Emails and Meetings</li> <li>Training workshop and seminars</li> <li>Supplier assessment and review</li> <li>Supplier grievance mechanism</li> </ul>	Continuous	<ul style="list-style-type: none"> <li>Supplier development</li> <li>Promoting local supplier</li> <li>Supplier assessment</li> <li>Promoting shared growth</li> </ul>
Employees	No	<ul style="list-style-type: none"> <li>Training and Programmes</li> <li>Employee engagement surveys</li> <li>Performance appraisal reviews</li> <li>Grievance redressal mechanism</li> <li>Emails and Meetings</li> </ul>	Continuous	<ul style="list-style-type: none"> <li>Employee health, safety and well-being initiatives.</li> <li>Providing E Learning and development platforms for behavioral and skill development.</li> <li>Employee engagement and satisfaction.</li> <li>Updates and communication on policies, processes, systems.</li> </ul>

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders/ Investors	No	<ul style="list-style-type: none"> <li>Annual Report</li> <li>Annual General Meeting (AGM)</li> <li>One-on-One Interactions</li> <li>Announcement through stock exchanges</li> <li>Company website</li> <li>Dedicated email ID for Investor Grievances</li> <li>Investor/Analyst meet</li> <li>Quarterly Financial Statements</li> </ul>	Continuous/ Need Basis	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Operational performance</li> <li>Business outlook</li> <li>CSR Programs</li> <li>Corporate Governance</li> <li>Material Disclosures etc.</li> </ul>
Trade Partners	No	Emails and Meetings	Periodically/ Need Basis	<ul style="list-style-type: none"> <li>Ensuring availability of products</li> <li>Explain emerging channels of trade</li> </ul>

### Leadership Indicators

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The company has a Stakeholder Relationship Committee in place ensure that an effective self-regulatory mechanism exists to protect the interest of stakeholders. The concerns identified and are resolved to the satisfaction of the shareholders. The Management regularly interacts with key stakeholders i.e. investors, customers, suppliers, employees, etc. The Company has focused on this aspect through its EHS (Environment, Health, Safety) policy that updates the progress on the actions to the Board and takes inputs on a quarterly basis.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, through community interaction study, the Company engages with its stakeholders in terms of identifying and prioritizing the issues pertaining to economic, environmental and social topics.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

The Company follows an extensive development approach which specifically targets the vulnerable and marginalized stakeholders. It has been the Company's constant endeavor to focus on inclusive and collaborative growth in the neighborhood areas of operations aiming to improve the quality of life by better education, health care, agriculture/ animal husbandry, better livelihood skills and employment.

### PRINCIPLE 5: Businesses should respect and promote human rights.

#### Essential Indicator

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	362	190	52.49%	0	0	-
Other than Permanent	0	0	0	0	0	-
<b>Total Employees</b>	<b>362</b>	<b>190</b>	<b>52.49%</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Workers</b>						
Permanent	0	0	0	0	0	-
Other than Permanent	0	0	0	0	0	-
<b>Total Workers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>

**2. Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>										
Male	316	0	0.00%	316	100%	292	0	0.00%	292	100%
Female	46	0	0.00%	46	100%	47	0	0.00%	47	100%
<b>Other than Permanent</b>										
Male	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
<b>Workers</b>										
<b>Permanent</b>										
Male	852	90	10.56%	762	89.44%	889	889	100%	0	0.00%
Female	1	0	0.00%	1	100%	0	0	0.00%	0	0.00%
<b>Other than Permanent</b>										
Male	558	0	0.00%	558	100%	528	528	100%	0	0.00%
Female	1	0	0.00%	1	100%	2	2	100%	0	0.00%

**3. Details of remuneration/salary/wages:****a. Median remuneration / wages:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹ in Lakh)	Number	Median remuneration/ salary/ wages of respective category (₹ in Lakh)
Board of Directors (BoD)*	6	9.46	2	4.21
Key Managerial Personnel (KMP)**	3	256.00	1	21.00
Employees other than BoD and KMP***	267	4.54	41	6.57
Workers***	834	3.00	1	3.00

\* The Independent Directors and Non-Executive Non-Independent Directors are entitled to Sitting Fees and Commission as per the statutory provisions. Only Non-Executive Directors are included in the Board of Directors.

\*\* KMPs include Managing Director along with CEO, CFO and CS of the Company.

\*\*\* The Median salary of the staff/workers is arrived by taking into account the gross salary of the employees/workers who worked through the year. The employees who joined or left in any part of the year have not been considered for computing the median.

**b. Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	5.42%	-

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, there is Human Right Policy in place.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company has a common mechanism to redress grievances under human rights as for other grievances. Grievances are received through email, letter, or telephonically etc., it is registered by the HR and Admin department at respective locations and its sanity check is done. For complaints which are in the purview of the Code of Conduct committee, merits further investigation. Investigation is either internal or external, based on its severity. The investigator conducts investigation by gathering the data, validating, analyzing and gives his observations and recommendations. The investigation report is further reviewed by the CEO and the recommendations are acted upon. The documentation of the action taken is filed for records. These are reviewed by the Audit Committee.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	1	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labor	0	0	-	0	0	-
Forced Labor/ Involuntary Labor	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human Rights related issues	0	0	-	0	0	-

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	1
Complaints on POSH as a % of female employees / workers	0	2 %
Complaints on POSH upheld	0	0

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

In handling all complaints, confidentiality of the complainant's details is strictly maintained. Investigations are conducted with the utmost sensitivity to prevent any inadvertent exposure of the complainant's identity. Our commitment to privacy and respect ensures a safe and secure environment for all involved.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, At our organization, rigorous due diligence is carried out to ensure compliance with human rights standards. We prioritize active communication of our human rights framework both internally and externally, embedding these principles within agreements, contracts, and our comprehensive Code of Conduct. Through these measures, we reaffirm our commitment to upholding human rights at every level of our operations and relationships. By fostering transparency and accountability, we strive to create a culture where human rights are respected and upheld in all aspects of our business endeavours.

**10. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	100%

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

There was no audit concerns in the above area from assessments in Financial Year 2023-24

**Leadership Indicators****1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

No grievances or complaints related to Human Rights principles and guidelines have been reported. In a proactive stance, we have implemented a leave policy and travel guidelines for the safety of our female colleagues at the workplace and during commute.

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

All employees and workers on the Company's roll are encompassed within our human rights due diligence framework. This encompasses assessments on Freedom of Association, Prohibition of Forced Labour, Prohibition of Child Labour, POSH policy, and more.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

-Yes

## 4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	Company prioritizes responsible partnerships and implements a rigorous supplier assessment process. This process evaluates key areas such as Environment, Health and Safety (EHS), Corporate Social Responsibility (CSR), Anti-Bribery Due Diligence (ABDD), cybersecurity, and financial stability.
Discrimination at workplace	
Child labour	
Forced labour/involuntary labour	
Wages	
Others – please specify	

## 5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the Environment.**

## Essential Indicators

## 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>From renewable sources</b>		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through sources (C) other	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>0</b>	<b>0</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	37439583157	36626054000
Total fuel consumption (E)		0
Energy consumption through other sources (F)	1098902130	1635482000
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>38538485287</b>	<b>38261536000</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>38538485287</b>	<b>38261536000</b>
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations)	4.13	3.79
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> Total energy consumed / Revenue from operations adjusted for PPP*	94.51	86.85
Energy intensity in terms of physical output Total energy consumed/Total Production in MT converted to KG	1100	1132
Energy intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable

**Note:** Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency- No

\*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

## 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

## 3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
i. Surface water	15584m <sup>3</sup>	N.A.
ii. Groundwater	100909m <sup>3</sup>	101553.5m <sup>3</sup>
iii. Third party water	N.A.	N.A.
iv. Seawater / desalinated water	N.A.	N.A.
v. Others	N.A.	N.A.
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>116493m<sup>3</sup></b>	<b>101553.5m<sup>3</sup></b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>116493m<sup>3</sup></b>	<b>101553.5m<sup>3</sup></b>
<b>Water intensity per rupee of turnover</b> (Total water consumption/Revenue from operations)	0.000012	0.000010
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP)	0.000286	0.000231
<b>Water intensity in terms of physical output</b>	0.003325	0.003003
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	N.A.	N.A.

**Note:** Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency- No

## 4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	Not Applicable	Not Applicable
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

**Note:** Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency- No

## 5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the Company is Zero liquid Discharge, the generated effluent is being fed into MEE for thermal decomposition and the condensate so, received is being recycled in the Cooling towers.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	MT	3.30	1.57
Sox	MT	3.42	1.1
Particulate matter (PM)	MT	3.53	1.41
Particulate matter (PM)		0	0
Persistent organic pollutants (POP)		0	0
Volatile organic compounds (VOC)		0	0
Hazardous air pollutants (HAP)		0	0
Others – please specify			

**Note:** Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency- No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	2125.67MT	1213.54MT
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	0	0
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	-	0.00000023	0.00000012
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	-	0.00000521	0.00000276
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	-	0.00006067	0.00003589
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	-	Not Applicable	Not Applicable

**Note:** Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency- No

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, the company has established system to meet in carbon emission reduction plan and the company is using rice-husk as a fuel in boiler for steam generation.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	164.66MT	180.01MT
E-waste (B)	8.52MT	0.250MT
Bio-medical waste (C)	0.271MT	0.0012MT
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	Nil	Nil
Radioactive waste (F)	Nil	Nil

Parameter	FY 2023-24	FY 2022-23
Other Hazardous waste Please specify, if any. (G)	Nil	Nil
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Nil	Nil
<b>Total (A + B + C + D + E + F + G + H)</b>	173.451MT	180.2612MT

Parameter	FY 2023-24	FY 2022-23
<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations)	0.000000019	0.000000018
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP)	0.000000425	0.000000409
<b>Waste intensity in terms of physical output</b>	0.000004951	0.000005331
<b>Waste intensity (optional) – the relevant metric may be selected by the entity</b>	Not Applicable	Not Applicable
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	Nil	Nil
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
<b>Total</b>	Nil	Nil
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	954.05MT	642.130
(ii) Landfilling	1079.304MT	469.16MT
(iii) Other disposal operations	1096.97MT	1161.654MT
<b>Total</b>	3130.324MT	2772.94MT

**Note:** Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency- No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

A complete strategy to trash minimization, segregation, and safe disposal is integrated by the company into its waste management plan. The Company has put in place several initiatives to reduce manufacturing rejects as part of the resource optimization and waste minimization process. The strategy is being adopted by the company to reduce usage of hazardous waste and toxic chemicals by source reduction through plant modifications, waste recovery/recycle or waste treatment through destruction, detoxification or neutralization the undesirable waste and waste minimization also being done through process modification.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

Company's manufacturing facility and office location are strategically situated away from ecologically sensitive areas. We prioritize environmental stewardship by ensuring minimum environmental footprint and maximising value for all stakeholders

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
During the reporting period, Company has not conducted any environment impact assessment.					

**13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

During the reporting period, there were no cases of non-compliance to applicable laws, regulations, guidelines in India. Punjab Chemicals has got Valid Consent to Operate, issued by the respective state Pollution Control Board.

## Leadership Indicators

**1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area- Derabassi, Lalru and Pune
- Nature of operations- Manufacturing of Agrochemicals, Specialty Chemicals and Industrial Chemicals
- Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	15584m <sup>3</sup>	NA
(ii) Groundwater	100909m <sup>3</sup>	101553.5m <sup>3</sup>
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
<b>Total volume of water withdrawal (in kilolitres)</b>	116493m <sup>3</sup>	101553.5m <sup>3</sup>
<b>Total volume of water consumption (in kilolitres)</b>	116493m <sup>3</sup>	101553.5m <sup>3</sup>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	0.000012	0.000010
<b>Water intensity (optional)</b> – the relevant metric may be selected by the entity	Not Applicable	Not Applicable
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment	Not Applicable	Not Applicable
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

**Note:** Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No

**2. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> Equivalent	0	0
<b>Total Scope 3 emissions per rupee of turnover</b>	MT/₹	0	0
<b>Total Scope 3 emission intensity (optional)</b> – the relevant metric may be selected by the entity	Not Applicable	Not Applicable	Not Applicable

**Note:** Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No

**3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not applicable as our business operations do not operate in any of the ecologically sensitive zones.

**4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

S. No.	Initiative under taken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Integrated Waste Management	<ol style="list-style-type: none"> <li>Converting Hazardous waste in useable material like: Spent Acetic Acid, Spent Poly aluminium chloride, Spent HCL, Spent NMP, Spent KCL Solution, Spent Oxalic Acid of Layer, Spent Morpholene of Layer.</li> <li>Scrubber installation at boiler to avoid air pollution.</li> <li>New Technology (MVRE) Mechanical Vapor Recompression Evaporation to minimize stream Consumption.</li> </ol>	<p>Conservation of Natural resources/ Raw materials/ Reduction in usage of natural resources.</p> <p>Air pollution control.</p> <p>Conservation of natural resources.</p>

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The Company has a robust disaster management plan, addressing Environment, Health and Safety (EHS) emergencies with a defined command structure for efficient crisis response. A global business continuity and impact assessment guides the formulation of disaster recovery plans, covering life safety, health, product crisis, cyber attacks, customer service, revenue, public image, regulatory compliance, and product development. This proactive approach ensures preparedness to safeguard operations, employees, customers, and the community in times of crisis. Furthermore, Business Continuity and Impact Assessment is carried out periodically for all functions and operations across the Country, basis which business continuity and disaster recovery plans are reviewed and strengthened further.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

We ensure regular due diligence for mapping risks across our supply chain to maintain the resilience and business continuity across operations. Our assessments in the reporting period indicated no significant risks or concerns with respect to violation of human rights, environment, health and safety across the value chain.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental.**

Company prioritizes responsible partnerships and implements a rigorous supplier assessment process. This process evaluates key areas such as Environment, Health and Safety (EHS), Corporate Social Responsibility (CSR), Anti-Bribery Due Diligence (ABDD), cybersecurity, and financial stability.

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations:  
The Company is a member of 5 trade and industry chambers/associations
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	CHEMEXIL-Basic Chemicals, Cosmetics & Dyes Export Promotion Council	National
2	PHDCCI-PHD Chamber of Commerce and Industry	National
3	BCCI-Bombay Chamber of Commerce and Industry	National
4	Crop Care Federation of India	National
5	The Council of EU Chamber of Commerce in India	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not Applicable, as no cases of anti-competition conduct were identified during the reporting period.

### Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1	The company works closely with various trade and industry associations to represent the industry before governments and regulators. We ensure that policy advocacy is done in a transparent and responsible manner, keeping the national interest in mind.	We have representation across key industry and business associations. We also actively participate on important sectoral topics for the benefit of all.	No	NA	NA

**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.**

### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

No assessment carried out during the reporting period.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

The Company value engagement with communities. Our management team diligently manages incoming grievances, emails, requests by ensuring prompt responses and appropriate redirection to relevant departments wherever required for a quick resolution.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	5.11%	5.70%
Directly from within India	64.14%	63.98%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY 2023-24	FY 2022-23
Rural	-	-
Semi-urban	-	-
Urban	100%	100%
Metropolitan	-	-

(Place to be categories as per RBI classification system- rural / semi - urban/ urban metropolitan)

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Nil	NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

None

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)

No

- (b) From which marginalized /vulnerable groups do you procure?

Not Applicable

- (c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: None

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1	-	-	-	-

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. None

Name of authority	Brief of the Case	Corrective action taken
-	-	-



**6. Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Education Projects	9325	100% Beneficiaries from rural areas
2	Environment Project	10000	100% Beneficiaries from rural areas
3	Rural Development Projects	2000	100% Beneficiaries from rural areas
4	Preventive Health Care Projects- Medical and Eye- Check-up camps	665	100% Beneficiaries from rural areas

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.****Essential Indicators****1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company has established a systematic approach to resolution of consumer complaints. When it comes to product-related issues, our dedicated quality team takes charge. They diligently engage with customers, ensuring thorough follow-up and prompt resolution, which may include providing replacement for any defective products. On the other hand, complaints related to personnel, supply or service matters are directly forwarded to the respective special teams. These teams handle complaints promptly, leveraging their expertise to provide effective solutions tailored to the specific nature of each concern. This structured process allows us to maintain our commitment to customer satisfaction and maintain the highest standards in all aspects of our operations.

**2. Turnover of products / services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

**3. Number of consumer complaints in respect of the following:**

	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy						
Advertising						
Cyber-security						
Delivery of essential services		Nil			Nil	
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

**5. Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes- web-link <https://www.punjabchemicals.com/wp-content/uploads/2023/06/Security-Policy.pdf>

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Not Applicable as no such instances were recorded during the reporting period.

**7. Provide the following information relating to data breaches:**

- Number of instances of data breaches: Nil
- Percentage of data breaches involving personally identifiable information of customers: Not Applicable
- Impact, if any, of the data breaches: Not Applicable

**Leadership Indicators****1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Information related to our products and services can found on our website: [www.punjabchemicals.com](http://www.punjabchemicals.com)

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Each product is accompanied by packaging or information labels that clearly communicate essential details to our consumers. These labels include instructions for safe use, composition, effects, and guidance on appropriate storage conditions, among other pertinent information. Additionally, we increase consumer access to certain product information by including QR codes, which open links containing comprehensive details related to product safety and proper use. This commitment reflects our dedication to transparency and ensuring the well-informed use of our products. Consumers are effectively communicated on the critical significance of procuring genuine products exclusively from authorized distributors rather than opting for unverified online platforms. This concerted effort underscores our commitment to ensuring consumer trust and upholding the integrity of our brand.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The Company informs through emails and phone calls.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, our product labels are very detailed and carry information about Hazards and safe handling. Address and contact numbers of Manufacturing sites and registered office is provided on product labels.

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
**Punjab Chemicals and Crop Protection Limited**  
Milestone 18, Ambala Kalka Road  
Village & PO Bhankharpur  
Derabassi, Mohali (Punjab) –140201.  
(CIN: L24231PB1975PLC047063)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Punjab Chemicals and Crop Protection Limited** (hereinafter called 'the Company'). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2024 (the period under review) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:
  - There was no Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment, during the period under review as informed to us by the management of the Company.

- (v) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not applicable to the Company during the period under review.
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- Not Applicable to the Company during the Review Period.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not Applicable to the Company during the Review Period.
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act 2013 and dealing with client - Not applicable to the Company during the period under review.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable to the Company during the period under review.
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not Applicable to the Company during the period under review.

#### **We have also examined compliance with the applicable clauses of the following:**

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that** we have relied on the representation made and other documents provided by the Company, its officers and certify on the examination of the same on test check basis that the Company has complied with the following laws applicable specifically to the Company as identified and confirmed by the management:

- (i) The Boilers Act, 1923;
- (ii) The Poisons Act, 1919;
- (iii) Insecticides Act, 1968;
- (iv) Drugs and Cosmetics Act, 1940;
- (v) The Environment (Protection) Act, 1986;
- (vi) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;
- (vii) The Water (Prevention & Control of Pollution) Act, 1974; and
- (viii) The Air (Prevention & Control of Pollution) Act, 1981.

#### **We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice was given to all the Directors to schedule the Board meetings, and agenda and detailed notes on agenda were sent at least 7 (seven) days in advance except for the meetings which were conducted at shorter notice, in compliance with the provisions of the Companies Act, 2013. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions were taken by majority, while the dissenting members' views, if any, were captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For P.S. Dua & Associates**  
(Company Secretaries)

**P.S. Dua**

FCS No. 4552

C P No. 3934

Place: Ludhiana  
Date: May 6, 2024

Peer Review Certificate No. 1296/2021  
UDIN: F004552F000316853

**This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.**

## Annexure A to Secretarial Audit Report

To,  
The Members,  
**Punjab Chemicals and Crop Protection Limited**  
Milestone 18, Ambala Kalka Road  
Village & PO Bhankharpur  
Derabassi, Mohali (Punjab) –140201.  
(CIN: L24231PB1975PLC047063)

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- Wherever required, we have obtained and relied on the management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For P.S. Dua & Associates**  
(Company Secretaries)

**P.S. Dua**

FCS No. 4552

C P No. 3934

Peer Review Certificate No. 1296/2021

UDIN: F004552F000316853

Place: Ludhiana  
Date: May 6, 2024

## Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

[Pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

### A) CONSERVATION OF ENERGY

#### a) Steps taken for Conservation of Energy and Impact:

- Installation of FRP light weighted Cooling tower fans with the replacement of conventional Aluminium fans.
- Installation of AC Drives in DEO, Chilled Water, Brine Water & Oxalic Cooling Tower Pump.
- Installation of Energy Efficient IE4 Three phase AC Induction motor in place of conventional motors.
- Installation of Energy Efficient LED lights in place of conventional lights.
- Energy meters installed in individual plants to monitor Power consumption & efficiencies.
- Flow meters have been installed in individual plants to monitor the steam consumption.
- Boilers revamped to improve their efficiencies.
- Efficiency monitoring program for chillers implemented.
- Power factor improved from 0.992 to 0.998.
- Operational – moderate automation, modifications, changes in process parameters, changes in design and manpower.
- Installation of Centralized Air Compressor system for better efficiency & utilization.
- Focused on recycling of water resulting in the reduction of water treatment.
- Solvent recovery systems improved. Old heat exchangers were replaced for better efficiency.
- Older power cables have been replaced by new standard XLPE power cables for better efficiency.

#### b) Steps taken by the Company for utilizing alternate sources of energy:

Energy Audit was conducted and implementation of the suggestions received to save energy are in progress.

#### c) Capital investment on energy conservation equipment's:

The Company regularly monitors the energy consumption and make necessary investments by installing energy efficient equipment's, wherever required. The capital investment on energy conservation activities & equipment's was ₹6.25 Crore.

Above efforts and monitoring helps in energy conservation and to save cost.

### B) TECHNOLOGY ABSORPTION:

#### (i) The efforts made towards technology absorption:

Quality of the products improved by controlling impurities as per norms laid down by the customers.

#### (ii) Benefits derived as a result of the above efforts, e.g. Product improvement and cost reduction, product development, import substitution:

Process modifications being carried to decrease the time cycle, improve efficiency, safety and for cost reduction.

#### (iii) Technology imported during the last 3 years:

The Company has not imported any technology.

#### (iv) The expenditure incurred on Research and Development:

(₹ in Lakhs)

	2023-24	2022-23
Capital Expenditure	18	77
Revenue Expenditure	388	224
Total R&D Expenditure	406	301
Total R&D expenditure as % age of total turnover	0.44%	0.30%

### C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(₹ in Lakhs)

	2023-24	2022-23
Foreign Exchange Earned	48422	58078
Foreign Exchange Outgo	12927	13958

**For and on behalf of the Board of Directors**

**Mukesh Dahyabhai Patel**

Chairman

Place: Mumbai  
Date: May 6, 2024

DIN: 00009605

## Disclosure of Managerial Remuneration

[Pursuant to Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 as well as the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary is as under:

Name of Director/ Key Managerial Personnel	Designation	Ratio to median remuneration	% increase/ decrease in remuneration
Mr. Shalil Shashikumar Shroff	Managing Director	102.56x	3.45%
Mr. Mukesh Dahyabhai Patel	Independent Director	4.26 x	-16.75%*
Capt. Surjit Singh Chopra (Retd.)	Director	0.95x	-15.19%*
Ms. Aruna Rajendra Bhinge	Independent Director	1.56x	-12.76%*
Mr. Sheo Prasad Singh	Independent Director	1.30x	-11.84%*
Mr. Shivshankar Shripal Tiwari	Director	8.03x	-19.95%*
Mr. Avtar Singh	Director	1.08x	-21.65%*
Mr. Vijay Dilbagh Rai	Independent Director	4.09x	-17.33%*
Ms. Tara Subramaniam	Independent Director	0.84x	**
Mr. Vinod Kumar Gupta	Chief Executive Officer	-	12.28%
Mr. Ashish R Nayak	Chief Financial Officer	-	**
Ms. Rishu Chatley	Company Secretary	-	**

\* Percentage decrease in remuneration to non-executive directors is due to decline in profits in the financial year 2023-24 resulting in payment of commission less than 2022-23.

\*\*Since the remuneration is only for part of the year (current/ previous), the percentage increase in remuneration is not comparable and hence not stated.

2. The percentage increase/decrease in the median remuneration of employees in the financial year: -8.36%

3. The number of Permanent employees on the roll of the Company.

As on March 31, 2024	As on March 31, 2023
1215	1228

4. Average percentile increases already made in the salaries of employees other than the managerial remuneration in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average increase in salary of employees (other than managerial personnel)	7.82%
Average increase / decrease in remuneration of managerial personnel	-1.63%

Decrease in managerial remuneration is due to superannuation/appointment of some KMPs in the last year and therefore the remuneration is only for part of the year (current/ previous).

5. Affirmation that the remuneration is as per the remuneration policy of the Company.

Remuneration paid to Directors, KMP's and other employees during the year is as per the Remuneration Policy of the Company.

**Note:**

1. The Median salary of the staff members is arrived by taking into account the gross salary of the employees who worked through the year. The employees who joined or left in any part of the year have not been considered for computing the median.

2. No Stock option was granted to Directors.

3. Remuneration includes sitting fees and Commission for Non-Executive Directors and Salary and Commission for the Executive Director. Commission relates to financial year 2023-24, which will be paid during financial year 2024-25.

Statement showing the detail of employees drawing aggregate remuneration exceeding one crore and two lakh rupees as per Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014).

Employee name, designation and age	Educational Qualification	Remuneration (₹ In Lakh)	Date of joining and experience	Previous employment and designation	Relation with any other Director / Manager
Shalil Shashikumar Shroff - Managing Director 59 years	Management Diploma from U.S.A. and B.Com	360.00	January 15, 1992 35 years	STS Chemicals Limited, Director	Son in law of Capt. S.S. Chopra (Retd.), Director
Vinod Kumar Gupta - Chief Executive Officer 54 years	Chemical Engineer, IIT Bombay & Post Graduate Program in Management for Executives, IIM Ahmedabad	256.00	February 2, 2021 32 years	Archean Chemicals Industries Private Limited - CEO	Not Applicable

The Board has recommended / approved a Commission of ₹100 lakh (within the ceiling provided in the Companies Act, 2013) to Mr. Shalil Shashikumar Shroff, Managing Director for the financial year 2023-24 in accordance with remuneration approved by the shareholders of the Company and shall be paid in the financial year 2024-25, which has been included in his remuneration.

# Report on Corporate Governance

[In terms of Regulation 34(3) read with Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations")]

## OUR CORPORATE GOVERNANCE PHILOSOPHY

Our corporate governance is a reflection of our value system, encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices and performance, and ensure that we gain and retain the trust of our stakeholders at all times.

Corporate governance is an ethically-driven business process that is committed to values aimed at enhancing an organization's capacity to create wealth. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. At Punjab Chemicals and Crop Protection Limited "the Company", it is imperative that our Company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

We are committed to defining, following and practicing the highest level of corporate governance across all our business functions. Our corporate governance is a statement of the values we stand by as we conduct our business and engage with our stakeholders. Our Company has been a leader in adopting recognized corporate governance guidelines and has set the highest standards in abiding by them.

Our corporate governance is reinforced through the Company's Code of Conduct and Ethics, corporate governance guidelines and committee charters. Our Board and Management processes, audits and internal control systems reflect the principles of our corporate governance framework.

## CORPORATE GOVERNANCE GUIDELINES

Strong corporate governance is the bedrock of our sustained performance and has helped us gain the trust and respect of all our stakeholders. The enhancement of these corporate governance standards, through periodic evaluation and change, is one of the most important aspects of ensuring value creation for our stakeholders.

Our corporate governance follows the guidelines established by the Board of the Company. These guidelines provide a structure within which directors and the Management can effectively pursue the Company's objectives for the benefit of its stakeholders. These are framed in conjunction with the Company's Memorandum & Articles of Association, the charters of the committees of the Board and applicable laws / regulations / guidelines in force in India.

## BOARD OF DIRECTORS

### Role of the Board of Directors

The primary role of the Board is that of trusteeship – to protect and enhance shareholder value. As trustees, the Board has a fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. Further, the Board is also responsible for:

- Exercising appropriate control to ensure that the Company is managed efficiently to fulfill stakeholders' aspirations and societal expectations.
- Monitoring the effectiveness of the Company's governance practices and making changes as necessary.
- Providing strategic guidance to the Company and ensuring effective monitoring of the Management.
- Exercising independent judgment on corporate affairs.
- Assigning a sufficient number of non-executive members of the Board to tasks where there is a potential for conflict of interest, to exercise independent judgment.
- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.

### Composition of Board

The Company recognizes and embraces the importance of a diverse Board in its success. We believe that a truly diverse Board will leverage differences in thought, perspective, regional and industry experience, cultural and geographical background, age, ethnicity, race, gender, knowledge, skills and other domains, which will ensure that the Company retains its competitive advantage.

The composition of the Board of the Company is in conformity with Regulation 17 of Listing Regulations and Section 149 of the Companies Act, 2013 ("the Act"). It is an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities effectively and provide leadership to the business.

As on the date of this Report, the Board comprised nine members. There is 1 (one) Executive Director (Managing Director), 3 (three) are Non-Executive and remaining 5 (five) are Independent Directors including two Independent Woman Director. The Chairman is an Independent Director.

The Managing Director is the Promoter Director. Three Non-Executive Directors are liable to retire by rotation at the Annual General Meetings to comply with the provisions of the Act. The number of Directorship(s)/ Committee Membership(s)/ Chairmanship(s) of all Directors is within respective limits prescribed under the Listing Regulations and the Act.

The Composition and Category of Directors, their attendance at the Board Meetings and the last Annual General Meeting (AGM) held during the year 2023-24 and the number of Directorships and Committee Chairmanships/ Memberships held by them in other Public Limited Companies as on March 31, 2024 are as follows:

Name of the Director	Category	Attendance		No. of other directorships and Committee memberships / chairmanships			Directorship in other listed entities and category of directorship*	No. of Shares
		Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanship		
Mr. Mukesh Dahyabhai Patel Chairman (DIN: 00009605)	Independent/ Non- Executive	6	Yes	3	4	2	i. Shilchar Technologies Limited- (Independent Director) ii. Banco Products (India) Limited- (Independent Director)	400
Mr. Shalil Shashikumar Shroff Managing Director (DIN: 00015621)	Promoter / Executive	6	Yes	-	-	-	-	230581
Capt. Surjit Singh Chopra (Retd.) (DIN: 00146490)	Non-Independent/ Non- Executive	6	Yes	-	-	-	-	-
Mr. Vijay Dilbagh Rai (DIN: 00075837)	Independent/ Non-Executive	6	Yes	2	1	-	-	-
Ms. Aruna Rajendra Bhinge (DIN: 07474950)	Independent Woman Director/ Non- Executive	6	Yes	3	3	-	i. Laurus Labs Limited- (Independent Director) ii. Mahindra EPC Irrigation Limited- (Independent Director)	-
Mr. Sheo Prasad Singh (DIN: 06493455)	Independent/ Non- Executive	6	Yes	-	-	-	-	-
Mr. Avtar Singh (DIN: 00063569)	Non-Independent/ Non- Executive	6	Yes	3	2	-	-	-
Mr. Shivshankar Shripal Tiwari (DIN: 00019058)	Non-Independent/ Non Executive	6	Yes	-	-	-	-	33469
Ms. Tara Subramaniam (DIN: 07654007)#	Independent Woman Director/ Non- Executive	5	Yes	5	6	2	i. Restaurant Brands Asia Limited- (Independent Director) ii. Vascon Engineers Limited- (Independent Director) iii. Tips Industries Limited- (Independent Director)	-

\*Excludes Directorship in private limited companies, foreign companies, and companies under Section 8 of the Companies Act, 2013.

# Ms. Tara Subramaniam was inducted as a new member of the Board with effect from August 3, 2023 under the category of Non-Executive Independent Director of the Company.

**Notes:**

- (a) Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies other than PCCPL.
- (b) Mr. Shalil Shashikumar Shroff, Managing Director and Capt. Surjit Singh Chopra (Retd.) are related to each other. None of the other Directors are related inter-se.
- (c) None of the Directors have received any loans and advances from the Company during the year.
- (d) The Managing Director is paid remuneration as approved by the members of the Company within the overall ceiling prescribed under the Companies Act, 2013. Other Non-Executive Directors are paid sitting fees for attending the Board and Committee Meetings in addition to the Commission in case of sufficient net profit calculated as per the provisions of the Companies Act, 2013.
- (e) The Company has no convertible instruments. None of the Directors hold any convertible instruments of the Company.
- (f) The Board of Directors have noted the declarations received from the Independent Directors pursuant to the Companies Act, 2013 and Listing Regulations with regard to their independence and are of the opinion that the Independent Directors fulfill the conditions of independence and are independent of the Management of the Company.

**Familiarisation Programme**

Pursuant to the provisions of the Act and Regulation 25 (7) of the Listing Regulations, the Company has, during the year, conducted familiarisation programmes for its Independent Directors and other Directors. Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, among others, and seek their opinions and suggestions on the same. In addition, the Directors are briefed on their

specific responsibilities and duties that may arise from time to time.

The details of familiarization programmes imparted to Independent Directors are also disclosed on the Company's website at: <https://www.punjabchemicals.com/wp-content/uploads/2024/04/Familiarisation-Programme-for-Independent-Directors-FY-2023-24.pdf>

**Directors and Officers Insurance ('D&O')**

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has taken adequate D&O insurance for directors, officers and employees of the Company.

**Core Skills/Expertise/Competencies available with the Board**

The Board evaluates its composition to ensure that the Board has the appropriate mix of skills, experience, independence and knowledge to ensure their continued effectiveness. The Board Members have background that when combined provide a portfolio of experience and knowledge that will serve Company governance and strategic needs. The Directors have demonstrated experience and ability that is relevant to the Board's oversight role with respect to Punjab Chemicals business and affairs.

In terms of Listing Regulations, the following skills, expertise and competencies have been identified by the Board of Directors as required in the context of its business and sector for it to function effectively:

- Global business and Economics
- Management and Leadership
- Strategy and Growth
- Crop Protection Products
- Finance
- Risk, Compliance and Governance

The above mentioned skills / expertise / competencies are available with the Board as a whole.

In the table below, the specific areas of expertise of individual Board members are as under:

Areas/Director	Global business and Economics	Management and Leadership	Strategy and Growth	Crop Protection Products	Finance	Risk, Compliance and Governance
Mr. Mukesh Dahyabhai Patel	√√	√√	√√	√√	√√	√√
Mr. Shalil Shashikumar Shroff	√√	√√	√√	√√	√√	√√
Capt. Surjit Singh Chopra (Retd.)	√	√	√√	√	√	√√
Mr. Vijay Dilbagh Rai	√√	√√	√√	√√	√√	√√
Ms. Aruna Rajendra Bhinge	√√	√√	√√	√√	√	√√
Mr. Sheo Prasad Singh	√	√	√	√	√√	√√
Mr. Avtar Singh	√√	√√	√√	√√	√	√√
Mr. Shivshankar Shripal Tiwari	√√	√√	√√	√√	√	√√
Ms. Tara Subramaniam	√√	√√	√√	√√	√√	√√

Note: (√√) Possess the skill and has core expertise; (√) Possess the skill

**Information to Board/ Committee Members**

During the year under review, board/committee meetings were convened by giving appropriate notice of the meeting well in advance. The directors/members of the Committee were provided with appropriate information in the form of agenda items in a timely manner, to enable them to deliberate on each agenda item, make informed decisions and provide appropriate directions to the Management in this regard. Information is provided to the Board members on a continuous basis for their review, inputs and approval. Company ensures that the directors are also provided with all the information as may be called upon by them.

**Board/Committee Meetings and Procedures**

The Board has constituted various Committees to govern specific areas of operations/functions. All Board and Committee meetings are held in compliance with Secretarial Standard-1 (SS-1) issued by The Institute of Company Secretaries of India ["ICSI"].

The Company has moved to a regime of paperless Board and Committee meetings. All the board/committee meetings were held through physically as well as video conferencing as allowed under law.

**Scheduling and selection of agenda items for Board and Committee meetings**

The Board/Audit Committee annually holds at least four prescheduled meetings. Additional Board/Committee meetings may be convened to address the Company's specific needs. In case of business exigencies or urgency, resolutions are passed by circulation. Every quarter, the Board notes compliances of all laws applicable to the Company.

In the Board/Committee meeting, various business heads/ service heads are invited to make presentation on their respective areas.

The Chairman of the Board and Company Secretary, in consultation with other concerned members of the senior management, finalize the agenda for Board/Committee meetings. The agenda is circulated to the Directors well in advance along with all material information pertaining to the agenda items for facilitating meaningful and focused discussions at the meeting.

The broad matters considered by the Board, inter-alia include:

Annual operating plans, capital budgets and updates therein.; Quarterly and annual consolidated and standalone results & financial statements of the Company; Capital/corporate restructuring, mergers and acquisitions related matters; Dividend/bonus related matters; Regular business/function updates; Update from Chairperson of Board Committees; Compliance related matters; Regulatory updates; Human Resource related matters.

The Directors are provided with the video conferencing (VC) facility to participate in Board and Committee meetings. The Directors participated in these meetings either through the VC facility or in person., if the need arises, the Board's/ Committee's approval is taken by passing resolutions through

circulation or by calling Board/Committee meetings at short notice, as permitted by law.

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/Committee members for their comments as prescribed under SS-1. The minutes after considering comments of directors, are entered in the minutes book within 30 days from the conclusion of the meeting. The minutes thereafter are signed by the Chairperson of the next meeting. Important decisions taken at Board/Committee meetings are communicated promptly to the concerned departments/ divisions. Action taken on decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/ Committees for noting.

**Board Meetings**

The Board duly met 6 (Six) times during the year and the gap between the two meetings did not exceed 120 days. The necessary quorum was present for all the meetings. The details of the meetings held are as follows:

Date	Board Strength	No. of Directors present	No. of Independent Directors Present
May 4, 2023	8	8	4
August 3, 2023	9	9	5
October 26, 2023	9	9	5
December 14, 2023	9	9	5
February 6, 2024	9	9	5
March 22, 2024	9	9	5

During the year, there was full quorum in all board meetings including full attendance of independent directors.

Ms. Tara Subramaniam was inducted as a new member of the Board with effect from August 3, 2023 under the category of Non-Executive Independent Director of the Company.

**Independent Directors Role**

As trustees of shareholders, Independent Directors play a pivotal role in upholding corporate governance norms and ensuring fairness in decision making. Being experts in various fields, they also bring independent judgement on matters of strategy, risk management, controls and business performance. The Directors' Report contains the disclosures regarding fulfilment of the requisite independence criteria by Company's Independent Directors.

**Independent Directors and their meeting**

The Independent Directors are appointed by the Board to provide their independent judgement on the affairs of the Company. The Independent Directors are appointed by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee.

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence



as provided under the law and that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgement and without any external influence.

In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified in the Securities and Exchange Board of India ["Listing Obligations and Disclosures Requirements"] Regulations, 2015 ["Listing Regulations"] and the Companies Act, 2013 regarding independence and are independent of the management. Further, pursuant to the Ministry of Corporate Affairs (MCA) notification dated October 22, 2019, all the Independent Directors are registered on the Independent Directors databank maintained by the Indian Institute of Corporate Affairs ('IICA').

At the time of appointment, each Independent Director is issued a formal letter of appointment containing the terms of appointment, roles, duties and code of conduct among other items. The draft letter of appointment is available on the website of the Company under Investors section at following link <https://www.punjabchemicals.com/wp-content/uploads/2022/04/Draft-letter-of-appointment.pdf>.

During the year under review, the Independent Directors met on March 22, 2024, where all the Independent Directors were present. The meeting was conducted to enable the Independent Directors to discuss the affairs of the Company, outcome of the board/committee evaluation and put forth their views to the Board.

During the year under review Ms. Tara Subramaniam [DIN: 07654007] was appointed as an Additional Director w.e.f. August 3, 2023 under the category of Independent Director and was further regularized as Independent Director by obtaining shareholders approval through Postal Ballot on September 26, 2024.

#### Code of Conduct

The Company has a Code of Conduct which expresses the Company commitment to conducting business ethically. The Code explains what it means to act with integrity and transparency in everything the Company does and in accordance with its unique culture and values. The Code sets expectations for all those who work with the Company. The Code acts as a guideline for Employees, Customers and Suppliers, Communities/ Environment, Governments and Shareholders. The Code of Conduct is available on Company's website at <https://www.punjabchemicals.com/wp-content/uploads/2022/05/Code-of-Conduct-and-ethics-PCCPL-f.pdf>.

As required under Clause D of Schedule V pursuant to Regulation 34(3) of the Listing Regulations, the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management as laid down by the Company for the year ended March 31, 2024. A declaration

to this effect from the Managing Director forms part of this Report.

#### Succession Planning / Policy

The Company believes succession plans should be proactive and rigorous to identify and secure the best possible talent to oversee and manage the organisation.

The succession planning process of the Board and the senior management is managed by the Nomination and Remuneration Committee ("NRC") and reviewed by the Board. The Nomination and Remuneration Committee ensures orderly / structured succession in appointments to the Board and senior management. The Company strives to maintain an appropriate balance of skills, experience and continuity in the Board. The Succession Policy is placed on the website of the Company at <https://www.punjabchemicals.com/wp-content/uploads/2020/07/Succession-Policy.pdf>.

#### Board Independence

Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, Independent Directors including the Chairman are independent in terms of Listing Regulations.

#### Appointment/ Re-appointment of Directors

As required under Regulation 36(3) of the Listing Regulations, particulars of the Director seeking reappointment are given in the Explanatory Statement to the Notice of the Annual General Meeting (AGM).

#### BOARD COMMITTEES

The Board Committees are set up by the Board of Directors and are governed by their respective terms of reference which exhibit the scope and responsibilities of the Committees. Presently, the Board has five committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee. The Committees operate under the direct supervision of the Board.

The terms of reference of all the Committees are revised on a periodic basis to enhance the effectiveness of the Committees and to benchmark it with the best global practices in governance.

#### AUDIT COMMITTEE

Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the Company's financial reporting process and internal controls. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Act and the provisions of Regulation 18 read with Part C of Schedule II of the Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. It functions

in accordance with its charter that defines its authority, responsibility and reporting function.

The broad terms of reference of Audit Committee as adopted by the Board, inter-alia, are as under:

Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible; Reviewing, with the management, the financial statements and financial results and auditor's report thereon before submission to the Board for approval; Recommendation for appointment and remuneration of auditors, reviewing their independence and effectiveness of the audit process;

The composition of the Committee comprises of 5 (five) directors all of whom are independent directors and the details of meetings held and attended by the Directors during the financial year 2023-24 are as under:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Mr. Vijay Dilbagh Rai	Non-Executive / Independent	Chairman	6	6
2.	Mr. Mukesh Dahyabhai Patel	Non-Executive / Independent	Member	6	6
3.	Ms. Aruna Rajendra Bhinge	Non-Executive / Independent	Member	6	6
4.	Mr. Sheo Prasad Singh	Non-Executive / Independent	Member	6	6
5.	Ms. Tara Subramaniam*	Non-Executive / Independent	Member	6	4

\*Appointed as a member of the Committee effective August 3, 2023.

The composition of the Committee is in compliance with the Act and the Listing Regulations. All the members of the Audit Committee are financially literate and Mr. Vijay Dilbagh Rai has been nominated as the Chairman of the Audit Committee.

Company Secretary of the Company acts as the Secretary to the Audit Committee in conformity with Section 177 of the Act and Regulation 18(1) of the Listing Regulations.

The Audit Committee meetings are attended by the Managing Director, Chief Executive Officer, Chief Financial Officer and the Statutory Auditors of the Company, whenever required. The Internal Auditors and Cost Auditors of the Company are also invited to the meetings, as and when required. The Committee also invites such executives, as it considers appropriate to seek any clarification.

During the year, the Committee reviewed the key audit findings covering operational, financial, compliances, internal financial controls and reporting system. The Chairman of the Audit Committee briefs the Board about the significant discussions at the Audit Committee meetings. The minutes of each of the Audit Committee meetings are placed before the Directors in the next meeting of the Board. During the year, all the recommendations made by the Audit Committee were accepted by the Board. The Chairman of the Committee was present at the previous AGM held on August 4, 2023.

Approval of payment to statutory auditors for any other services rendered by the statutory auditors; Oversee insider trading related matters and provide directions on any penal action to be initiated, in case of any violation of the Insider Trading Regulations; Approval or any subsequent modification of transactions with related parties; Scrutiny of inter-corporate loans and investments of the Company; Valuation of undertakings or assets of the Company, wherever it is necessary; Review the functioning of the vigil policy/whistle blower mechanism.

During FY 2023-24, the Audit Committee met six times i.e. May 4, 2023, August 3, 2023, October 26, 2023, December 14, 2023, February 6, 2024 and March 22, 2024.

#### NOMINATION AND REMUNERATION COMMITTEE

The broad terms of reference of Nomination and Remuneration Committee as adopted by the Board, inter alia, are as under:

Formulation of the criteria for determining qualifications, positive attributes and independence of a director, and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees; Recommending appointment/re-appointment/ removal of any Director or senior management personnel of the Company including their remuneration; Approve criteria for effective evaluation of the performance of the entire Board, its committees and individual directors; Review human resource related matters including talent management and succession planning; Administer and monitor Employee Stock Option Scheme(s) of the Company.

#### Composition and Attendance at the meetings

The Board has constituted a Nomination and Remuneration Committee ["NRC"] with four Non-Executive Independent Directors. The Company has complied with the requirement of Regulation 19 of Listing Regulations and Section 178 (1) of the Act with respect to the composition of the Nomination and Remuneration Committee.

During the year, all the recommendations made by the NRC were accepted by the Board. Mr Vijay Dilbagh Rai, Chairman of the Nomination and Remuneration Committee was present at the last AGM held on August 4, 2023 by way of Video Conferencing/ Other Audio Visual Means ["VC/OAVM"]. The Committee met two (2) times during the financial year on May 4, 2023 and August 3, 2023.

The composition of the Committee and details of meetings attended by the Directors during the financial year 2023-24:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Mr. Vijay Dilbagh Rai	Non-Executive / Independent	Chairman	2	2
2.	Mr. Mukesh Dahyabhai Patel	Non-Executive / Independent	Member	2	2
3.	Ms. Aruna Rajendra Bhinge	Non-Executive / Independent	Member	2	2
4.	Mr. Sheo Prasad Singh	Non-Executive / Independent	Member	2	2

Company Secretary of the Company acts as the Secretary of the Committee. The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board. The Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013, has been published on the Company website at following link <https://www.punjabchemicals.com/wp-content/uploads/2018/07/Nomination-and-Remuneration-Policy.pdf>.

#### Performance Evaluation and Criteria for Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual Directors pursuant to the provisions of the Act and Listing Regulations. The performance of the board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, among others.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, among others.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India ["SEBI"] on January 5, 2017.

In a separate meeting of Independent Directors, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, among others.

Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

#### REMUNERATION OF DIRECTORS

The Board on the recommendation of the Nomination and Remuneration Committee has framed and adopted the policy for selection and appointment of Directors, senior management and their remuneration. The policy lays down criteria for selection of Directors and senior management based on expertise, experience and integrity of the person. It also weighs the independent nature, personal and professional standing for the diversity in the Board composition.

#### Remuneration to the Managing Director

The Board / Nomination and Remuneration Committee is authorised to decide the remuneration of the Managing Director, subject to the approval of the members and any other approval, if required. The remuneration structure comprises of salary, commission, perquisites and allowances as per applicable law / rules.

Annual increments are decided by the Board on the recommendation of the Nomination and Remuneration Committee on the basis of their contribution to the growth and financial position of the Company. The industrial trend and inflation is also considered.

During the year under review, the remuneration to the Managing Director was paid in accordance with the provisions of the Companies Act, 2013 and as approved by the Shareholders.

#### Remuneration to Non-Executive Directors

Non-Executive Directors are paid sitting fees of ₹15000/- for each meeting of the Board or its committees attended by them. They are also eligible for commission in case of sufficient and adequate Net Profit available. The commission payable to each Non-Executive Director is determined by the Board, based on the norms and role and contributions of each Director. The commission is distributed in such a manner as determined and decided by the Chairman of the Company and approved by the Board of Directors of the Company. The Company can pay remuneration by way of commission not exceeding 1% of the net profit to all the Non-Executive

Directors. The commission for the financial year ended March 31, 2024 will be paid to Non- Executive / Independent Directors, subject to deduction of tax, after obtaining approval from the members at the ensuing Annual General Meeting and adoption of financial statements by the Members. Further, sitting fees are paid as per the Act and SEBI Regulations.

The Company has not granted any stock options to the Directors.

#### Details of Remuneration paid to Directors

The Directors' remuneration and sitting fees paid in respect of the Financial Year 2023-24 are given below:

(Amount in Lakhs)

Name of Director	Sitting fees for Board /Other Committees Meetings	Salaries and other perquisites benefits	Other Commission	Total
Mr. Mukesh Dahyabhai Patel	3.45	-	11.51	14.96
Mr. Shalil Shashikumar Shroff	-	260.00	100.00	360.00
Capt. Surjit Singh Chopra (Retd.)	1.05	-	2.30	3.35
Mr. Vijay Dilbagh Rai	2.85	-	11.51	14.36
Ms. Aruna Rajendra Bhinge	2.40	-	3.07	5.47
Mr. Sheo Prasad Singh	2.25	-	2.30	4.55
Mr. Avtar Singh	1.50	-	2.30	3.80
Mr. Shivshankar Shripal Tiwari	1.35	-	26.85	28.20
Ms. Tara Subramaniam	1.95	-	1.00	2.95
<b>Total</b>	<b>16.80</b>	<b>260.00</b>	<b>160.84</b>	<b>437.64</b>

#### Notes:

- There are no stock options, fixed component and performance linked incentives along-with the performance criteria to the Directors.
- The commission of ₹60.83 lakh has been approved for the Non Executive Directors for the financial year 2023-24. The same shall be distributed among them after adoption of financial results in the ensuing Annual General Meeting, which has been included in the above table.
- The Board has recommended / approved a Commission of ₹100 lakh to Mr. Shalil Shashikumar Shroff, Managing Director of the Company for the year 2023-24 in accordance with remuneration approved by the shareholders of the Company, shall be paid/ distributed during the financial year 2024-25 which has been included in the remuneration of Managing Director.
- The Company has no pecuniary relationship / transaction with any of the Non-Executive Directors other than those disclosed elsewhere in this Annual Report.

#### Service Contracts, Severance fees and Notice period for the Managing Director

Name	Period of Contract	Severance fees / notice period
Mr. Shalil Shashikumar Shroff, Managing Director	5 years from January 15, 2024 to January 14, 2029 and remuneration for a period of three (3) years from January 15, 2024 to January 14, 2027	The contract may be terminated by either party by giving the other party ninety days' notice in writing or such shorter notice as may be mutually agreed between the Managing Director and the Company

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

The broad terms of reference of Stakeholders Relationship Committee as adopted by the Board, inter-alia, are as under:

Review statutory compliance relating to all shareholders; Consider and resolve the grievances of shareholders of the Company, including complaints related to transfer / transmission of securities, non receipt of annual report/ declared dividends/ notices/ balance sheet, issue of new/duplicate certificates, general Meetings, among others; Review measures taken for effective exercise of voting rights by shareholders; Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund ["IEPF"] Oversee compliances in respect of transfer of shares to the IEPF, in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder, as applicable from time to time; Review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; Oversee and review all matters related to the transfer of securities of the Company; Approve issue of duplicate certificates of the Company; Review movements in shareholding and ownership structures of the Company; Ensure setting of proper



controls, review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agents and oversee performance of the Registrar and Share Transfer Agents; Recommend measures for overall improvement of the quality of investor services.

### Composition and Attendance at the meetings

Pursuant to provisions of Section 178(5) of the Act read with Regulation 20 of the Listing Regulations, Committee of Directors (Stakeholders Relationship Committee) of the Board has been constituted. This Committee comprises of four Directors. The Chairman of the Committee is a Non-Executive Independent Director of the Company. During the financial year 2023-24, four (4) meetings of the Committee were held on May 4, 2023, August 3, 2023, October 26, 2023 and February 6, 2024.

The composition of the Committee and detail of meetings attended by the Directors during the financial year 2023-24:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Mr. Mukesh Dahyabhai Patel	Non-Executive / Independent	Chairman	4	4
2.	Mr. Shalil Shashikumar Shroff	Executive / Non Independent	Member	4	4
3.	Mr. Vijay Dilbagh Rai	Non-Executive / Independent	Member	4	4
4.	Mr. Avtar Singh#	Non-Executive / Non Independent	Member	4	2
5	Mrs. Tara Subramaniam*	Non-Executive / Independent	Member	4	2

# Ceased to be a member of the Committee effective August 3, 2023

\*Appointed as a member of the Committee effective August 3, 2023

The Chairman of the Committee was present at the previous AGM held on August 4, 2023.

### Name, designation and address of Compliance Officer

Ms. Rishu Chatley  
Company Secretary and Compliance Officer  
Punjab Chemicals and Crop Protection Limited  
Registered Office: Milestone 18, Ambala Kalka Road,  
Village & PO Bhankharpur, Derabassi,  
Dist. SAS Nagar, Mohali (Punjab)-140201  
Tel: 01762- 280086, 522250 Tel : + 91 22 6665 2700  
Email: investorhelp@punjabchemicals.com

### The details of shareholders' complaints received and disposed off during the year under review are as follows:

Particulars	Number of Complaints
Pending at the beginning of the financial year	0
Received during the financial year	7
Disposed off during the financial year	7
Pending at the end of the financial year	0

The complaints were majorly relating to IEPF, dividend, etc.

## OTHER COMMITTEES

### a) RISK MANAGEMENT COMMITTEE

The broad terms of reference of Risk Management Committee as adopted by the Board, inter-alia, are as under:

Framing risk management plan and policy and reviewing it periodically, at least once in two years; Review of cyber security risks, data privacy, environmental, social, and governance (ESG) related risks, other internal and external risks; Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; Evaluate its own performance annually; Review the adequacy of its Charter annually.

#### Composition and attendance at the meeting

The Risk Management Committee is comprised of four Directors and the Chief Executive Officer of the Company including one Independent Director. The composition of the Committee is in compliance with the Listing Regulations. The Company Secretary acts as the Secretary to the Committee.

During the financial year under review, 3 (three) meetings of the Risk Management Committee were held on May 4, 2023, August 3, 2023 and January 16, 2024.

The composition of the Committee and details of meetings attended by the Directors during the financial year 2023-24 are:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Mr. Shalil Shashikumar Shroff	Executive / Non Independent	Chairman	3	3
2.	Mr. Mukesh Dahyabhai Patel	Non-Executive / Independent	Member	3	3
3.	Mr. Avtar Singh#	Non-Executive / Non Independent	Member	3	2
4.	Mr. Shivshankar S Tiwari	Non-Executive / Non Independent	Member	3	3
5.	Mr. Vinod Kumar Gupta	Chief Executive Officer	Member	3	3
6.	Mrs. Tara Subramaniam*	Non-Executive / Independent	Member	3	1

# Ceased to be the member of the Committee effective August 3, 2023

\*Appointed as a member of the Committee effective August 3, 2023

### b) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The broad terms of reference of Corporate Social Responsibility Committee as adopted by the Board, inter alia, are as under:

Formulate and recommend Corporate Social Responsibility ["CSR"] policy to the Board; Recommend budget to be incurred on CSR expenditure and monitor the CSR activities; Approve Corporate Social Responsibility Report, Business Responsibility Report and Corporate Sustainability Report.

#### Composition and Attendance at the meeting

The Board of the Company has constituted a Corporate Social Responsibility Committee in accordance with the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, comprises of four Directors. During the financial year under review, 1 (one) meeting of the Corporate Social Responsibility Committee was held on May 4, 2023.

The composition of the Committee and details of meetings attended by the Directors during the financial year 2023-24 are:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Mr. Mukesh Dahyabhai Patel	Non-Executive / Independent	Chairman	1	1
2.	Mr. Shalil Shashikumar Shroff	Executive / Non Independent	Member	1	1
3.	Capt. Surjit Singh Chopra (Retd.)	Non-Executive / Non Independent	Member	1	1
4.	Ms. Aruna Rajendra Bhinge	Non-Executive / Independent	Member	1	1

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company at following link <https://www.punjabchemicals.com/wp-content/uploads/2023/03/CSR-Policy.pdf>. A Report giving details of the CSR activities undertaken by the Company during the year along with the amount spent on CSR activities forms a part of the Board's Report.

## PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF PREVIOUS FINANCIAL YEAR

As on the date of this Report, the Company comprised of following Members in the Senior Management:

- Mr. Shalil Shashikumar Shroff, Managing Director
- Mr. Vinod Kumar Gupta, Chief Executive Officer
- Mr. Ashish Ramdas Nayak, Chief Financial Officer
- Ms. Rishu Chatley, Company Secretary and Compliance Officer
- Mr. Yash Vardhan Tripathi, Asstt. Vice President HR and Admin

During the year under review there are no changes in the Senior Management of the Company.

## GENERAL BODY MEETINGS

The details of the special resolutions passed during the last three Annual and/or Extraordinary General Meetings are as follows:

Year	Location	Day, Date and Time	Special Resolutions
2020-21	Registered Office of the Company, Milestone –18, Ambala Kalka Road, Bhankharpur, Derabassi through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility at 10:30 a.m.	Thursday, August 12, 2021	There was no matter that required passing of Special Resolution.
2021-22	Registered Office of the Company, Milestone –18, Ambala Kalka Road, Bhankharpur, Derabassi through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility at 10:30 a.m.	Wednesday, August 10, 2022	1. To revise the terms of remuneration of Mr. Shalil Shashikumar Shroff (DIN: 00015621), Managing Director.
2022-23	Registered Office of the Company, Milestone –18, Ambala Kalka Road, Bhankharpur, Derabassi through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility at 10:00 a.m.	Friday, August 4, 2023	1. Continuation of directorships of Capt. Surjit Singh Chopra (Retd.) (DIN: 00146490) as a Non-Executive Non-Independent Director of the Company beyond the age of 75 years.

## EXTRAORDINARY GENERAL MEETING

No extraordinary general meeting of the members was held during the year.

## POSTAL BALLOT

During the year under review, the Company has passed two special resolutions through postal ballot through e-voting.

Date of Postal Ballot	Resolution passed	Approval date	Scrutinizer	Link of postal ballot notice and result
August 3, 2023	1. Appointment of Mrs. Tara Subramaniam (DIN: 07654007) as an Independent Director of the Company for the first term of five consecutive years with effect from August 3, 2023 upto August 2, 2028. 2. Re-appointment of Mr. Shalil Shashikumar Shroff, (DIN: 00015621) as the Managing Director of the Company for a period of five years with effect from January 15, 2024 upto January 14, 2029 and to fix his remuneration for a period of three years with effect from January 15, 2024 upto January 14, 2027.	September 26, 2023	Mr. P. S. Dua (Membership No. 4552, COP No. 3934), Practising Company Secretary	<a href="https://www.punjabchemicals.com/wp-content/uploads/2023/08/IntimationPostalBallotNotice.pdf">https://www.punjabchemicals.com/wp-content/uploads/2023/08/IntimationPostalBallotNotice.pdf</a> <a href="https://www.punjabchemicals.com/wp-content/uploads/2023/09/Postalballotresult.pdf">https://www.punjabchemicals.com/wp-content/uploads/2023/09/Postalballotresult.pdf</a>

### Procedure for Postal Ballot

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022 and 11/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs.

### Details of special resolution proposed to be transacted through postal ballot

No Special Resolution is proposed to be conducted through Postal Ballot as on the date of this Annual Report.

## MEANS OF COMMUNICATION

The Company ensures that the following filings and reports are available on its website:

- All price-sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges, where the securities of the Company are listed. All submissions to the Exchanges are made through the respective electronic filing systems. They are also uploaded on the website of the Company.
- The Company intimates un-audited quarterly, half-yearly and audited quarterly and annual financial results to the BSE Limited ["BSE"], & National Stock Exchange of India Ltd. ["NSE"] [collectively called as "Stock Exchanges"] immediately after these are approved and taken on record by the Board. These financial results are normally published in the Financial Express (all Edition in English), Jansatta (Chandigarh Edition in Hindi) and Rozana Spokesman (Chandigarh edition in Punjabi).

The quarterly results, Shareholding Pattern, quarterly/half yearly/annual compliances and all other material events or information as detailed in Regulation 30 of the Listing Regulations, are filed electronically with National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited through BSE Online portal. These communications are also posted on the Company's website [www.punjabchemicals.com](http://www.punjabchemicals.com).

The Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors / analysts after the declaration of the quarterly, half-yearly and annual results are submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as well as uploaded on the Company's website.

- Management Discussion and Analysis forms part of the Annual Report.

## GENERAL SHAREHOLDER INFORMATION

### a) Annual General Meeting

Date, Time and Venue :	Friday, the August 2, 2024 at 10:00 a.m. (IST) at Derabassi through Video Conferencing pursuant to the MCA Circular No. 9/2023 dated September 25, 2023, read with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021 and December 28, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/167 dated October 7, 2023.
Financial Year :	2023-24
Date of Book Closure :	Friday, July 26, 2024 to Friday, August 2, 2024 (Both days inclusive)
Dividend payment date :	The Dividend, if approved at AGM, will be paid within stipulated time.

### b) Listing on Stock Exchanges

1. BSE Limited ["BSE"], 1 <sup>st</sup> Floor, New Trading Wing, P.J. Towers, Dalal Street, Fort, Mumbai-400 001.	2. National Stock Exchange of India Limited ["NSE"], Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai-400 051.
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The Company has paid the Annual Listing fees to the Stock Exchanges.

### c) Stock Codes /Symbol (for shares)

BSE Limited (Code): 506618

National Stock Exchange of India Ltd. (symbol): PUNJABCHEM

Demat ISIN Number in National Securities Depository Limited ["NSDL"] & Central Depository Services (India) Limited ["CDSL"]: INE277B01014

### d) Volume of Shares traded during F.Y. 2023-24

On BSE: 5,60,708

On NSE: 71,32,832

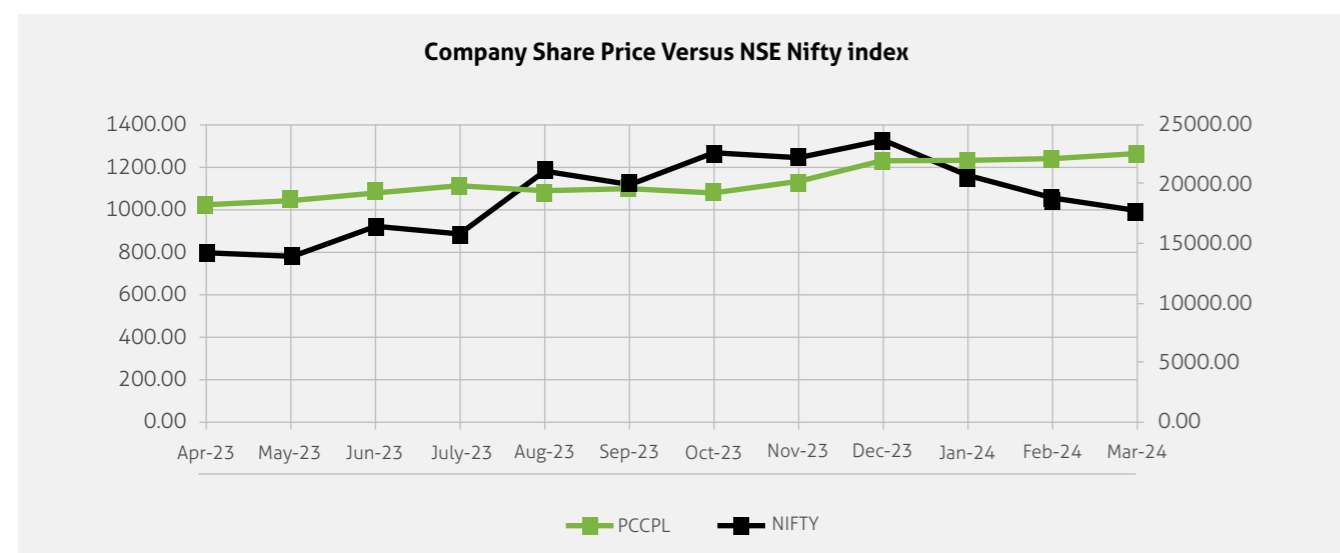
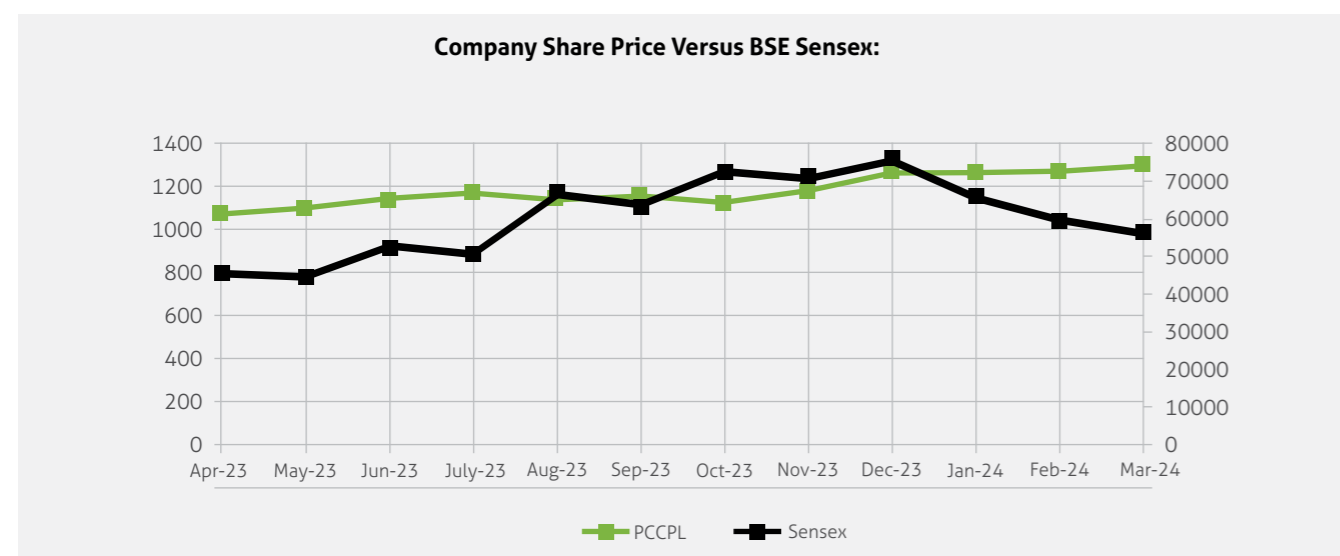
**e) Market Price Data**

Market price data-monthly high/ low of BSE/ NSE depicting liquidity of the Company's Equity Shares on the said exchanges is given hereunder:

Month	BSE (in ₹)		NSE (in ₹)	
	High	Low	High	Low
April, 2023	876.95	779.75	878.05	790.05
May, 2023	820.05	722.10	820.60	727.55
June, 2023	970.00	773.75	944.65	768.20
July, 2023	930.00	834.85	931.90	833.10
August, 2023	1,234.45	881.50	1,232.95	880.25
September, 2023	1,197.00	1,038.55	1,188.00	1,042.50
October, 2023	1,310.95	976.80	1,311.95	971.00
November, 2023	1,293.30	1,089.95	1,295.00	1,089.00
December, 2023	1,391.95	1,127.00	1,391.00	1,124.00
January, 2024	1,348.95	1,091.00	1,350.00	1,086.20
February, 2024	1,245.00	945.00	1,178.00	945.00
March, 2024	1,154.85	900.50	1,155.00	899.85

**f) Share Price performance in comparison to broad based indices:**

The charts given here show the monthly movements of the company's equity closing share prices on BSE and NSE versus the closing share prices of BSE Sensex and NSE Nifty Index.



During the financial year ended March 31, 2024, securities of the Company have not been suspended from trading on any of the stock exchanges where they are listed.

**g) Registrar and Share Transfer Agent ["RTA"]**

M/s Alankit Assignments Ltd., 4E/2, Jhandewalan Extension, New Delhi-110055 is the Registrar and Share Transfer Agent ["RTA"] of the Company.

**h) Unclaimed Dividend**

Section 124 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), as amended, mandates that companies transfer dividend that has remained unclaimed /un-encashed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund ["IEPF"]

Further, the Rules mandate that the shares on which dividend has not been claimed / encashed for seven consecutive years or more be transferred to the IEPF.

The following table provides a list of years for which unclaimed dividends and their corresponding shares would become eligible to be transferred to the IEPF on the dates mentioned below:

Year	Type of Dividend	Dividend per share (₹)	Date of Declaration	Due date of Transfer
2018-19	Final	1.50	August 13, 2019	September 19, 2026
2019-20	Final	1.50	September 25, 2020	November 1, 2027
2020-21	Final	2.00	August 12, 2021	September 18, 2028
2021-22	Final	3.00	August 10, 2022	September 16, 2029
2022-23	Final	3.00	August 4, 2023	September 10, 2030

In order to educate the shareholders and with an intent to protect their rights, the Company also sends regular reminders to shareholders to claim their unclaimed dividends / shares before it is transferred to the IEPF. Shareholders may note that both the unclaimed dividends and corresponding shares transferred to the IEPF, including all benefits accruing on such shares, if any, can be claimed from the IEPF following the procedure prescribed in the Rules. No claim shall lie in respect thereof with the Company.

**i) Shares Transferred to Investor Education and Protection Fund ["IEPF"]**

During the year, no shares were due for transfer to the Investor Education and Protection Fund ["IEPF"] in respect of Unclaimed Dividend.

**j) Share Transfer System**

SEBI, effective April 01, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat. However, investors are not barred from holding shares in physical form. We request shareholders whose shares are in physical mode to dematerialize their shares. Shareholders holding shares in dematerialized mode have been requested to register their email address, bank account details and mobile number with their depository participants. Those holding shares in physical mode have been requested to furnish PAN, nomination, contact details, bank account details and specimen signature for their corresponding folios to be able to correspond and receive relevant communications. Shareholders may contact the Registrar

and Transfer Agent ["RTA"] at [info@alankit.com](mailto:info@alankit.com) and also refer details at <https://www.punjabchemicals.com/dividend-shareholders-information/>.

Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Ltd. ["NSDL"] and Central Depository Services (India) Limited ["CDSL"] within the statutory time limit from the date of receipt of Share Certificates provided the documents are complete in all respects.

A summary of transfer / transmission of shares, among others, so approved by the Company Secretary is placed before the Stakeholders Relationship Committee and thereafter in the Board Meeting.

**k) Secretarial Audit and Annual Secretarial Compliance Report**

- As per Regulation 40(9) of the Listing Regulations, a Certificate from the Practising Company Secretary has been submitted to the Stock Exchanges within the stipulated time on yearly basis confirming due compliance of share transfer formalities by the Company.
- Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Limited ["NSDL"] and Central Depository Services (India) Limited ["CDSL"] and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the

aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

- c) Mr P. S. Dua of M/s. P. S. Dua & Associates, Practising Company Secretaries, has conducted a Secretarial Audit of the Company for FY 2023-24. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made thereunder, its Memorandum and Articles of Association, Listing Regulations. The Secretarial Audit Report forms part of the Board's Report.
- d) Pursuant to the SEBI circular no. CIR/CFD/ CMD1/27/2019, dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from M/s P. S. Dua & Associates, Practising Company Secretaries, confirming compliance of SEBI Regulations/Circulars/Guidelines issued thereunder and applicable to the Company. There are no observations or adverse remarks in the said report.

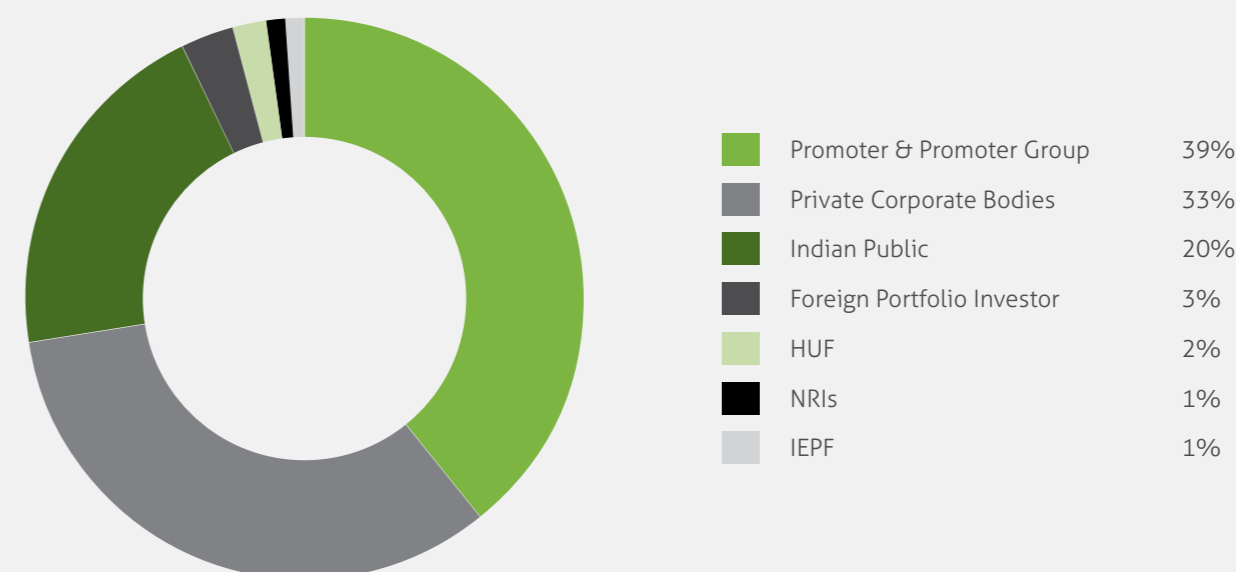
#### l) Distribution of Shareholding as on March 31, 2024

From - To Number of Shares	No. of Shareholders		No. of Shares	
	Number	%	Number	%
1-500	20412	95.67	960204	7.83
501-1000	479	2.24	349935	2.85
1001-2000	221	1.04	314202	2.56
2001-3000	76	0.36	186400	1.52
3001-4000	35	0.16	120851	0.99
4001-5000	22	0.10	98137	0.80
5001-10000	42	0.20	311727	2.54
10001 & above	49	0.23	9920729	80.91
<b>TOTAL</b>	<b>21336</b>	<b>100.00</b>	<b>12262185</b>	<b>100.00</b>

#### m) Categories of Shareholders as on March 31, 2024

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding (%)
<b>A.</b>	<b>Shareholding of Promoter and Promoter Group</b>		
1)	Indian	48,08,890	39.22
2)	Foreign	-	-
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>48,08,890</b>	<b>39.22</b>
<b>B.</b>	<b>Public Shareholding</b>		
<b>1)</b>	<b>Institution:</b>		
a)	Mutual Funds	786	0.01
b)	Financial Institutions/Banks	1,029	0.01
c)	Foreign Portfolio Investors	3,67,995	3.00
d)	Alternate Investment Funds	49,265	0.40
e)	NBFCs registered with RBI	450	0.00
	<b>Sub total (B) (1)</b>	<b>4,19,525</b>	<b>3.42</b>
<b>2)</b>	<b>Non-Institutions</b>		
a)	Private Corporate Bodies	40,63,068	33.14
b)	Directors & their Relatives	41,069	0.33
c)	Indian Public	24,52,271	20.00
d)	NRIs	73,124	0.60
e)	Trust	3,700	0.03
f)	HUF	2,81,157	2.29
g)	IEPF	1,03,988	0.85
h)	Clearing member	5,063	0.04
i)	Unclaimed or Suspense or Escrow Account	10,330	0.08
	<b>Sub Total (B) (2)</b>	<b>7033770</b>	<b>57.36</b>
	<b>Total Public Shareholding (B)(1)+(B)(2)</b>	<b>7453295</b>	<b>60.78</b>
	<b>TOTAL</b>	<b>1,22,62,185</b>	<b>100.00</b>

## Distribution of Shareholding



#### n) Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories viz. NSDL and CDSL.

Percentage of shares held in:

Physical form: 0.79%

Electronic form with NSDL: 87.13%

Electronic form with CDSL: 12.08%

The Company's shares are regularly traded on the BSE and NSE.

#### o) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any other convertible instruments, conversion dates and likely impact on equity

None

#### p) Commodity price risk or foreign exchange risk and hedging activities

The export of finished goods is much higher than the import of Raw material and other material. Therefore, there is a natural hedge available to the Company. The Company has not entered into any hedging activities and not dealt in commodity price or foreign exchange risk activities during the financial year 2023-24.

#### q) Plant locations

Indian manufacturing locations:

**Agro Chemicals Division:** Milestone 18, Ambala Kalka Road, Village & PO Bhankharpur, Derabassi, Dist. SAS Nagar, Mohali (Punjab)-140201

**Specialty and Other Chemicals Division:** Villages: Kolimajra & Samalheri, P.O. Lalru, Distt. SAS Nagar, Mohali (Punjab) - 140501

**Industrial Chemicals Division:** Site No. I & II, H.A. Ltd., Compound Pimpri, Pune (Maharashtra) - 411019

**Overseas Subsidiaries:** SD Agchem (Europe) NV Uitbreidingstraat 84/B3, 2600, Berchem (Antwerp), Belgium

#### r) Address for Correspondence

**1. Investor Correspondence:** For shares held in physical form Alankit Assignments Ltd, 4E/2, Jhandewalan Extension, New Delhi-110055, Tel: 011-42541234, 011- 42541953 Fax: 011-23552001 E-mail : info@alankit.com For shares in Demat form To the Depository Participants viz. NSDL and CDSL

**2. Any query on Annual Report/other matters relating to the Company**

**Registered Office & Works:** Milestone 18, Ambala Kalka Road, Village & PO Bhankharpur, Derabassi, Dist. SAS Nagar, Mohali (Punjab)-140201 Tel: 01762-280086/280094, Fax: 01762-280070 E-mail: info@punjabchemicals.com

**Corporate Office:** Plot No. 645-46, 5<sup>th</sup> Floor, Oberoi Chambers II, New Link Road, Andheri (W), Mumbai-400053. Ph: 022-26747900 (30 lines), Fax: 022-26736013, 26736193 Email: enquiry@punjabchemicals.com

**3. Compliance Officer**

Ms. Rishu Chatley, Company Secretary

**4. Exclusive e-mail ID for the grievance redressal mechanism:** investorhelp@punjabchemicals.com**5. Corporate website:** www.punjabchemicals.com

**Nomination Facility:** Members are allowed to nominate any person to whom they desire to have the shares transmitted in the event of death. Desirous Members may approach the Company or to the Registrar & Share Transfer Agents of the Company, for the shares held in physical form and to the respective Depository Participant for shares held in demat form, for availing the same facility.

**s) Credit Ratings**

During the year under review, there has been no change in the credit rating of the Company from any of the credit rating agencies, however your Company has received reaffirmation on its rating for Long Term Debt: BBB+ / Stable and for Short Term Debt: A2 from rating agencies.

**OTHER DISCLOSURES****a) Related Party Disclosures**

All related party transactions that were entered into during the financial year 2023-24 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Persons or other designated persons which may have a potential conflict with the interest of the Company at large. Suitable disclosure as required by the Accounting Standards (IND AS 24) has been made in the Financial Statements. As required under Listing Regulations, detailed related party disclosures as per Accounting Standards, please refer to Note No. 43 of the Standalone and Consolidated Financial Statements. The policy on related party transactions as approved by the Board is uploaded on the Company's website at following link <https://www.punjabchemicals.com/wp-content/uploads/2022/04/Related-Party-Policy-2022.pdf>.

**b) Statutory Compliance, Strictures and Penalties**

The Company has complied with the requirement of the Stock Exchanges, SEBI and other statutory authority on matters related to capital markets during the last three years. No strictures or penalties have been imposed on the Company by these authorities in the past three years. However, during the year under review the Settlement Commission, Principal Bench, Customs, Central Excise & Service Tax Settlement Commission, Department of Revenue, Ministry of Finance on January 8, 2024 has imposed Penalty of ₹20 lakh on Company under Section 127C (5) of the Customs Act, 1962 for inadvertent misclassification of goods. The Company has paid the penalty and the Company maintains that this was not significant or material in nature.

**c) Vigil Mechanism / Whistle Blower Policy**

The Company has adopted a Whistle blower policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Conduct or Ethics policy. The policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. The said policy is placed on the website of the Company at following link <https://www.punjabchemicals.com/wp-content/uploads/2018/07/Whistle-Blower-Policy-PCCPL.pdf> and no personnel of the Company have been denied access to the Audit Committee.

**d) IND-AS**

The Company adopted Indian Accounting Standards (Ind-AS) from April 1, 2017 with the transition date of April 1, 2016 and accordingly the financial results of the Company for all the quarters / annual have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind-AS).

**e) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

Not Applicable

**f) A Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority**

The Company has taken the required certificate from M/s. P.S. Dua & Associates, Company Secretary in Practice.

**g) Total fees for all services paid by the listed entity and its subsidiaries, to the Statutory Auditor (Standalone payment)**

The detail of payment of total fees to the Statutory Auditor is as under:

	Amount in Lakh
Statutory Audit	27
Limited Review	15
<b>Total</b>	<b>42</b>

**h) Policy on Prevention of Sexual Harassment at Workplace**

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the integrity and dignity of its employees and also to avoid conflicts and disruptions in the work environment

due to such cases. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment at the Workplace (Prevention, Prohibition and Redressal Act, 2013) ["Sexual Harassment Act"]. The Company has a 'Policy for prevention of Sexual Harassment ["POSH"]' for the Company and its subsidiary companies. As per the Sexual Harassment Act, the policy mandates strict confidentiality and recognises the right of privacy of every individual. As per the policy, any employee may report a complaint to the 'Internal Complaints Committee' formed for this purpose. We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy. During the year, no complaint was received by the Company pertaining to sexual harassment and same was resolved. There was no complaint pending at the end of year under POSH.

**i) The policy for determining 'material' subsidiaries can be viewed at following link of website <https://www.punjabchemicals.com/wp-content/uploads/2018/07/Policy-for-determining-Material-Subsidiary.pdf>.**

**j) Mandatory Requirements**

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

**k) Non Mandatory requirements**

The Company has complied with the following non mandatory requirements of the Listing Regulations relating to Corporate Governance. The status of compliance with non-mandatory requirements listed in Regulation 27(1) read with Part E of Schedule II of the Listing Regulations are as under:

**i. Chairman of the Board:** The Chairman of the Company is a Non-Executive Independent Director.

**ii. Shareholder Rights:** The Company does not send the Half yearly results to the households of the shareholders of the Company. However they are published in English newspapers circulated all over India and in a Hindi and Punjabi newspaper (circulated in Punjab and Chandigarh) and are also posted on the website of the Company [www.punjabchemicals.com](http://www.punjabchemicals.com).

**iii. Qualified Opinion:** Not Applicable.

**iv. Reporting of Internal Auditors:** The Internal Auditor reports to the Managing Director and also has direct access to the Chairman, Audit Committee.

**l) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year**

Not Applicable

**m) Disclosure by the Company and its subsidiaries of loans and advances in the nature of loans to firms/companies in which Directors are interested**

Necessary disclosures relating to loans and advances in the nature of loans to firms/companies in which Directors are interested are provided in the financial statements in Note No.43

**n) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries**

Not Applicable

**MARKET CAPITALISATION AND PRICE-EARNINGS RATIO**

	As on March 31, 2024	As on March 31, 2023
a. Closing Price (BSE)	982.50	827.95
b. Market Capitalisation	1204.76	1015.25
c. Price-Earnings Ratio	22.12	16.65

**UNCLAIMED SHARES**

Pursuant to Regulation 39(4) read with Schedule VI of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the Unclaimed Suspense Account:

Sr. No.	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year as on April 1, 2023	228	10634
(ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	5	304
(iii)	Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year.	5	304
(iv)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year as on March 31, 2024	223	10330

The voting right on these outstanding shares (lying in the suspense account) shall remain frozen till the rightful owner of such shares claim the shares.

### INFORMATION PURSUANT TO CLAUSE 5A OF PARAGRAPH A OF PART A OF SCHEDULE III OF LISTING REGULATIONS

In terms of Regulation 30 read with Paragraph 5A of Part A of Schedule III of the SEBI LODR Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, the Company has secured the payment obligations of SD Agchem (Europe) NV upto an amount ₹15 crores in relation to a settlement agreement dated December 11, 2023 with ex-shareholders of Sintesis Quimica S.A.I.C, Argentina (erstwhile shareholders) (erstwhile step down subsidiary till September 2017) and the particulars of the same can be viewed at following link of Company's website: <https://www.punjabchemicals.com/wp-content/uploads/2023/12/intimation30.pdf>.

### CEO/CFO CERTIFICATION

In terms of Regulation 17(8) of the Listing Regulations, the Certificate duly signed by Mr. Shalil Shashikumar Shroff, Managing Director, Mr. Vinod Kumar Gupta, Chief Executive Officer and Mr. Ashish Ramdas Nayak, Chief Financial Officer was placed before the Board of Directors along with the financial statements for the year ended March 31, 2024 at its meeting held on Monday, May 6, 2024 forms part of this report.

### GENERAL

The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) of the Listing Regulations.

### DECLARATION

As provided under Clause D of schedule V pursuant to Regulation 34 (3) of Listing Regulations, the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management laid down by the Company for the financial year ended March 31, 2024.

On behalf of the Board of Directors  
**Punjab Chemicals and Crop Protection Limited**

Place: Mumbai  
Date: May 6, 2024

**Shalil Shashikumar Shroff**  
(DIN: 00015621)  
(Managing Director)

## Compliance Certificate

Pursuant to Regulation 17 (8) of Listing Regulations

We, Shalil Shashikumar Shroff, Managing Director, Vinod Kumar Gupta, Chief Executive Officer and Ashish Ramdas Nayak, Chief Financial Officer do hereby certify:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that:
  - i) There has not been any significant changes in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) There has not been any instances of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting during the year.

**Shalil Shashikumar Shroff**  
Managing Director  
(DIN: 00015621)

Place: Mumbai  
Date: May 6, 2024

**Vinod Kumar Gupta**  
Chief Executive Officer

**Ashish Ramdas Nayak**  
Chief Financial Officer

## Corporate Governance Compliance Certificate

[Pursuant to Regulation 34(3) and Schedule V Para E of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members  
**Punjab Chemicals and Crop Protection Limited**  
(CIN: L24231PB1975PLC047063)

**1.** We have been approached by Punjab Chemicals and Crop Protection Limited ("Company") to examine the compliance with the conditions of corporate Governance by the Company, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), as amended from time to time, for the financial year ended on March 31, 2024.

### **2. Management's Responsibility**

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. The management shall devise adequate systems, internal controls and processes to monitor and ensure the same.

### **3. Our Responsibility**

Our responsibility is limited to conduct an examination of the systems, internal controls and processes adopted by the Company and implementation thereof to monitor and ensure with the conditions of Corporate Governance and report thereon.

### **4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended on March 31, 2024.

### **5. Disclaimer**

- 5.1 We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.  
5.2 The report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For P. S. Dua & Associates**  
(Company Secretaries)

**P.S. Dua**

FCS No. 4552

C. P. No. 3934

Peer Review Certificate No. 1296/2021

UDIN: F004552F000316908

Place: Ludhiana

Date: May 6, 2024

## Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members  
**Punjab Chemicals and Crop Protection Limited**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Punjab Chemicals and Crop Protection Limited having CIN L24231PB1975PLC047063 (hereinafter referred to as 'the Company') and having registered office at Milestone 18, Ambala Kalka Road, Bhankharpur, Derabassi, Dist. S.A.S Nagar, Mohali-140201 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me/us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below and who were on the Board of Directors of the Company as on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in company
1.	Mr. Mukesh Dahyabhai Patel	00009605	February 19, 1985
2.	Mr. Shalil Shashikumar Shroff	00015621	January 15, 1998
3.	Capt. Surjit Singh Chopra (Retd.)	00146490	August 18, 2004
4.	Mr. Vijay Dilbagh Rai	00075837	February 28, 1985
5.	Mrs. Aruna Rajendra Bhinge	07474950	May 29, 2018
6.	Mr. Sheo Prasad Singh	06493455	May 28, 2015
7.	Mr. Avtar Singh	00063569	November 14, 1996
8.	Mr. Shivshankar Shripal Tiwari	00019058	May 28, 2015**
9.	Mrs. Tara Subramaniam	07654007	August 3, 2023

\*\* Mr. Shivshankar Shripal Tiwari ceased to be the Whole-Time Director of the Company w.e.f May 28, 2015 and was appointed as an Additional Director on the same date i.e. May 28, 2015 by the Board of Directors and was regularized as Director in the 39<sup>th</sup> Annual General Meeting of the Company held on November 9, 2015.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For P. S. Dua & Associates**  
(Company Secretaries)

**P.S. Dua**

FCS No. 4552

C. P. No. 3934

Peer Review Certificate No. 1296/2021

UDIN: F004552F000316930

Place: Ludhiana

Date: May 6, 2024

# Financial Statements



## Independent Auditor's Report

To  
The Members of  
**Punjab Chemicals and Crop Protection Limited**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of Punjab Chemicals and Crop Protection Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act.

#### Revenue Recognition

See Note 2(j) and 28 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company recognizes revenue from the sales of products and services when control over goods is transferred to the customer/ services are rendered based on the specific terms and conditions of the sale/service contracts entered into with respective customers and is measured net of discounts and returns.</p> <p>We have identified recognition of revenue as a key audit matter as–</p> <ul style="list-style-type: none"> <li>Revenue is a key performance indicator; and</li> <li>There is a presumed fraud risk of revenue being overstated through manipulation of the timing and amount of revenue recognized due to pressures to achieve performance targets as well as meeting external expectations.</li> </ul>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>We assessed the compliance of the revenue recognition accounting policies against the requirement of Ind AS 115 i.e. Revenue from contracts with customers.</li> <li>We evaluated the design, implementation and operating effectiveness of key financial controls with respect to revenue recognition on selected transactions (using random sampling).</li> <li>We performed substantive testing by using statistical sampling for revenue transactions recorded during the financial year. For such samples, verified the underlying documents, including invoices, goods dispatch notes, customer acceptances, shipping documents (as applicable) and subsequent receipts in the bank statements to assess whether these are recognized in the appropriate period in which control is transferred or services are provided.</li> </ul>

Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>▪ We carried out analytical procedures on revenue recognized during the year to identify unusual variances.</li> <li>▪ We tested journals posted to revenue ledger selected based on specified risk-based criteria to identify unusual items.</li> <li>▪ We tested, on a sample basis (selected based on specified risk-based criteria), specific revenue transactions with respect to discounts, returns and unbilled revenue to assess whether these have been appropriately accounted and disclosed in the financial statements.</li> <li>▪ We selected revenue transactions on a sample basis recorded during specified period around the year end date and checked whether revenue has been recognised in the correct reporting period by examining the underlying documents.</li> <li>▪ We assessed the adequacy of disclosures in the financial statements against the requirement of Ind AS 115.</li> </ul>

### Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate

accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key

audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 42 (a) to the standalone financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 50 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 50 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing

has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.  
  
As stated in Note 40 (ii) to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used an Accounting Software from 1 April 2023 till 30 November 2023 for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period i.e. 1 April 2023 till 30 November 2023 for all relevant transactions recorded in the software:
  - i) Audit trail (edit log) was not enabled at the database level to log any direct data change
  - ii) Audit trail (edit log) was not preserved for more than 99 changes for every master data or transaction (if any)  
  
Further, where audit trail (edit log) facility was enabled, we did not come across any instance of audit trail feature being tampered with.  
  
The Company has migrated to a new Accounting Software effective 1 December 2023. Based on our examination which included test checks, except for the instances mentioned below, the Company has used the new Accounting Software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period i.e. 1 December 2023 till 31 March 2024 for all relevant transactions recorded in the software :
    - i) Audit trail (edit log) was not enabled appropriately at the database level to log any direct data changes

- ii) The feature of recording audit trail (edit log) facility was not enabled at the application layer for the period 1 December till 31 March 2024 for certain tables/fields relating to revenue, trade receivables, purchases, trade payables, inventory, Fixed assets, general ledger and other allied areas of the accounting software's.

Further, where audit trail (edit log) facility was enabled, we did not come across any instance of audit trail feature being tampered with.

In addition, based on the examination of an independent auditor's report in relation to controls at service organization for Accounting Software used for maintaining books of account relating to payroll, which are operated by a third-party software service provider, we are unable to comment whether audit trail feature for the said software was enabled and operated throughout the year for all relevant transactions at the database layer.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No. : 101248W/W-100022

**Gaurav Mahajan**

Partner

Place : Mumbai

Membership No. : 507857

Date : May 6, 2024

ICAI UDIN : 24507857BKFUPW1274

## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Punjab Chemicals and Crop Protection Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property,

Plant and Equipment by which all property, plant and equipment are verified in phased manner over the period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly adjusted in the books of account.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company :

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Lease Agreement for Industrial Building at H.A. Limited Compound, Pimpri, Pune, Maharashtra	Not Applicable. Lease premises has immovable property plant and equipment of Rs. 173 Lakhs (Net Value Rs. Nil)	Excel Phospho Chem (Sole Propreitors )	No	18 years	Excel Phospho Chem was merged with STS Chemicals and STS Chemical was merged with Punjab Chemicals and Crop Protection in 2005. As informed by the Company Civil Appeal is pending in the district court, Pune under the Public Premises Act, 1971. Also refer note 42 (a) (iii) of the financial statements. Next hearing is expected to be in August 2024.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified

by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial

institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investment in companies, firms or limited liability partnerships or provided guarantee or security or granted any advances in the nature of loans (secured or unsecured), to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in other parties and granted loans to its employees during the year. The requisite information on loans to employees is stated in paragraph (iii)(a) below.

- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to employees as below :

Particulars	Interest bearing loan to employees (Amount in INR lakhs)
Aggregate amount of Loan granted and guarantee given during the year	13
Balance outstanding as at balance sheet date	10

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made and loans granted during the year, are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not provided guarantee or given security or granted advance in the nature of loan during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not granted advance in the nature of loan during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amounts for more than ninety days in respect of loans given. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh

loans granted to settle the overdues of existing loans given to same parties.

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any guarantee or security as specified under Section 185 and 186 of the Act. According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of loans, and investments by the Company, in our opinion the provisions of Section 185 and 186 of the Act have been complied.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Goods and Service Tax, Income-Tax and Employees State Insurance.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows :

Name of the statute	Nature of the dues	Amount disputed (Amount in INR lakhs)*	Amount deposited (Amount in INR lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	363	-	Assessment Year 2008-2009, 2009-2010 and 2017-2018	Income Tax Appellate Tribunal (ITAT)	
Income Tax Act, 1961	Income Tax	85	14	Assessment Year 2007-2008, 2011-2012 to 2016-2017 and 2018-2019 to 2020-2021	Commissioner of Income tax (Appeals)	
Central Excise Act, 1944	Service Tax	1	-	1999-2000	High Court	
The Punjab Sales Tax Act, 2005	Sales Tax	11	-	2004-2005	High Court	

\* amount as per demand orders including interest and penalty, wherever indicated in the order.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act. Further, the Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2024.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. Further, the Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2024.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit for the previous year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.

- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

- (d) Based on the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not

have any Core Investment Company as detailed in note 53 (ix) to the financial statements. For reporting on this clause / sub clause, while we have performed audit procedures set out in the Guidance Note on CARO 2020, we have relied on and not been able to independently validate the information provided to us by the management of the Company with respect to entities outside the consolidated Group but covered in the Core Investment Companies (Reserve Bank) Directions, 2016.

- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. : 101248W/W-100022

**Gaurav Mahajan**  
Partner  
Membership No. : 507857  
ICAI UDIN : 24507857BKFUPW1274

Place : Mumbai  
Date : May 6, 2024

## Annexure B to the Independent Auditor's Report on the standalone financial statements of Punjab Chemicals and Crop Protection Limited for the year ended 31 March 2024

### Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

#### Opinion

We have audited the internal financial controls with reference to financial statements of Punjab Chemicals and Crop Protection Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in

accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance

of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Place : Mumbai  
Date : May 6, 2024

#### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **BSR & Co. LLP**  
Chartered Accountants  
Firm's Registration No. : 101248W/W-100022

**Gaurav Mahajan**  
Partner  
Membership No. : 507857  
ICAI UDIN : 24507857BKFUPW1274

**Balance Sheet** as at 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

	Note	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	23,026	21,655
Right of use assets	4	214	475
Capital work-in-progress	3	1,154	1,855
Intangible assets	5	370	74
Intangible assets under development	5	60	100
Financial assets			
- Investments	6	144	137
- Other financial assets	7	443	380
Other tax assets (net)	8	649	649
Other non-current assets	9	164	47
<b>Total non-current assets</b>		<b>26,224</b>	<b>25,372</b>
<b>Current assets</b>			
Inventories	10	13,265	16,824
Financial assets			
- Investments	6	645	112
- Trade receivables	11	20,723	14,350
- Cash and cash equivalents	12	617	745
- Bank balances other than above	13	363	271
- Loans	14	2,057	2,009
- Other financial assets	7	1,318	874
Other current assets	15	1,656	2,844
		<b>40,624</b>	<b>38,029</b>
Assets classified as held for sale	16	30	30
<b>Total current assets</b>		<b>40,654</b>	<b>38,059</b>
<b>Total Assets</b>		<b>66,878</b>	<b>63,431</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	1,226	1,226
Other equity	18	33,623	28,575
<b>Total equity</b>		<b>34,849</b>	<b>29,801</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	19	5,256	6,161
- Lease liabilities	20	15	225
Provisions	21	1,226	1,929
Deferred tax liabilities (net)	22	791	530
Other non-current liabilities	23	7	207
<b>Total non-current liabilities</b>		<b>7,295</b>	<b>9,052</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	19	6,802	2,721
- Lease liabilities	20	210	290
- Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	24	553	855
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	11,164	12,944
- Other financial liabilities	25	4,263	4,720
Other current liabilities	26	526	1,069
Provisions	21	548	426
Current tax liabilities (net)	27	668	1,553
<b>Total current liabilities</b>		<b>24,734</b>	<b>24,578</b>
<b>Total liabilities</b>		<b>32,029</b>	<b>33,630</b>
<b>Total equity and liabilities</b>		<b>66,878</b>	<b>63,431</b>

Material accounting policies

2

Notes to the standalone financial statements

3-54

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**Chartered Accountants  
Firm Registration No. 101248W/W-100022**Gaurav Mahajan**Partner  
Membership No. : 507857Place : Mumbai  
Date : May 6, 2024

For and on behalf of the Board of Directors of

**Punjab Chemicals and Crop Protection Limited****Mukesh D Patel**Chairman  
DIN : 00009605  
Place : Mumbai**Vinod K Gupta**

Chief Executive officer

Place : Mumbai  
Date : May 6, 2024**Shalil S Shroff**Managing Director  
DIN : 00015621  
Place : Mumbai**Rishu Chatley**Company Secretary  
& Compliance officer  
Place : Mumbai**Ashish R Nayak**

Chief Financial Officer

Place : Mumbai

**Statement of Profit and Loss** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

	Note	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operations	28	93,055	1,00,373
Other income	29	277	397
<b>Total income</b>		<b>93,332</b>	<b>1,00,770</b>
<b>EXPENSES</b>			
Cost of materials consumed	30	55,281	65,507
Purchases of stock-in-trade	31	271	348
Changes in inventories of finished goods, stock-in-trade and work-in progress	32	1,692	(2,239)
Employee benefits expense	33	8,782	8,328
Finance costs	34	1,920	1,780
Depreciation and amortization expense	35	2,216	1,901
Other expenses	36	15,800	16,273
<b>Total expenses</b>		<b>85,962</b>	<b>91,898</b>
<b>Profit before tax</b>		<b>7,370</b>	<b>8,872</b>
<b>Tax expense</b>	37		
Current tax		1,655	2,626
Deferred tax charge		270	152
<b>Total tax expense</b>		<b>1,925</b>	<b>2,778</b>
<b>Profit for the year</b>		<b>5,445</b>	<b>6,094</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit (asset)		(44)	(129)
- Fair value change on equity investments through other comprehensive income		6	5
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit (asset)		11	33
- Fair value change on equity investments through other comprehensive income		(2)	(1)
<b>Other comprehensive income / (loss) for the year (net of tax)</b>		<b>(29)</b>	<b>(92)</b>
<b>Total comprehensive income for the year</b>		<b>5,416</b>	<b>6,002</b>
<b>Earnings per equity share</b> [nominal value of Rs. 10 (previous year Rs. 10)]	38		
Basic (Rs.)		44.41	49.71
Diluted (Rs.)		44.41	49.71

Material accounting policies

2

Notes to the standalone financial statements

3-54

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**Chartered Accountants  
Firm Registration No. 101248W/W-100022**Gaurav Mahajan**Partner  
Membership No. : 507857Place : Mumbai  
Date : May 6, 2024

For and on behalf of the Board of Directors of

**Punjab Chemicals and Crop Protection Limited****Mukesh D Patel**Chairman  
DIN : 00009605  
Place : Mumbai**Vinod K Gupta**

Chief Executive officer

Place : Mumbai  
Date : May 6, 2024**Shalil S Shroff**Managing Director  
DIN : 00015621  
Place : Mumbai**Rishu Chatley**Company Secretary  
& Compliance officer  
Place : Mumbai**Ashish R Nayak**

Chief Financial Officer

Place : Mumbai

## Statement of Cash Flow for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>A. Cash flow from operating activities</b>		
Profit before tax	7,370	8,872
Adjustments for :		
Depreciation and amortization expense	2,216	1,901
Liability no longer required written back	(20)	(209)
Interest income	(129)	(41)
Amortization of contractual liabilities	(31)	-
Finance cost	1,920	1,780
Unrealised foreign exchange (gain) net	(16)	(22)
Advances written off	19	36
(Gain)/loss on sale of property, plant and equipment (net)	(52)	43
Gain on fair valuation of investments	(33)	(7)
Property, plant and equipment written off	45	20
Rental income	(2)	(2)
Other operating income	-	(284)
Reversal of impairment loss on doubtful advance and trade receivable	-	(84)
Expected credit loss on trade receivable	-	4
<b>Operating cash flow before working capital changes</b>	<b>11,287</b>	<b>12,007</b>
<b>Changes in working capital :</b>		
(Increase) in trade receivables	(6,344)	(3,108)
Decrease/(increase) in inventories	3,559	(1,453)
Decrease in other current and non-current assets	1,188	1,253
(Increase) in current and non-current other financial assets	(520)	(216)
(Increase) in current and non-current loans	(43)	(76)
(Decrease) in trade payables and other liabilities	(2,791)	(294)
(Decrease)/increase in other current financial liabilities	(250)	1,050
(Decrease)/increase in long-term and short-term provisions	(626)	16
<b>Cash generated from operating activities</b>	<b>5,460</b>	<b>9,179</b>
Income tax paid (net)	(2,540)	(3,510)
<b>Net cash generated from operating activities (A)</b>	<b>2,920</b>	<b>5,669</b>
<b>B. Cash flow from investing activities</b>		
Acquisition of property, plant and equipment (including capital advances)	(3,324)	(3,735)
Proceeds from sale of property, plant and equipment	190	128
Proceeds from sale of other investments	-	1,500
Acquisition of other investments	(501)	(1,600)
Movement in other bank balances	(92)	12
Proceeds from deposits with original maturity of more than 12 months	4	7
Interest received	136	38
Rental income	2	2
<b>Net cash flows (used in) investing activities (B)</b>	<b>(3,585)</b>	<b>(3,648)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from non-current borrowings	396	76
Repayments of non-current borrowings	(852)	(1,307)
Payment of lease liabilities (Principal)	(290)	(278)
Payment of lease liabilities (Interest)	(39)	(57)
Proceeds from current borrowings (net)	3,632	1,385
Payment of dividend	(366)	(365)
Finance cost paid	(1,944)	(1,422)
<b>Net cash flows generated/(used in) financing activities (C)</b>	<b>537</b>	<b>(1,968)</b>

## Statement of Cash Flow for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(128)</b>	<b>53</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>745</b>	<b>692</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>617</b>	<b>745</b>

**Notes :**

1. Cash and cash equivalents include :

Balances with banks

- In current accounts

- Deposits with original maturity of less than three months

Cash on hand

2. The above statement of cash flow has been prepared under the indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows". Also, refer to note 2(s).

**3. Reconciliation of movements of current and non-current borrowings to cash flows arising from financing activities**

	As at 31 March 2024	As at 31 March 2023
<b>Borrowings at the beginning of the year (current and non-current borrowings)</b>	<b>8,882</b>	<b>8,728</b>
Proceeds from non-current borrowings	396	76
Repayment of non-current borrowings	(852)	(1,307)
Proceeds from current borrowings (net)	3,632	1,385
<b>Borrowings at the end of the year (current and non-current borrowings)</b>	<b>12,058</b>	<b>8,882</b>

**4. Reconciliation of movements of lease liabilities to cash flows arising from financing activities during the period :**

	As at 31 March 2024	As at 31 March 2023
<b>Balance as at beginning of the period</b>	<b>515</b>	<b>604</b>
Additions	-	189
Accreditation of interest	39	57
Payment of lease liabilities	(329)	(335)
<b>Balance as at end of the period</b>	<b>225</b>	<b>515</b>

5. During the year, the Company paid in cash Rs. 181 (previous year: Rs. 133) towards corporate social responsibility (CSR) expenditure (included in Corporate social responsibility expenditure - Refer note 45).

Material accounting policies

2

Notes to the standalone financial statements

3-54

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

**Gaurav Mahajan**

Partner

Membership No. : 507857

For and on behalf of the Board of Directors of

**Punjab Chemicals and Crop Protection Limited****Mukesh D Patel**

Chairman

DIN : 00009605

Place : Mumbai

**Shalil S Shroff**

Managing Director

DIN : 00015621

Place : Mumbai

**Vinod K Gupta**

Chief Executive officer

**Rishu Chatley**Company Secretary  
& Compliance officer**Ashish R Nayak**

Chief Financial Officer

Place : Mumbai

Date : May 6, 2024

Place : Mumbai

Date : May 6, 2024

Place : Mumbai

Place : Mumbai

**Statement of Changes in Equity** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**a. Equity share capital :**

	Note	
<b>Balance as at 1 April 2023</b>	17	<b>1,226</b>
Changes in equity share capital due to prior period errors		-
Changes in equity share capital during the year		-
<b>Balance as at 31 March 2024</b>	17	<b>1,226</b>
<b>Balance as at 1 April 2022</b>		<b>1,226</b>
Changes in equity share capital due to prior period errors		-
Changes in equity share capital during the year		-
<b>Balance as at 31 March 2023</b>		<b>1,226</b>

**b. Other Equity :**

	Note	Reserves and surplus						Other comprehensive income	Total
		Capital reserve	Securities premium	Capital redemption reserve	Capital reduction reserve	Amalgamation reserve	Retained earnings	Equity instruments through other comprehensive income	
<b>Balance as at 1 April 2023</b>		<b>309</b>	<b>5,707</b>	<b>28</b>	<b>21</b>	<b>19</b>	<b>22,474</b>	<b>17</b>	<b>28,575</b>
Total comprehensive income for the year ended 31 March 2024									
- Profit for the year		-	-	-	-	-	5,445	-	5,445
- Other comprehensive income (net of tax) 18	18	-	-	-	-	-	(33)	4	(29)
<b>Total comprehensive income for the year</b>		-	-	-	-	-	<b>5,412</b>	<b>4</b>	<b>5,416</b>
<b>Transactions with owners of the Company Contributions and distributions</b>									
- Final equity dividend for the financial year 2022-2023 (Amount Rs. 3 per share)		-	-	-	-	-	(368)	-	(368)
<b>Total Contributions and distributions for the year</b>		-	-	-	-	-	<b>(368)</b>	-	<b>(368)</b>
<b>Balance as at 31 March 2024</b>		<b>309</b>	<b>5,707</b>	<b>28</b>	<b>21</b>	<b>19</b>	<b>27,518</b>	<b>21</b>	<b>33,623</b>
<b>Balance as at 1 April 2022</b>		<b>309</b>	<b>5,707</b>	<b>28</b>	<b>21</b>	<b>19</b>	<b>16,844</b>	<b>13</b>	<b>22,941</b>
Total comprehensive income for the year ended 31 March 2023									
- Profit for the year		-	-	-	-	-	6,094	-	6,094

**Statement of Changes in Equity** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

	Note	Reserves and surplus						Other comprehensive income	Total
		Capital reserve	Securities premium	Capital redemption reserve	Capital reduction reserve	Amalgamation reserve	Retained earnings	Equity instruments through other comprehensive income	
- Other comprehensive income (net of tax)	18	-	-	-	-	-	(96)	4	(92)
<b>Total comprehensive income for the year</b>		-	-	-	-	-	<b>5,998</b>	<b>4</b>	<b>6,002</b>
<b>Transactions with owners of the Company Contributions and distributions</b>									
- Final equity dividend for the financial year 2021-2022 (Amount Rs. 3 per share)		-	-	-	-	-	(368)	-	(368)
<b>Total Contributions and distributions for the year</b>		-	-	-	-	-	<b>(368)</b>	-	<b>(368)</b>
<b>Balance as at 31 March 2023</b>		<b>309</b>	<b>5,707</b>	<b>28</b>	<b>21</b>	<b>19</b>	<b>22,474</b>	<b>17</b>	<b>28,575</b>

Note : Refer to note 18 for nature and purpose of other equity

Material accounting policies

2

Notes to the standalone financial statements

3-54

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**Chartered Accountants  
Firm Registration No. 101248W/W-100022**Gaurav Mahajan**  
Partner  
Membership No. : 507857Place : Mumbai  
Date : May 6, 2024For and on behalf of the Board of Directors of  
**Punjab Chemicals and Crop Protection Limited****Mukesh D Patel**  
Chairman  
DIN : 00009605  
Place : Mumbai**Vinod K Gupta**  
Chief Executive officerPlace : Mumbai  
Date : May 6, 2024**Shalil S Shroff**  
Managing Director  
DIN : 00015621  
Place : Mumbai**Rishu Chatley**  
Company Secretary  
& Compliance officer

Place : Mumbai

**Ashish R Nayak**  
Chief Financial Officer

Place : Mumbai





## Notes to the Standalone Financial Statements for the year ended 31 March 2024

### Note 1. Corporate Information

Punjab Chemicals and Crop Protection Limited ("the Company") (CIN no. L24231PB1975PLC047063) is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is situated at Milestone 18, Ambala Kalka Road, Village & P.O. Bhankharpur, Derabassi, Distt. SAS Nagar, Mohali (Punjab)-140201.

The Company is engaged in business of manufacturing of agro chemicals, speciality chemicals and bulk drugs and its intermediates.

### Note 2. Material accounting policies

#### (a) Basis of preparation

##### (i) Statement of compliance

These standalone financial statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013, ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

Effective 01 April 2016, the Company had transitioned to Ind AS while the financial statements were being prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP) till 31 March 2017 and the transition was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition, in addition to the mandatory exemptions, the Company had elected to certain exemption which are listed as below:

- a. The Company had opted to continue with the carrying value for all of its property, plant and equipment, intangible assets and investment property as recognized in the financial statements prepared under previous GAAP and use the same as deemed cost in the financial statement as at the transition date.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months. The standalone financial statements for the year ended 31 March 2024 were approved for issue by the Company's Board of Directors on 06 May 2024.

##### (ii) Functional and presentation currency

The functional currency of the Company is the Indian rupee. These standalone financial statements are presented in Indian rupees. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

##### (iii) Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Equity securities at FVOCI	Fair value
Net defined benefits (assets)/liability	Fair value of the plan assets less present value of defined

##### (iv) Use of estimates and judgments

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The Management believes that the estimates used in preparation of these financial statements are prudent and reasonable. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

### Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note 2(j) and 28 – revenue recognition: whether revenue is recognized over time or at a point in time; determining the transaction price, estimating the expected value of right to return
- Note 2(d) and 20 – lease term: whether the Company is reasonably certain to exercise extension options

### Assumptions and estimation uncertainties

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effects on the amounts recognized in the standalone financial statements is included in the following notes:

- Note 2(c) and 3 – Assessment of useful life and residual value of Property, plant and equipment.
- Note 2(o), 2(p) and 42 – Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 2(n), 22, and 37 – Recognition and estimation of tax expense including deferred tax; recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used, future recoverability been probable;
- Note 2(m) and 41 – Measurement of defined benefit obligations: key actuarial assumptions.
- Note 2(h) – Impairment of financial assets.
- Note 2(g) – Valuation of inventories.

### (v) Current versus non-current classification

The Company presents assets and liabilities in the Statement of Assets and Liabilities based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### (vi) Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all



## Notes to the Standalone Financial Statements for the year ended 31 March 2024

significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's board of directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred. Further information about the assumptions made in measuring fair values used in preparing these standalone financial statements is included in the note 41(a).

### (b) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However trade receivables that do not contain a significant financing component are measured at transaction price.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- » Debt instruments at amortised cost
- » Equity instruments measured at fair value through other comprehensive income (FVOCI)

##### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

### Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

### Investments in subsidiaries

Equity investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## (c) Property, plant and equipment ('PPE')

### Recognition and measurement

Items of PPE are stated at cost, which includes capitalized finance costs, less accumulated depreciation and or accumulated impairment loss, if any.

Cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes after deducting any trade discounts and rebates and any directly attributable cost of bringing the asset to its working condition for its intended use.

The cost of a self-constructed item of PPE comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

Freehold land is carried at historical cost less any accumulated impairment losses.

Advances paid towards acquisition of PPE outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

Any gain or loss on disposal of an item of PPE is recognised in the Statement of Profit and Loss.

### Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

### Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Statement of Profit and Loss.

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with the notification dated 29 August 2014 of the Ministry of Corporate Affairs except for certain classes of PPE which are depreciated based on the internal technical assessment of the management. The estimated useful lives of items of PPE for the current and comparative periods are as follows:

Particulars	Useful life as per Schedule II	Management estimate of useful life
Building - Factory	30 Years	5 - 28 Years
Building - Office	60 Years	5 - 58 Years
Plant and equipment	3 - 15 Years	1 - 20 Years
Electrical installations	10 Years	4 - 10 Years
Vehicles	8 Years	8 Years
Furniture and fittings	10 Years	2 - 10 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

### Derecognition

An item of PPE is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

## (d) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Leases in which the Company is a lessee

The Company's lease asset classes primarily consist of leases for buildings, furniture and fixture and leasehold land. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company recognises a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The



## Notes to the Standalone Financial Statements for the year ended 31 March 2024

estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Company recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

### Leases in which the Company is a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

### (e) Other Intangible assets

#### Internally generated intangible assets

Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:

- Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

- Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure including regulatory cost and legal expenses leading to product registration/market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

#### Acquired Intangible

Intangible assets that are acquired (including implementation of software system) are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Advances paid towards acquisition of intangible assets outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as intangible assets under development.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

#### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

#### Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expense in Statement of Profit and Loss.

The estimated useful lives are as follows:

Computer software	3-5 Years
Product registrations (including task charges, task force studies and other related expenses)	10 Years
Technical know-how	5 Years

#### Derecognition

Intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

### (f) Non-current assets held for sale

Non-current assets, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit and Loss.

Once classified as held-for sale, property, plant and equipment, and investment property and intangible assets are no longer amortised or depreciated.



## Notes to the Standalone Financial Statements for the year ended 31 March 2024

### (g) Inventories

Inventories are valued at lower of cost or net realisable value. The methods of determining cost of various categories of inventories are as follows:

Raw materials (except goods in transit)	Weighted average method
Finished goods	Weighted average method
Packing material	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Goods in transit	Specifically identified purchase cost

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The Company reviews the condition of its inventories and makes provision against obsolete and slow moving inventory items which are identified as no longer suitable for sale or use.

The comparison of cost and net realisable value is made on an item-by-item basis.

### (h) Impairment

#### Impairment of financial assets

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the trade receivable, borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- » the Trade receivable is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- » the financial asset is more than 90 days past due.

#### Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Company in accordance with the contract and the cash flow that the Company expects to receive).

#### Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

#### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivables do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

#### Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g. head office building for providing support to CGU) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### (i) Foreign currency transactions

#### Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.



## Notes to the Standalone Financial Statements for the year ended 31 March 2024

### Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

### (j) Revenue from contract with customers

Under Ind AS 115, the company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

### Sale of products

The Company recognises revenue generally at the point in time when the products are delivered or dispatch to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. No element of financing is deemed present as the sales are made against the receipt of advance, letter of credit or with an agreed credit period ranging from 30 to 180 days, which is consistent with the market practices. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Trade receivables are measured at transaction price.

The Company disaggregates revenue from contracts with customers by geography.

### Use of Significant Judgement in Revenue Recognition

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

### Sale of services

The Company offers services in fixed term contracts and short-term arrangement. Revenue from service is recognized when obligation is performed or services are rendered. The Company offers services in fixed term contracts and short term arrangement. Revenue from service is recognized when obligation is performed or services are rendered.

### Export incentives

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

### (k) Other Income

#### Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except where the rentals are structured to increase in line with expected general inflation.

#### Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

#### Insurance and Other Claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

### (l) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### (m) Employee benefits

#### Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

#### Post-employment benefits

Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

#### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. Certain employees of the Company are also participants in the superannuation plan ('the Plan'), a defined contribution plan. The Company makes contributions to Life Insurance Corporation of India (LIC). Contribution made by the Company to the plan during the year is charged to Statement of Profit and Loss.



## Notes to the Standalone Financial Statements for the year ended 31 March 2024

### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC') for certain employees. The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

"Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI."

### Other long-term employee benefits

#### Compensated absences

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Company's obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Such obligation such as those related to compensate absences is measured on the basis of an actuarial valuation performed annually by a qualified actuary using the projected unit cost credit method. The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

#### Termination benefits

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

### (n) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions or make reversals of provisions made in earlier years, where appropriate, on the basis of amounts expected to be paid to / received from the tax authorities.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets, recognized or unrecognized, are reviewed at each reporting date and recognised / reduced to the extent that it has become probable / no longer probable respectively that future taxable profits will be available against which they can be used.

Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Company has opted for this benefit in earlier years.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

### (o) Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### Onerous contracts

A provision for onerous contract is recognised when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognises any impairment loss on assets associated.



## Notes to the Standalone Financial Statements for the year ended 31 March 2024

### (p) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

### (q) Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

### (r) Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

### (s) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### (t) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### (u) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### (v) Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Company is charged to the Statement of the Profit and Loss.

### (w) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### (x) Share Capital

Incremental costs directly attributable to the issue of equity shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

### (y) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standard or amendments to the existing standards applicable to the Company.

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 3 : Property, plant and equipment and capital work-in-progress

#### Gross carrying amount

	Free hold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total
<b>Balance as at 1 April 2022</b>	<b>5,395</b>	<b>3,247</b>	<b>16,064</b>	<b>370</b>	<b>1,304</b>	<b>386</b>	<b>26,766</b>
Additions	-	354	2,377	14	113	69	2,927
Disposals /other adjustments	-	55	259	5	183	13	515
Assets classified as held for sale (refer note 16)	-	41	-	-	-	-	41
<b>Balance as at 31 March 2023</b>	<b>5,395</b>	<b>3,505</b>	<b>18,182</b>	<b>379</b>	<b>1,234</b>	<b>442</b>	<b>29,137</b>
Balance as at 1 April 2023	5,395	3,505	18,182	379	1,234	442	29,137
Additions	-	642	2,276	27	459	70	3,474
Disposals /other adjustments	-	59	631	-	90	166	946
Assets classified as held for sale (refer note 16)	-	-	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>5,395</b>	<b>4,088</b>	<b>19,827</b>	<b>406</b>	<b>1,603</b>	<b>346</b>	<b>31,665</b>

#### Accumulated depreciation

	Free hold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total
<b>Balance as at 1 April 2022</b>	<b>-</b>	<b>712</b>	<b>4,607</b>	<b>150</b>	<b>544</b>	<b>135</b>	<b>6,148</b>
Depreciation for the year	-	137	1,265	35	145	87	1,669
Disposals /other adjustments	-	47	146	5	116	10	324
Assets classified as held for sale (refer note 16)	-	11	-	-	-	-	11
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>791</b>	<b>5,726</b>	<b>180</b>	<b>573</b>	<b>212</b>	<b>7,482</b>
Depreciation for the year	-	164	1,490	28	151	87	1,920
Disposals /other adjustments	-	56	506	-	44	157	763
Assets classified as held for sale (refer note 16)	-	-	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>-</b>	<b>899</b>	<b>6,710</b>	<b>208</b>	<b>680</b>	<b>142</b>	<b>8,639</b>

#### Carrying amounts (net)

	Freehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total
<b>As at 31 March 2023</b>	<b>5,395</b>	<b>2,714</b>	<b>12,456</b>	<b>199</b>	<b>661</b>	<b>230</b>	<b>21,655</b>
<b>As at 31 March 2024</b>	<b>5,395</b>	<b>3,189</b>	<b>13,117</b>	<b>198</b>	<b>923</b>	<b>204</b>	<b>23,026</b>

#### Notes :

- Plant and equipment includes Rs. 44 (previous year: Rs. 44) worth of equipment acquired under United Nations Industrial Development Organization grant scheme.
- Plant and equipment includes Rs. 18 (previous year: Rs. 77) of capitalization towards research and development.
- Refer note 19 for information on property, plant and equipment pledged as security by the Company.
- Refer note 42(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.



**Notes to the Standalone Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

- e. The Company has capitalized the following expenses to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	123	127
Power and fuel	39	145
Finance costs	48	91
	<b>210</b>	<b>363</b>

**f. Capital work in progress**

	Building	Plant and equipment	Total
<b>Balance as at 1 April 2022</b>	<b>108</b>	<b>567</b>	<b>675</b>
Additions	491	2,804	3,295
Disposals /other adjustments	-	-	-
Capitalisations	335	1,780	2,115
<b>Balance as at 31 March 2023</b>	<b>264</b>	<b>1,591</b>	<b>1,855</b>
Additions	280	1,653	1,933
Disposals /other adjustments	-	-	-
Capitalisations	320	2,314	2,634
<b>Balance as at 31 March 2024</b>	<b>224</b>	<b>930</b>	<b>1,154</b>

**Capital-work- in progress ageing schedule as at 31 March 2024**

CWIP	Amount in CWIP for a period of				
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress	1,154	-	-	-	1,154
<b>Total</b>	<b>1,154</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,154</b>

**Capital-work- in progress ageing schedule as at 31 March 2023**

CWIP	Amount in CWIP for a period of				
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress	1,855	-	-	-	1,855
<b>Total</b>	<b>1,855</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,855</b>

**Note 4 : Right of use asset**

	Leasehold Land	Building	Plant & Machinery	Furniture and fixtures	Total
Balance as at 1 April 2022	3	459	-	17	479
Additions	-	-	198	-	198
Depreciation for the year	-	181	20	1	202
<b>Balance as at 31 March 2023</b>	<b>3</b>	<b>278</b>	<b>178</b>	<b>16</b>	<b>475</b>
Balance as at 1 April 2023	3	278	178	16	475
Additions	-	-	-	-	-
Depreciation for the year	-	181	79	1	261
<b>Balance as at 31 March 2024</b>	<b>3</b>	<b>97</b>	<b>99</b>	<b>15</b>	<b>214</b>

**Notes to the Standalone Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 4 : Right of use asset (contd.)****Notes :**

- a. The Company has also taken or leases certain office premises with contract terms of one year. These leases were short-term in nature and the Company had elected not to recognise right-of-use assets and lease liabilities for those leases. The Company incurred Rs. 47 (previous year Rs. 81) towards expenses relating to short-term leases for which the recognition exemption has been applied.
- b. The total cash outflow for leases, including cash outflow for short term and low value leases, is Rs. 376 (previous year Rs. 416).
- c. During the previous year, lease agreement not held in the name of Company :

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Lease agreement for Industrial building at H.A.Limited Compound Pimpri, Pune, Maharashtra	Not applicable. Lease premises has immovable Property plant and equipment of Rs.173 lakhs (Net Value Rs.Nil.)	Excel Prospo Chem (Sole Proprietors)	No	18 Years	Excel Phospho Chem was merged with STS Chemicals Limited and STS Chemicals Limited was merged with Punjab Chemicals and Crop Protection Limited in 2005. The appeal is pending in the District Court, Pune under the Public Premises Act 1971. Next hearing is expected to be in August 2024. Also refer to note 42(a) (iii) of the financial Statements.

**Note 5 : Intangible assets and intangible assets under development****Gross carrying amount**

	Computer Software	Product registrations	Technical know how	Total
Balance as at 1 April 2022	192	718	320	1,230
Additions - acquired	12	4	-	16
Disposals	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>204</b>	<b>722</b>	<b>320</b>	<b>1,246</b>
Balance as at 1 April 2023	204	722	320	1,246
Additions - acquired	269	62	-	331
Disposals	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>473</b>	<b>784</b>	<b>320</b>	<b>1,577</b>

**Accumulated amortisation**

	Computer Software	Product registrations	Technical know how	Total
Balance as at 1 April 2022	169	662	311	1,142
Amortisation for the year	16	9	5	30
Disposals	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>185</b>	<b>671</b>	<b>316</b>	<b>1,172</b>
Balance as at 1 April 2023	185	671	316	1,172
Amortisation for the year	26	9	-	35
Disposals	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>211</b>	<b>680</b>	<b>316</b>	<b>1,207</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 5 : (contd.)

#### Carrying amounts (net)

	Computer Software	Product registrations	Technical know how	Total
As at 31 March 2023	19	51	4	74
As at 31 March 2024	262	104	4	370

#### Note :

#### a. As at 31 March 2024, the estimated remaining amortization period for intangible assets are as follows :

	As at 31 March 2024	As at 31 March 2023
Computer Software	0 to 3 years	0 to 3 years
Product registrations	0.05 to 8 years	0.05 to 8 years
Technical know how	0 to 1 years	0 to 1 years

#### b. Intangible assets under development

	Computer Software	Product registrations	Total
<b>Balance as at 1 April 2022</b>	-	49	49
Additions	-	55	55
Disposals	-	-	-
Capitalisations	-	4	4
<b>Balance as at 31 March 2023</b>	-	100	100
Additions	269	18	287
Disposals	-	-	-
Capitalisations	269	58	327
<b>Balance as at 31 March 2024</b>	-	60	60

#### c. Intangible assets under development ageing schedule as on 31 March 2024:

Intangible assets under development	Amount in intangible assets under development for a period of					Total	Remarks
	< 1 Years	1-2 Years	2-3 Years	> 3 years			
Product registration projects	15		2	43	60	Refer note (a) below	
<b>Total</b>	<b>15</b>	<b>-</b>	<b>2</b>	<b>43</b>	<b>60</b>		

#### Intangible assets under development ageing schedule as on 31 March 2023 :

Intangible assets under development	Amount in intangible assets under development for a period of					Total	Remarks
	< 1 Years	1-2 Years	2-3 Years	> 3 years			
Product registration projects	54	3	-	43	100	Refer note (a) below	
<b>Total</b>	<b>54</b>	<b>3</b>	<b>-</b>	<b>43</b>	<b>100</b>		

#### Note :

- (a) These projects relate to certain product registration submission to regulatory authority for which the necessary approvals are currently awaited. These approval are expected to be received in the near term basis which these will be capitalised as product registration.

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 6: Investments

#### A. Non- current investments

	As at 31 March 2024	As at 31 March 2023
<b>Investments in equity shares</b>		
<i>Quoted equity shares</i>		
Equity shares (at fair value through other comprehensive income)		
- Bank of Baroda 187 (31 March 2023: 187) equity shares of Rs. 10 each fully paid-up	0.49	0.31
- Canara Bank 63 (31 March 2023: 63) equity shares of INR 10 each fully paid-up	0.37	0.18
	<b>0.86</b>	<b>0.49</b>
<i>Unquoted equity shares</i>		
- SD Agchem (Europe) N.V. 16,612 (31 March 2023: 16,612) equity shares of Euro 615 each fully paid-up	2,595	2,595
<i>Other Companies (fair value through other comprehensive income)</i>		
- Nimbua Green Field (Punjab) Limited 84,375 (31 March 2023: 84,375) equity shares of INR 10 each fully paid-up	135	127
- Mohali Green Environment Private Limited 70,000 (31 March 2023: 100,000) equity shares of INR 10 each fully paid-up	8	10
- SVC Cooperative Bank Limited 100 equity shares (31 March 2023: 100) equity shares of INR 25 each fully paid-up	0.03	0.03
	<b>2,738</b>	<b>2,732</b>
<b>Impairment in value of investments</b>		
<i>Subsidiary Companies :</i>		
- SD Agchem (Europe) N.V. 16,612 (31 March 2023: 16,612) equity shares of Euro 615 each fully paid-up	2,595	2,595
	<b>2,595</b>	<b>2,595</b>
<b>Total non-current investments</b>	<b>144</b>	<b>137</b>
Aggregate book value of quoted investments <sup>^</sup>	0.86	0.49
Aggregate market value of quoted investments <sup>^</sup>	0.86	0.49
Aggregate value of unquoted investments	2,738	2,732
Aggregate amount of impairment in value of non-current investments	2,595	2,595
- Value of investment is less than Rs. 1 lakh(previous year: less than Rs. 1 lakh).		

<sup>^</sup> Value of investment is less than Rs. 1 lakh (previous year: less than Rs. 1 lakh).

#### B. Current investments

	As at 31 March 2024	As at 31 March 2023
<b>Quoted</b>		
<i>Investments in mutual funds measured at fair value through statement of profit and loss</i>		
17,335.77 (31 March 2023: 3110.70) units of INR 3,694.91 in Nippon India Mutual Fund.	641	108
29,723.54 (31 March 2023: 29,723.54 ) units of INR 13.90 in Bandhan Mutual Fund.	4	4
<b>Total current investments</b>	<b>645</b>	<b>112</b>
Aggregate book value of quoted investments <sup>^</sup>	645	112
Aggregate market value of quoted investments <sup>^</sup>	645	112

<sup>^</sup>Value of investment is less than Rs. 1 lakh (previous year: less than Rs. 1 lakh).

**Notes to the Standalone Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 7: Other financial assets**

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Security deposits	393	68	325	77
Deposits with remaining maturity of more than 12 months	50	-	55	-
Interest receivable	-	26	-	33
Export incentive recoverable	-	173	-	105
Due from customer (refer note 52)	-	509	-	509
Recoverable from government authorities (Refund)	-	391	-	-
Other receivable (includes claim recoverable etc.)	-	151	-	150
	<b>443</b>	<b>1,318</b>	<b>380</b>	<b>874</b>

Refer note 39(b) for information about credit risk and market risk of other financial assets.

**Note 8: Other tax assets (net)**

	As at 31 March 2024	As at 31 March 2023
Advance income-tax and tax deducted at source (net of provision of Rs. 1,456 (31 March 2023: Rs. 1,456))	649	649
	<b>649</b>	<b>649</b>

**Note 9: Other non-current assets**

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Capital advances		
- to others considered good	158	47
Prepaid expenses	6	-
	<b>164</b>	<b>47</b>

**Note 10: Inventories**

(At lower of cost and net realizable value)

	Note	As at 31 March 2024	As at 31 March 2023
Raw materials	(a),(b)	6,353	8,308
Work-in-progress	(b)	3,230	4,175
Finished goods	(a)	2,500	3,247
Stores and spares	(b)	982	890
Packing material	(b)	200	204
		<b>13,265</b>	<b>16,824</b>
<b>Notes :</b>			
(a) Includes goods-in-transit:			
- raw materials		626	692
- finished goods		550	1,809
(b) Refer note 19(C) for hypothecation of current assets against term loan.			

**Notes to the Standalone Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 11: Trade Receivables**

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Trade receivables	19,504	14,311
Trade receivables from related party (refer note 43)	1,304	142
Less: expected credit loss allowance	(85)	(103)
	<b>20,723</b>	<b>14,350</b>
<b>Break-up of trade receivables :</b>		
Trade receivable considered good - Secured	-	-
Trade receivable considered good - Unsecured	20,777	14,422
Trade receivable which have significant increase in credit risk	8	8
Trade receivable - credit impaired	23	23
<b>Total</b>	<b>20,808</b>	<b>14,453</b>
Less : expected credit loss allowance		
- Trade receivable considered good - secured	-	-
- Trade receivables considered good - unsecured	(54)	(72)
- Trade receivables which have significant increase in Credit risk	(8)	(8)
- Trade Receivables – credit impaired	(23)	(23)
<b>Total trade receivables</b>	<b>20,723</b>	<b>14,350</b>

Note 11: Trade Receivables (contd.)

(All amounts in Indian Rupees Lakhs except for share data)

Trade receivables ageing schedule :

As at 31 March 2024	Outstanding for following periods from due date of payment						Total gross receivables	Expected credit loss	Net receivables
	Unbilled	Not due	< 6 months	1 year - 2 years	2 year - 3 years	> 3 years			
1,360	11,704	7,148	9	28	403	125	20,777	54	20,723
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	23	23	23	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	8	8	8	-
-	-	-	-	-	-	-	-	-	-
<b>1,360</b>	<b>11,704</b>	<b>7,148</b>	<b>9</b>	<b>28</b>	<b>403</b>	<b>156</b>	<b>20,808</b>	<b>85</b>	<b>20,723</b>

As at 31 March 2023

As at 31 March 2023	Outstanding for following periods from due date of payment						Total gross receivables	Expected credit loss	Net receivables
	Unbilled	Not due	< 6 months	1 year - 2 years	2 year - 3 years	> 3 years			
891	10,642	2,212	118	420	4	135	14,422	72	14,350
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	23	23	23	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	8	8	8	-
-	-	-	-	-	-	-	-	-	-
<b>891</b>	<b>10,642</b>	<b>2,212</b>	<b>118</b>	<b>420</b>	<b>4</b>	<b>166</b>	<b>14,453</b>	<b>103</b>	<b>14,350</b>

Refer note 39(b) for information about credit risk and market risk of trade receivables.  
Refer note 19(C) for hypothecation of current assets against term loan.

Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

Note 12: Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Balances with banks		
- Current accounts	602	716
- Fixed deposits with original maturity upto three months	-	17
Cash on hand	15	12
	<b>617</b>	<b>745</b>

Refer note 19(C) for hypothecation of current assets against term loan.

Note 13: Bank balances other than above

	As at 31 March 2024	As at 31 March 2023
Deposit accounts with original maturity more than 3 months and upto 12 months from the reporting date #	353	264
Balance in unclaimed dividend accounts	10	7
	<b>363</b>	<b>271</b>

# These deposits include restricted bank deposits Rs. 290 (31 March 2023: Rs. 186) pledged as margin money.

Note 14: Loans

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Advances recoverable from related party (refer note 43)				
- considered good	-	2,027	-	2,003
- considered doubtful	16	24	16	24
Less: expected credit loss allowance	(16)	(24)	(16)	(24)
Loans to employee	-	10	-	6
	-	<b>2,037</b>	-	<b>2,009</b>

Refer note 39(b) for information about credit risk and market risk of loans.

Refer note 19(C) for hypothecation of current assets against term loan.

Note 15: Other current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Recoverable from/ balances with government authorities		
- considered good	673	1,957
Advances for supply of goods and services	350	246
Export benefit receivable on advance licence	204	276
Prepaid expenses	266	270
Contract assets	161	95
Others	2	-
	<b>1,656</b>	<b>2,844</b>

Note 16: Assets classified as held for sale

	As at 31 March 2024	As at 31 March 2023
Assets classified as held for sale	30	30
	<b>30</b>	<b>30</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

In August 2022, management committed to a plan to sell its office building located in Ahmedabad ('Asset'). Efforts to sell this Asset has started and sales is expected by September 2024. There is no impairment loss or cumulative income or expenses included in OCI in relation to the Asset Accordingly, in the current year the asset has been classified as "Assets classified as held for sale" in accordance with Ind AS 105.

### Note 17: Equity Share capital

(i) Details of share capital

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>				
Equity shares of Rs. 10 each	1,98,00,000	1,980	1,98,00,000	1,980
9.8% redeemable cumulative preference shares of Rs. 100 each	20,000	20	20,000	20
	<b>1,98,20,000</b>	<b>2,000</b>	<b>1,98,20,000</b>	<b>2,000</b>
<b>Issued Shares</b>				
Equity shares of Rs. 10 each	1,22,77,218	1,228	1,22,77,218	1,228
	<b>1,22,77,218</b>	<b>1,228</b>	<b>1,22,77,218</b>	<b>1,228</b>
<b>Subscribed and fully paid up</b>				
Equity shares of Rs. 10 each fully paid up	1,22,62,185	1,226	1,22,62,185	1,226
	<b>1,22,62,185</b>	<b>1,226</b>	<b>1,22,62,185</b>	<b>1,226</b>

(ii) Reconciliation of number of shares outstanding at the beginning and end of the year

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning and at the end of the year	<b>1,22,62,185</b>	<b>1,226</b>	<b>1,22,62,185</b>	<b>1,226</b>

(iii) Rights, preference and restriction attached to shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders (except for interim dividend) in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% holding in the class	Number of shares	% holding in the class
<b>Equity shares of Rs. 10 each fully paid</b>				
Hem-sil Trading and Manufacturing Private Limited	40,17,318	32.76%	40,17,318	32.76%
Gowal Consulting Services Private Limited	30,00,000	24.47%	30,00,000	24.47%

(v) Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2024

During the five years immediately preceding 31 March 2024, neither any bonus shares have been issued nor any shares have been bought back. Further, no shares have been issued for consideration other than cash.

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 17: Equity Share capital (contd.)

(vi) Promoters Shareholdings

S. no.	Promoter's name	As at 31 March 2024		As at 31 March 2023		
		Number of shares	% of total shares	Number of shares	% of total shares	% change during the year
1	Rupam Shalil Shroff	2,07,293	1.69	2,07,293	1.69	-
2	Shalil Shashikumar Shroff	2,30,581	1.88	2,30,581	1.88	-
3	Salil Shashikumar Shroff HUF	77,652	0.63	77,652	0.63	-
4	Hemal Raju Shete	2,12,812	1.74	2,12,812	1.74	-
5	Malvika Shalil Shroff	35,340	0.29	35,340	0.29	-
6	Ishika Shalil Shroff	27,894	0.23	27,894	0.23	-
7	Hem-sil Trading and Manufacturing Pvt Ltd.	40,17,318	32.76	40,17,318	32.76	-
	<b>Total</b>	<b>48,08,890</b>	<b>39.22</b>	<b>48,08,890</b>	<b>39.22</b>	<b>-</b>

### Note 18 : Other equity

(i) Capital reserve

Capital reserve represents the forfeited share application money of Rs. 185 received for preferential convertible warrants in 2008-2009 and Rs. 124 received for equity convertible warrant in 2009-2010.

(ii) Securities premium

Securities premium represents the excess consideration received by the Company over the face value of the shares issued to shareholders. This will be utilized in accordance with the applicable provisions of the Companies Act, 2013.

(iii) Capital redemption reserve

Capital redemption reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(iv) Capital reduction reserve

Capital reduction reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(v) Amalgamation reserve

Amalgamation reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(vi) Retained earnings

Retained earnings represents the profits that the Company has earned till date less any transfer to general reserve, less any dividends, or other distributions paid to shareholders.

(vii) Equity instruments through Other Comprehensive Income

The Company has elected to recognize changes in the fair value of certain investments in equity securities of other comprehensive income. These changes are accumulated within the equity instrument through OCI within equity. The company transfers amounts there from to retained earnings when the relevant equity securities are derecognised.

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 19: Borrowings

#### A. Non-current borrowings

	Note	As at 31 March 2024	As at 31 March 2023
<b>Secured</b>			
<b>From Banks</b>			
Term loan	(a)	2,926	3,694
Working capital term loan (ECLGS Scheme)	(b)	1,500	1,500
Vehicle finance scheme	(c)	499	187
		<b>4,925</b>	<b>5,381</b>
<b>Unsecured</b>			
<b>From Others</b>			
Inter-corporate deposits - from related party (refer note 43)	(d)	1,632	1,585
		<b>1,632</b>	<b>1,585</b>
Total non current borrowings (including current maturities)		<b>6,557</b>	<b>6,966</b>
Less : Current maturities of non-current borrowings		<b>1,301</b>	<b>805</b>
		<b>5,256</b>	<b>6,161</b>

#### Notes :

- (a) Term loan from SVC Co-operative Bank Ltd. amounting to Rs. 2,926 (31 March 2023: Rs. 3,694) carrying interest rate of 10.85% p.a. (31 March 2023: 10.85%) is secured by exclusive charge by way of hypothecation on all movable property including Plant & Machinery situated at Company's unit at Derabassi, Punjab both present and future. It is further secured by way of equitable mortgage on factory land and building situated at Company's unit at Derabassi, Punjab. The loan is repayable in 46 (31 March 2023: 58) equal monthly installments.
- (b) Working capital term loan (WCTL) under emergency credit line guarantee scheme (ECLGS scheme) from SVC Co-operative Bank Ltd. amounting to Rs. 1,500 (31 March 2023: Rs. 1,500) carrying interest rate of 9.25% p.a. (31 March 2023: 9.25%) is secured by 100% guarantee coverage from National Credit Guarantee Trustee Company Limited (NCGTC) and 2<sup>nd</sup> charge on existing prime & collateral securities of the Company. The loan has a moratorium of 2 years from the date of first disbursement and is thereafter repayable in 48 (31 March 2023: 48) equal monthly installments.
- (c) Loan from SVC Co-operative Bank Limited under vehicle finance scheme amounting to Rs. 499 (31 March 2023: 187) carrying interest rate of 8.75% (31 March 2023: 8.75%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in 36 to 45 (31 March 2023: 48) equal monthly installments.
- (d) Inter-corporate deposits amounting to Rs. 1,632 (31 March 2023: INR 1,585) is carrying interest rate of 12.75% to 16.50% p.a (31 March 2023: 12.75% to 16.50% p.a).

#### B. Current borrowings

	Note	As at 31 March 2024	As at 31 March 2023
Loans repayable on demand			
- from banks (secured)	(a), (b)	5,501	1,916
Others			
- Current maturities of non-current borrowings		1,301	805
		<b>6,802</b>	<b>2,721</b>
		<b>12,058</b>	<b>8,882</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 19: Borrowings (contd.)

#### Notes :

- (a) Cash credit amounting to Rs. 3,995 (31 March 2023: 1,916) from SVC Co-operative bank Ltd. carrying interest rate of 9.90% p.a. (31 March 2023: 9.90%) is secured by exclusive charge by way of hypothecation on all current assets of the Company, both present and future. It is further secured by exclusive charge by way of registered mortgage on factory land and building situated at Derabassi, Punjab and exclusive charge by way of hypothecation on all movable property, including plant and machinery, situated at Derabassi, Punjab.
- (b) Working capital demand loan amounting to Rs. 1,506 (31 March 2023: Nil) from Yes Bank Ltd. carrying interest rate of 8.85% p.a. (31 March 2023: Nil) is secured by exclusive charge by way of hypothecation on all current assets of the Company, both present and future. It is further secured by exclusive charge by way of registered mortgage on factory land and building situated at Lalru, Punjab and exclusive charge by way of hypothecation on all movable property of the Company (excluding SVC co-operative bank).

#### C. Assets pledged as security

Assets with following carrying amounts are pledged as collateral/security against loans and borrowings at year end :

	As at 31 March 2024	As at 31 March 2023
Property, plant and equipment	21,900	20,938
Inventory	13,265	16,824
Other current assets (including financial assets)	27,419	21,264
	<b>62,584</b>	<b>59,026</b>

#### D. Reconciliation of movements of current and non-current borrowings to cash flows arising from financing activities

	As at 31 March 2024	As at 31 March 2023
<b>Borrowings at the beginning of the year (current and non-current borrowings)</b>	<b>8,882</b>	<b>8,728</b>
Proceeds from non-current borrowings	396	76
Repayment of non-current borrowings	(852)	(1,307)
Proceeds from current borrowings (net)	3,632	1,385
<b>Borrowings at the end of the year (current and non-current borrowings)</b>	<b>12,058</b>	<b>8,882</b>

### Note 20: Lease liabilities

	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
Total non current lease liability (including current maturities)	225	515
Less : Current maturities of non-current lease liabilities	210	290
Total non current lease liability	<b>15</b>	<b>225</b>
<b>Current</b>		
Current maturities of non-current lease liabilities	210	290
	<b>210</b>	<b>290</b>

\* Current and non-current classification of lease liabilities is based on contractual maturities.

**Notes to the Standalone Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 20: Lease liabilities** (contd.)**Reconciliation of movements of lease liabilities to cash flows arising from financing activities during the period :**

	As at 31 March 2024	As at 31 March 2023
<b>Balance as at beginning of the period</b>	<b>515</b>	<b>604</b>
Additions	-	189
Accreditation of interest	39	57
Payment of lease liabilities	(329)	(335)
<b>Balance as at end of the period</b>	<b>225</b>	<b>515</b>

- (a) The Company has entered into agreements for leasing office premises on lease and license basis. The leases typically run for a period of 5 years with no restriction placed upon the Company for entering into said lease.
- (b) Loan from Siemens Financial Services Private Limited under lease financing scheme amounting to Rs.73 (31 March 2023 : Rs.192) carrying interest rate of 7.09% (31 March 2023: 7.09%) for purchase of machineries. The loan is repayable in 24 (31 March 2023 : 36) equal monthly instalments.

Information about leases for which the Company is a lessee is presented below :

- (i) The following are the amounts recognised in statement of profit and loss :

	Year ended 31 March 2024	Year ended 31 March 2023
Interest on lease liabilities	39	57
Expenses relating to short-term leases	47	81
	<b>86</b>	<b>138</b>

- (ii) The following is the break-up of current and non-current lease liabilities:

	As at 31 March 2024	As at 31 March 2023
Non-current lease liabilities	15	225
Current maturities of lease liabilities	210	290
	<b>225</b>	<b>515</b>

- (iii) The weighted average incremental borrowing rate applied to lease liabilities is 11.25%
- (iv) As at 31 March 2024, the Company has a lease liability balance of Rs. 225 (previous year Rs.515). During the previous year, the Company entered into new leases agreement of Rs. 192.
- (v) The following is the information regarding the contractual maturities of lease liabilities on an undiscounted basis :

	As at 31 March 2024	As at 31 March 2023
Less than one year	219	329
One to five years	16	235
<b>Total</b>	<b>235</b>	<b>564</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

- (vi) There are no leases not yet commenced to which the Company is committed.

**Notes to the Standalone Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 21: Provisions**

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Provision for employee benefits (refer note 41)				
Liability for gratuity	816	355	1,536	252
Liability for compensated absences	410	193	393	174
	<b>1,226</b>	<b>548</b>	<b>1,929</b>	<b>426</b>

**Note 22: Deferred tax**

	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax assets on account of :</b>		
- Expenses allowable on payment basis	292	424
- Expected credit loss allowance	50	55
- Expenses allowed on deferred basis under income tax	6	6
- Lease liabilities	13	20
<b>Deferred tax asset (A)</b>	<b>361</b>	<b>505</b>
<b>Deferred tax liabilities on account of :</b>		
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	1,152	1,035
<b>Deferred tax liability (B)</b>	<b>1,152</b>	<b>1,035</b>
<b>Deferred tax (liability) (net) (A - B)</b>	<b>(791)</b>	<b>(530)</b>

**Movement in temporary differences :**

2022-2023	As at 1 April 2022	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2023
<b>Deferred tax assets:</b>				
- Expenses allowable on payment basis	450	(58)	32	424
- Expected credit loss allowance	86	(31)	-	55
- Expenses allowed on deferred basis under income tax	6	-	-	6
- Lease liabilities	33	(13)	-	20
<b>Deferred tax liabilities :</b>				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(985)	(50)	-	(1,035)
	<b>(410)</b>	<b>(152)</b>	<b>32</b>	<b>(530)</b>

2023-2024	As at 1 April 2023	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2024
<b>Deferred tax assets:</b>				
- Expenses allowable on payment basis	424	(141)	9	292
- Expected credit loss allowance	55	(5)	-	50
- Expenses allowed on deferred basis under income tax	6	-	-	6
- Lease liabilities	20	(7)	-	13
<b>Deferred tax liabilities :</b>				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(1,035)	(117)	-	(1,152)
	<b>(530)</b>	<b>(270)</b>	<b>9</b>	<b>(791)</b>



## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 23: Other non-current liabilities

	As at 31 March 2024	As at 31 March 2023
Advance from customers	-	207
Contractual Liabilities	7	-
	<b>7</b>	<b>207</b>

### Note 24: Trade payables

	As at 31 March 2024	As at 31 March 2023
(a) Total outstanding dues of micro enterprise and small enterprises	553	855
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	11,164	12,944
	<b>11,717</b>	<b>13,799</b>

Refer note 39(b) for information about liquidity risk and market risk of trade payables.

#### Trade payables ageing schedule as at 31 March 2024 :

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	253	283	17	-	-	553
Total outstanding dues of creditors other than micro enterprises and small enterprises	184	7,077	3,712	16	63	112	11,164
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>184</b>	<b>7,330</b>	<b>3,995</b>	<b>33</b>	<b>63</b>	<b>112</b>	<b>11,717</b>

#### Trade payables ageing schedule as at 31 March 2023 :

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	364	491	-	-	-	855
Total outstanding dues of creditors other than micro enterprises and small enterprises	142	8,775	3,589	187	131	120	12,944
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>142</b>	<b>9,139</b>	<b>4,080</b>	<b>187</b>	<b>131</b>	<b>120</b>	<b>13,799</b>

Also refer to note-51

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 25: Other financial liabilities

	As at 31 March 2024	As at 31 March 2023
Interest accrued and due on borrowings	-	63
Unpaid dividend #	9	7
Interest bearing security deposits from customers	61	61
Security deposit from employees	31	77
Due to subsidiaries (refer note 43)	1,516	1,505
Due to customer (refer note 52)	1,063	1,063
Employee related liabilities	1,017	828
Capital creditors of micro enterprise and small enterprises	35	74
Capital creditors other than micro enterprise and small enterprises	277	383
Others (includes interest provision for MSME vendor etc.)	254	659
<b>Total</b>	<b>4,263</b>	<b>4,720</b>

# not due for deposit to investor education and protection fund

Refer note 39(b) for information about liquidity risk and market risk of other financial liabilities.

### Note 26: Other current liabilities

	As at 31 March 2024	As at 31 March 2023
Advance from customers	93	489
Contractual Liabilities	118	-
Deferred government grant	2	2
Statutory dues	313	578
<b>Total</b>	<b>526</b>	<b>1,069</b>

### Note 27: Current tax liabilities (net)

	As at 31 March 2024	As at 31 March 2023
Provision for income tax (net of advance tax of Rs. 9,335 (31 March 2023: Rs. 6,812))	668	1,553
<b>Total</b>	<b>668</b>	<b>1,553</b>

### Note 28: Revenue from operations

	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products		
Finished goods	86,509	86,371
Traded goods	914	1,513
Sale of services	3,461	9,736
Other operating revenues :		
Scrap sales	523	332
Export incentive	1,476	1,631
Product development charges	172	494
Others	-	296
	<b>93,055</b>	<b>1,00,373</b>





## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 28: Revenue from operations (contd.)

Revenue disaggregation by geography (location of destination of shipment) is as follows :

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Geography :</b>		
India	42,462	39,542
Outside India		
Europe (including united kingdom)	34,111	41,199
Japan	4,800	5,433
Israel	4,403	4,003
USA	379	2,936
Latin America	2,610	2,722
Others	2,119	1,785
<b>Total</b>	<b>90,884</b>	<b>97,620</b>

#### Information about major customers :

Revenue from 2 customer of the Company amounting to Rs. 38,469 (previous year: Rs. 41,444) and Rs. 12,725 (previous year: Rs. 13,868) respectively, constitute more than 10% of the total revenue of Company.

#### Changes in Unbilled revenue are as follows :

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	891	1,191
Invoices raised during the year	(891)	(1,191)
Revenue recognised during the year (yet to be invoiced)	1,360	891
<b>Balance at the end of the year</b>	<b>1,360</b>	<b>891</b>

#### Changes in Deferred revenue are as follows :

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	-	14
Revenue recognised during the year	-	(14)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

#### Reconciliation of revenue recognised with the contracted price is as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Contracted price</b>	<b>90,925</b>	<b>97,682</b>
Reductions towards variable consideration components*	(41)	(62)
<b>Revenue recognised</b>	<b>90,884</b>	<b>97,620</b>

\*The reduction towards variable consideration comprises of trade discount.

#### Contract balances

	Year ended 31 March 2024	Year ended 31 March 2023
Trade receivables	20,723	14,350
Trade receivables-Unbilled	1,360	891
Contract Liabilities- Current	93	489
Contract Liabilities- Non-current	-	207

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 28: Revenue from operations (contd.)

Contract liabilities primarily relate to advance consideration received from customers against supply of goods for which revenue is recognised at a point in time.

Trade receivables are net of expected credit loss and loss allowance on credit impaired assets.

#### Timing of revenue recognition :

	Year ended 31 March 2024	Year ended 31 March 2023
Product transferred at a point in time	74,698	74,016
Products and services transferred over time	16,186	23,604
<b>Revenue from contracts with customers</b>	<b>90,884</b>	<b>97,620</b>

### Note 29: Other income

	Year ended 31 March 2024	Year ended 31 March 2023
Interest income on financial assets measured at amortised cost	-	-
- on fixed deposits	20	18
- others	109	23
Amortization of contractual liabilities	31	-
Reversal of impairment loss on doubtful advances	-	84
Liability no longer required written back	20	209
Rental income	2	2
Exchange gain on foreign exchange fluctuation (net)	-	51
Gain on fair valuation of mutual fund	33	7
Gain on sale of property, plant and equipment (net)	52	-
Others	10	3
	<b>277</b>	<b>397</b>

### Note 30: Cost of materials consumed

	Year ended 31 March 2024	Year ended 31 March 2023
Inventory of raw material at the beginning of the year	8,308	9,152
Add: Purchases of raw materials (chemicals)	53,326	64,663
Less: Inventory of raw material at the end of the year	(6,353)	(8,308)
	<b>55,281</b>	<b>65,507</b>

### Note 31: Purchases of stock-in-trade

	Year ended 31 March 2024	Year ended 31 March 2023
Chemicals	271	348
	<b>271</b>	<b>348</b>



## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 32: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2024	Year ended 31 March 2023
Opening stock		
Work-in-progress	4,175	1,903
Finished goods	3,247	3,269
Stock-in-trade	-	11
	<b>7,422</b>	<b>5,183</b>
Less:		
Closing stock		
Work-in-progress	3,230	4,175
Finished goods	2,500	3,247
Stock-in-trade	-	-
	<b>5,730</b>	<b>7,422</b>
	<b>1,692</b>	<b>(2,239)</b>

### Note 33: Employee benefits expense

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	7,544	7,061
Contribution to provident and other funds	682	710
Staff welfare expenses	556	557
	<b>8,782</b>	<b>8,328</b>

### Note 34: Finance costs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense on financial liabilities measured at amortized cost	1,511	1,313
Interest expenses on lease liabilities	39	57
Other borrowing cost (delay in custom duty payments, delay in MSME vendor payment, income tax provision, etc.)	370	410
	<b>1,920</b>	<b>1,780</b>

### Note 35: Depreciation and amortization expense

	Note	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation of property, plant and equipment	3	1,920	1,669
Depreciation of right of use assets	4	261	202
Amortization of intangible assets	5	35	30
		<b>2,216</b>	<b>1,901</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 36: Other expense

	Year ended 31 March 2024	Year ended 31 March 2023
Stores and spares consumed	312	385
Power and fuel	6,567	7,061
Repairs and maintenance	1,710	1,695
Sub-contracting charges	976	793
Rent	47	81
Rates and taxes	83	31
Insurance charges	247	265
Traveling and conveyance	767	707
Commission on sales	26	78
Packing expenses	771	770
Freight and handling expenses	1,117	1,389
Job work expenses	299	396
Legal and professional fees (refer note (a) below)	528	383
Director's sitting fees	-	15
Commission to director	-	189
Charity and donations (other than political parties)	20	8
Corporate Social Responsibility expenditure (refer note 45)	181	133
Advances written off	19	36
Property, plant and equipment written off	45	20
Loss on sale of plant, property and equipment (net)	-	43
Expected credit loss on trade receivables and advances	-	4
Marketing and promotional expenses	248	188
Exchange loss on foreign exchange fluctuations	49	-
Pollution control expenses	443	280
Factory Maintenance and housing charges	278	251
Quality control expenses	167	180
IT and communication expenses	122	117
Miscellaneous expenses	778	775
	<b>15,800</b>	<b>16,273</b>

#### (a) Payments to the statutory auditor (excluding taxes as applicable) :

	Year ended 31 March 2024	Year ended 31 March 2023
<b>As auditor</b>		
Statutory audit	27	23
Limited review of quarterly results	15	15
	<b>42</b>	<b>38</b>

**Notes to the Standalone Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 37: Tax expense****a) Amount recognized in statement of profit and loss**

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Current tax :</b>		
- Current year	1,655	2,240
- Adjustments in respect of current tax of previous year	-	386
	<b>1,655</b>	<b>2,626</b>
<b>Deferred tax :</b>		
Attributable to :		
Origination and reversal of temporary differences	270	152
	<b>270</b>	<b>152</b>
<b>Total tax expense recognised</b>	<b>1,925</b>	<b>2,778</b>

**b) Reconciliation of effective tax rate**

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Accounting profit before income tax</b>	<b>7,370</b>	<b>8,872</b>
Tax at India's statutory tax rate of 25.168% (31 March 2023: 25.168%)	1,855	2,233
Effect of expense that are non-deductible expenses in determining taxable profits	50	152
Effect of change in estimate related to previous year	-	386
Others	20	7
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>1,925</b>	<b>2,778</b>

**c) Income tax expense recognised in other comprehensive income**

	Year ended 31 March 2024	Year ended 31 March 2023
Arising on income and expenses recognized in other comprehensive income		
Remeasurement of defined benefit obligation	11	33
Equity investments through other comprehensive income- net change in fair value	(2)	(1)
<b>Total income tax recognised in other comprehensive income</b>	<b>9</b>	<b>32</b>
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	9	32
	<b>9</b>	<b>32</b>

**Note 38: Earnings per share**

	Year ended 31 March 2024	Year ended 31 March 2023
Profit after tax for basic and diluted EPS per share	5,445	6,094
Weighted average number of equity shares for basic and diluted EPS per share	1,22,62,185	1,22,62,185
Basic and diluted earnings per share (face value of Rs. 10 each)	<b>44.41</b>	<b>49.71</b>

**Notes to the Standalone Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 39(a): Fair values**

Financial instruments by category and fair values	Note	Level of Hierarchy	As at 31 March 2024			As at 31 March 2023		
			FVTPL	Amortised Cost	FVOCI	FVTPL	Amortised cost	FVOCI
<b>Financial assets (non-derivative)</b>								
<b>Non current</b>								
Investment in quoted equity shares	(a)	1	-	-	0.86	-	-	0.49
Investment in unquoted equity shares - Others	(a)	3	-	-	143	-	-	137
Loans	(b)		-	-	-	-	-	-
Other financial assets	(b)		-	443	-	-	380	-
<b>Current</b>								
Trade receivables	(c)		-	20,723	-	-	14,350	-
Cash and cash equivalents	(c)		-	617	-	-	745	-
Other bank balances	(c)		-	363	-	-	271	-
Loans	(c)		-	2,037	-	-	2,009	-
Other financial assets	(c)		-	1,318	-	-	874	-
<b>Total financial assets</b>			-	<b>25,501</b>	<b>144</b>	-	<b>18,629</b>	<b>137</b>
<b>Financial liabilities (non-derivative)</b>								
<b>Non-current</b>								
Borrowings	(d)		-	6,557	-	-	6,966	-
Lease liability			-	15	-	-	225	-
<b>Current</b>								
Borrowings	(c)		-	5,501	-	-	1,916	-
Lease liability			-	210	-	-	290	-
Trade payables	(c)		-	11,717	-	-	13,799	-
Other financial liabilities	(c)		-	4,263	-	-	4,720	-
<b>Total financial liabilities</b>			-	<b>28,263</b>	-	-	<b>27,916</b>	-

- (a) For quoted investments, market value is taken as fair value. The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at net book value as per the latest audited financial statements available.
- (b) Fair value of non-current financial assets and financial liabilities has not been disclosed as there is no significant differences between carrying value and fair value.
- (c) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- (d) The Company's non-current borrowings have been contracted at market rates of interest. Accordingly, the carrying value of such non-current borrowings approximates fair value. Further, fair value measurement of lease liabilities is not required.

There are no transfers between level 1, level 2 and level 3 during the current year and previous year

**Reconciliation of fair value measurement of unquoted equity shares classified as FVOCI**

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	137	132
Re-measurement recognized in OCI	6	5
<b>Balance at the end of the year</b>	<b>143</b>	<b>137</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 39(b): Financial risk management

#### (i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to audit committee.

The Company has exposure to the following risks arising from financial instruments :

- Credit risk (see (ii));
- Liquidity risk (see (iii));and
- Market risk (see (iv))

#### (ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Company's receivable from customers and loans. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet :

	As at 31 March 2024	As at 31 March 2023
- Investments	789	249
- Trade receivables	20,723	14,350
- Cash and cash equivalents	617	745
- Other bank balances	363	271
- Loans	2,037	2,009
- Other financial assets	1,761	1,254

#### Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

#### The Company's exposure to credit risk for trade receivables by geographic region is as follows:

	As at 31 March 2024	As at 31 March 2023
Within India	12,396	9,025
Outside India	8,327	5,325

The carrying amount of the Company's most significant customer is Rs. 8,374 (31 March 2023: Rs. 5,144).

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 39(b): Financial risk management (contd.)

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

	Gross carrying amount	Expected credit loss allowance	Carrying amount
<b>31 March 2024</b>			
Less than 6 Months	20,212	-	20,212
More than 6 Months	596	85	511
	<b>20,808</b>	<b>85</b>	<b>20,723</b>
<b>31 March 2023</b>			
Less than 6 Months	14,250	-	14,250
More than 6 Months	203	103	100
	<b>14,453</b>	<b>103</b>	<b>14,350</b>

The movement in the allowance for impairment in respect of trade receivables is as follows

	Year ended 31 March 2024	Year ended 31 March 2023
Balance as at the beginning of the year	103	145
Provision made during the year	-	2
Amounts written back	(18)	(44)
<b>Balance as at the end of the year</b>	<b>85</b>	<b>103</b>

The loans primarily represents security deposits and advances recoverable. The management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these deposits and loans have been given have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for excepted credit loss has been provided on these financial assets. Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

#### Cash and cash equivalents

The Company holds cash and cash equivalents of Rs. 617 at 31 March 2024 (31 March 2023: Rs.745). The cash and cash equivalents are held with scheduled banks.

#### Financial guarantee

The Company has assessed the credit risk associated with its financial guarantee contracts for allowance for Expected Credit Loss (ECL) as at the period / year end. The Company makes use of various reasonable supportive forward-looking parameters which are both qualitative as well as quantitative while determining the change in credit risk and the probability of default. The Companies maximum exposure relating to financial guarantees as on 31 March 2024 is INR 1483 lakhs (31 March 2023: INR Nil). Considering the creditworthiness of entity within the group in respect of which financial guarantees have been given to third parties, the management believes that the subsidiary have a low risk of default and do not have any amounts past due. Accordingly, no allowance for expected credit loss needs to be recognised as at year end.

#### (iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet it's liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities. The Company will continue to consider various borrowings or leasing options to maximize liquidity and supplement cash requirements as necessary.

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 39(b): Financial risk management (contd.)

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

	Carrying Amount	Contractual Cash Flow			
		Total	Less than 1 year	1 to 5 years	> 5 years
<b>As at 31 March 2024</b>					
Borrowings (including current maturities)	12,058	12,058	6,802	5,256	-
Lease liabilities	225	235	219	16	-
Trade and other payables	11,717	11,717	11,717	-	-
Other financial liabilities	4,263	4,263	4,263	-	-
	<b>28,263</b>	<b>28,273</b>	<b>23,001</b>	<b>5,271</b>	<b>-</b>
<b>As at 31 March 2023</b>					
Borrowings (including current maturities)	8,882	8,882	2,721	6,161	-
Lease liabilities	515	564	329	235	-
Trade and other payables	13,799	13,799	13,799	-	-
Other financial liabilities	4,720	4,720	4,720	-	-
	<b>27,916</b>	<b>27,965</b>	<b>21,569</b>	<b>6,396</b>	<b>-</b>

#### (iv) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### (a) Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material prices under check to the extent possible.

A reasonably possible change of 0.50 % in raw material prices during the year would have affected the profit or loss by the amounts shown below.

Particulars	Profit or Loss		Equity, net of tax	
	Increased	Decreased	Increased	Decreased
<b>Year ended 31 March 2024</b>				
Raw material price (0.50% movement)	278	(278)	207	(207)
<b>Year ended 31 March 2023</b>				
Raw material price (0.50% movement)	329	(329)	245	(245)

##### (b) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows :

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 39(b): Financial risk management (contd.)

The exposure of the Company's borrowing to fixed interest rate as reported at the end of the reporting period are as follows :

	As at 31 March 2024	As at 31 March 2023
Fixed rate borrowings	6,557	6,966
Floating rate borrowings	5,501	1,916
<b>Total borrowings (gross of transaction cost)</b>	<b>12,058</b>	<b>8,882</b>

#### Interest rate sensitivity analysis

A reasonably possible change of 0.50 % in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>Year ended 31 March 2024</b>				
Interest rate (0.5% movement)	28	(28)	7	(7)
<b>Year ended 31 March 2023</b>				
Interest rate (0.5% movement)	10	(10)	2	(2)

##### c) Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

#### Unhedged foreign currency exposure

The following table provides details of the Company's exposure to currency risk :

Foreign Exchange Exposures outstanding at the year end	Currency	As at 31 March 2024		As at 31 March 2023	
		Amount in indian currency	Amount in foreign currency	Amount in indian currency	Amount in foreign currency
Trade receivable	EUR	2,879	32	348	4
	USD	4,550	55	4,261	52
	GBP <sup>^</sup>	18	0	54	1
Trade payable	EUR	108	1	110	1
	USD	3,223	39	872	25
Advances recoverable from related party	EUR	2,018	22	2,003	22
Due to subsidiaries	EUR	1,516	17	1,505	17
Investments (at historical cost)	EUR	5,463	102	5,463	102

<sup>^</sup> amount is less than Rs. 1

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2024 and 31 March 2023 would have affected the measurement of financial instruments denominated in foreign currency and affected Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2024</b>				
USD (2% movement)	(26)	26	(20)	20
EURO (2% movement)	(250)	250	(187)	187
GBP (2% movement)	(0)	0	(0)	0
<b>31 March 2023</b>				
USD (2% movement)	(44)	44	(33)	33
EURO (2% movement)	(198)	198	(148)	148
GBP (2% movement)	(1)	1	(1)	1

### Note 40: Capital management

#### (i) Risk management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company monitors capital using a ratio of 'total debt' to 'total equity'. For this purpose, total debt is defined as total borrowings. Equity comprises all components of equity (as shown in the Balance Sheet).

The Company's debt to equity ratio was as follows.

	As at 31 March 2024	As at 31 March 2023
Total debt	12,058	8,882
Total equity	34,849	29,801
<b>Debt to equity ratio</b>	<b>0.35</b>	<b>0.30</b>

#### (ii) Dividends

	Year ended 31 March 2024	Year ended 31 March 2023
Final dividend for the year ended 31 March 2023 of Rs. 3.00 (31 March 2022: Rs. 3.00) per fully paid equity share *	368	368
<b>Dividend not recognised at the end of the year</b>		
In addition to the above dividend, since year end the Board of Directors have recommended payment of final dividend of Rs. 3.00 (31 March 2023: Rs. 3.00) per fully paid equity share. The proposed dividend is subject to the approval of the shareholders in the ensuing annual general meeting. The dividend declaration is in accordance with section 123 of the companies Act, 2013 to the extent its applies to declaration of dividend	368	368

\* Final dividend has been paid on the number of shares issued by the Company till the date of annual general meeting after approval of shareholders and is in accordance with section 123 of Companies Act, 2013.

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 41: Employee benefits

#### A. Assets and liabilities relating to employee benefits

	As at 31 March 2024	As at 31 March 2023
Non-current		
Liability for gratuity	816	1,536
Liability for leave encashment	410	393
	<b>1,226</b>	<b>1,929</b>
Current		
Liability for gratuity	355	252
Liability for leave encashment	193	174
	<b>548</b>	<b>426</b>
	<b>1,774</b>	<b>2,355</b>

For details about related employee benefit expenses, refer to note 33.

#### B. Defined contribution plan

##### a. Provident fund and employee's state insurance

The Company's provident fund scheme and employee's state insurance (ESI) fund scheme are defined contribution plans. Under the scheme, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes. The contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due.

##### b. Superannuation Fund

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has recognised following amounts as expense in the Statement of Profit and Loss :

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Amounts included in contribution to provident and other funds (refer note 33)</b>		
Provident Fund	451	442
Superannuation Fund	202	234
ESI contribution	29	31
	<b>682</b>	<b>707</b>

#### C. Defined benefit plan - Gratuity

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Company to following risks :

*Interest rate risk :*

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

*Salary inflation risk:*

Higher than expected increases in salary will increase the defined benefit obligation.

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 41: Employee benefits (contd.)

#### Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations.

The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

#### (a) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Company does not expect any significant liquidity risks.

The following table sets out the status of the defined benefit plan as required under Ind AS 19 - Employee Benefits :

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(b) Reconciliation of present value of defined benefit obligation</b>		
Balance at the beginning of the year	2,180	2,115
Interest cost	161	151
Current service cost	137	126
Past service cost	-	-
Benefits paid	(236)	(337)
Actuarial loss/(gain) recognised in other comprehensive income		
- from changes in financial assumptions	20	(30)
- from changes in demographic assumptions	-	-
- from experience adjustments	23	155
<b>Balance at the end of the year</b>	<b>2,285</b>	<b>2,180</b>

<b>(c) Reconciliation of the present value of plan assets</b>		
Balance at the beginning of the year	392	453
Expected Interest Income	28	27
Contributions paid by the employer	879	193
Benefits paid	(184)	(281)
Actuarial loss for the year on Assets	-	-
<b>Balance at the end of the year</b>	<b>1,115</b>	<b>392</b>

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(d) Amount recognized in statement of profit and loss</b>		
Total service cost	137	126
Interest cost on benefit obligation	132	119
<b>Amount recognized in statement of profit and loss</b>	<b>269</b>	<b>245</b>

<b>(e) Remeasurements recognised in other comprehensive income</b>		
Actuarial loss for the year on defined benefit obligation	43	124
Loss on plan assets (excluding interest income)	1	5
<b>Total Actuarial loss for the year</b>	<b>44</b>	<b>129</b>

#### (f) Plan assets

100% of the plan assets are managed by LIC

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 41: Employee benefits (contd.)

#### (g) Actuarial assumptions

##### (i) Economic assumptions :

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

	As at 31 March 2024	As at 31 March 2023
Discount rate (per annum)	7.23%	7.38%
Future salary growth rate (per annum)	5.75%	5.75%
Expected rate of return on plan assets (per annum)	7.05%	7.05%
Expected average remaining working lives (years)	17.93	18.18

##### (ii) Demographic assumptions :

	As at 31 March 2024	As at 31 March 2023
Retirement Age	58	58
Mortality rate	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition rate		
Upto 30 years	3%	3%
31 to 44 years	2%	2%
44 years and above	1%	1%

##### (h) Sensitivity analysis on defined benefit obligation on account of change in significant assumption :

	As at 31 March 2024		As at 31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(67)	71	(66)	65
Future salary growth rate (0.5% movement)	69	(66)	63	(66)
Attrition rate (0.5% movement)	6	(6)	6	(6)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

##### (i) Expected future benefit payments

Undiscounted amount of expected benefit payments for next 10 years are as follows :

	As at 31 March 2024	As at 31 March 2023
Within 1 year	355	252
1-2 year	202	289
2-3 year	218	180
3-4 year	205	194
4-5 year	223	180
5-10 years	1,082	1,084

**Notes to the Standalone Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 41: Employee benefits** (contd.)**(j) Weighted average duration and the expected employers contribution for next year of the defined benefit plan :**

	As at 31 March 2024	As at 31 March 2023
Weighted average duration of the defined benefit plan (in years)	14.36	14.48
Expected employers contribution for next year	234	225

**Note 42: Contingent liabilities and commitments (to the extent not provided for)****(a) Claims against the company not acknowledged as debts**

	As at 31 March 2024	As at 31 March 2023
Income Tax matters	1,255	2,274
Sales tax matters	11	11
Service tax matters	1	1
	<b>1,267</b>	<b>2,286</b>

**Notes :**

(i) Assessment Year	Remarks	As at 31 March 2024	As at 31 March 2023
2008-09	The case is pending with ITAT	44	840
2009-10	The case is pending with ITAT	299	569
2013-14	The case is pending with CIT(A)	25	23
2014-15	The case is pending with CIT(A)	62	62
2015-16	The case is pending with CIT(A)	121	121
2016-17	The case is pending with CIT(A)	12	12
2017-18	The case is pending with ITAT	640	597
2018-19	The case is pending with CIT(A)	52	50
2019-20	The case is pending with CIT(A)	-	-
		<b>1,255</b>	<b>2,274</b>

There has been no major development in the above mentioned matters except as below :

(A) The Income Tax Assessing officer had passed an order dated 27 March 2021 and 28 March 2021 for assessment year 2008-2009 and 2009-2010 respectively and has raised the demand to Rs. 4,384 and Rs. 3,281 respectively. Subsequently, the Company had filed the rectification request and during the year 2022, the Assessing officer issued rectification order under section 154 by reducing the demand to Rs.556 and Rs.419 (net of advance tax) respectively. During the previous year, the Company received TP Order after giving effect of DRP Directions basis on which company again filed rectification application with the assessing officer. During the current year, company received rectification order under section 154 resulting in refund of Rs 230 for assessment year 2008-09 and reducing the demand to Rs 197 for assessment year 2009-10.

No tax expense has been accrued in financial statements for the tax demand raised. The Company is contesting the demand and the management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the company's financial position and results of operations.

(ii) (A) In earlier years, the Directorate of Revenue Intelligence - Ahmadabad had asked the Company to re-ascertain the benefits claimed under the Merchandise Exports from India Scheme from 1 April 2015 onwards. Consequently, the Company basis expert view, had assessed a liability for the differential amount to be refunded for the period from 1 April 2015 till 31 December 2019 amounting to Rs. 907 lakhs (including interest 130 lakhs) which was also paid in the 2020-21.

During year 2020-21, the Company had also received a show cause notice (SCN) from DRI Ahmadabad on 28 December 2020 under the Custom Act, 1962 who also appointed additional Director General (Adjudication), DRI,

**Notes to the Standalone Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 42: Contingent liabilities and commitments (to the extent not provided for)** (contd.)

New Delhi as common adjudicating authority for the purpose of adjudication in respect all imports covered in the SCN. However, in view of the Hon'ble Supreme Court's judgement dated 9 March 2021 in civil appeal no. 1827, DRI issued letter DRI/HQR/24 A/ADJN/ 3-2021/ 3245, dated 7/4/2021 intimating that the said SCN is transferred to the call book under provision of section 28(9A)(c) of the Custom act, 1962. In 2022, additional Director General (Adjudication), DRI, New Delhi was re-designated as Commissioner of Custom (Adjudication) Delhi as per notification no 23/2022-cus(nt) dated 31.03.2022. During the previous year, the company had filed application before the customs and central excise settlement commission additional bench, Mumbai for settlement of the case under section 127B of customs act, 1962. During the year the settlement commission passed the order by imposing penalty of Rs 20 lakhs which was subsequently deposited and intimated to the adjudicating authority to pass the final order which is still awaited.

Further, the Company has also received notice from Additional Director General of Foreign Trade (DGFT) dated 20 October 2020 and has filed the reply dated 26 October 2020 as well as attended the hearing on 04 November 2020. Thereafter, there has been no updated in the case.

B) In earlier years, the Directorate of Revenue Intelligence – Kolkata had initiated an inquiry in relation to the manner in which the Company was claiming refund of IGST on input material at the time of export. During the current and previous year, the Company received summons from the office of Central goods and Service tax commissioner, Ludhiana seeking further documents in relation to the above. The Company had in the interim, filed a writ petition in the High court of Punjab and Haryana requesting the court to give suitable directions on the above matter. The next hearing is scheduled in September 2024. Further, on 1 May 2023, the Company had received a show cause notice dated 24 April 2023 from the office of the Principal Commissioner, Central GST Commissionerate, Ludhiana in relation to refund of INR 4,496 of IGST wrongly claimed in contravention of Rule 96(10) along with related interest and penalties as applicable for which the Company has obtained the stay from high court for further action by office of central goods and service tax commissioner.

The Company believes, basis legal advice, that it has not caused any loss to the exchequer and while it was entitled to claim refund in accordance with the laws as applicable and that it has reasonable legal grounds to defend its position as already contained in the writ petition filed with the High Court on this matter in the earlier year.

(iii) During the earlier years, the Company had received a notice of eviction in relation to the Pune facility which was under a lease arrangement. We have filed an appeal Court of district judge Pune in relation to the aforesaid and have received a stay order in relation to the above. There is no update on this matter in the current year. Next hearing is expected to be in August 2024.

(iv) Pursuant to judgement by the hon'ble supreme court dated 28 February 2019 on wages for the purposes of provident fund, the Company has ascertained the impact of the same from post 28 February 2019 which was recognised and deposited in earlier years.

**(b) Other Commitments**

	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	210	303

**Notes :**

(1) The Company has extended comfort letters to provide continued financial support to its wholly-owned subsidiary to ensure that the subsidiary is able to meet its debts, commitments and liabilities as they fall due and it continues as going concerns.

During the current year, the Board of Directors have on 14 December 2023 approved an investment of upto INR 1500 into SD Agchem (Europe) NV and have also provided guarantee on behalf of SD Agchem (Europe) NV, a 100% Wholly Owned Subsidiary to secure the payment obligations of SD Agchem (Europe) NV upto an amount not exceeding INR.1500 in relation to a settlement agreement dated 11 December 2023 with ex-shareholders of Sintesis Quimica S.A.I.C, Argentina (erstwhile shareholders') (erstwhile step down subsidiary till September 2017). Under the terms of settlement, a total consideration of INR 1,483 is to be paid by SD Agchem (Europe) NV to the ex- shareholders.



## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

Accordingly, SD Agchem (Europe) NV has recorded an incremental liability of INR 198 in the third quarter of current financial year and has also paid a sum of Rs. 1,148 till 31 March 2024. The remaining balance of Rs.335 has also been paid subsequent to the year end.

### Note 43: Related party disclosures

#### I. List of related parties and nature of related party relationship, where control exists :

Description of Relationship	Name of the Party
Subsidiary	S D Agchem (Europe) NV

#### II. List of related parties and nature of relationship with whom transactions have taken place during the current / previous year

Description of Relationship	Name of the Party
Enterprises where control over the composition of Governing Body exists	Hemsil Trading & Manufacturing Private Limited
	Shroff Family Master Trust
	Salil ShashiKumar Shroff HUF
	Akola Chemicals (India) Private Limited
Key managerial personnel	U & I Initiatives LLP
	Mr. Shalil ShashiKumar Shroff (Managing Director)
	Mr. Vinod Kumar Gupta (Chief Executive Officer)
	Dr. Sriram Swaminathan (Chief Financial Officer) (Upto 16 March 2023)
	Mr. Ashish Ramdas Nayak (Chief Financial Officer) (w.e.f. 16 March 2023)
	Mr. Jain Prakash (Sr. Vice President (Works) (Upto 16 March 2023)
	Mr. V Srinivas (GM Legal & Company Secretary) (Upto 24 January 2023)
Non Executive Independent Directors	Mrs. Rishu Chatley (Company Secretary & Compliance officer) (w.e.f. 24 January 2023)
	Mr. Mukesh Dahyabhai Patel
	Mr. Vijay Dilbagh Rai
	Mr. Sheo Prasad Singh
	Mrs. Aruna Rajendra Bhinge
Non Executive Non-Independent Directors	Mrs. Tara Subramaniam (w.e.f. 3 August 2023)
	Mr. Shivshankar Shripal Tiwari
	Mr. Avtar Singh
Relatives of key managerial personnel	Capt. Surjit Singh Chopra (Retd.)
	Ms. Malvika Shroff
	Mr. Jaskaran Singh
	Ms. Sonal Tiwari

#### III. Transactions with related parties during the current / previous year

Nature of transactions	Relationship	As at 31 March 2024	As at 31 March 2023
<b>a. Sale of goods</b>			
SD Agchem (Europe) N.V.	Subsidiary	2,259	1,504
Akola Chemicals (India) Private Limited	Enterprises where control over the composition of Governing Body exists	23	18
<b>b. Payment of lease liabilities</b>			
Shroff Family Master Trust	Enterprises where control over the composition of Governing Body exists	208	189

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 43: Related party disclosures (contd.)

Nature of transactions	Relationship	As at 31 March 2024	As at 31 March 2023
Salil ShashiKumar Shroff HUF	Enterprises where control over the composition of Governing Body exists	15	12
Ms. Malvika Shroff	Relatives of key managerial personnel	59	48
<b>c. Amount received against advances</b>			
SD Agchem (Europe) N.V.	Subsidiary	-	44
<b>d. Interest expense during the year</b>			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	210	210
<b>e. Reversal of expected credit loss on trade receivables during the year</b>			
SD Agchem (Europe) N.V.	Subsidiary	-	44
<b>f. Financial Guarantee Income #</b>			
SD Agchem (Europe) N.V.	Subsidiary	7	-
<b>g. Debtors written off</b>			
Akola Chemicals (India) Limited	Enterprises where control over the composition of Governing Body exists	2	-
<b>h. Employee benefits paid</b>			
<b>Short term employee benefits</b>			
Mr. Shalil ShashiKumar Shroff	Key Managerial Personnel	260	230
Mr. Vinod Kumar Gupta	Key Managerial Personnel	256	228
Dr. Sriram Swaminathan	Key Managerial Personnel	-	118
Mr. Ashish Ramdas Nayak	Key Managerial Personnel	86	2
Mr. Jain Prakash	Key Managerial Personnel	-	108
Mr. V Srinivas	Key Managerial Personnel	-	36
Mrs. Rishu Chatley	Key Managerial Personnel	21	3
<b>Benefits to Relatives</b>			
Mr. Jaskaran Singh	Relatives of Key Managerial Personnel	18	17
<b>i. Commission</b>			
Executive Directors	Key Managerial Personnel	100	118
Non Executive Directors	Key Managerial Personnel	61	75
<b>j. Sitting Fees</b>			
Non Executive Directors	Key Managerial Personnel	17	15
<b>k. Legal &amp; Professional</b>			
Ms. Sonal Tiwari	Relatives of Key Managerial Personnel	42	33

# During the year, the Board of Directors of the company have approved an investment of upto INR 1500 into SD Agchem (Europe) NV, a 100% Wholly Owned Subsidiary and is also extending guarantee towards payment obligations of SD Agchem (Europe) upto an amount not exceeding INR.1500 lakhs in relation to a settlement agreement dated 11 December 2023 with ex-shareholders of Sintesis Quimica S.A.I.C, Argentina (erstwhile shareholders) (erstwhile step down subsidiary till September 2017).

Break-up of compensation of key managerial personnel of the Company	Year ended 31 March 2024	Year ended 31 March 2023
Short-term employee benefits	623	725
Post-employment benefits	14	8
<b>Total</b>	<b>637</b>	<b>733</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### IV. Outstanding balances as at year end

Particulars	Relationship	As at 31 March 2024	As at 31 March 2023
<b>Payables</b>			
SD Agchem (Europe) N.V.	Subsidiary	1,516	1,505
<b>Receivables</b>			
SD Agchem (Europe) N.V.	Subsidiary	1,304	138
Akola Chemical (India) Private Limited	Enterprises where control over the composition of Governing Body exists	-	4
<b>Advances given</b>			
SD Agchem (Europe) N.V.	Subsidiary	2,027	2,003
<b>Borrowings</b>			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	1,632	1,585
<b>Security deposit from employees</b>			
Mr. Shalil Shashikumar Shroff	Key managerial personnel	2	2
Mr. Jain Prakash	Key managerial personnel	-	2
<b>Commission payable to directors</b>			
Executive Directors	Key managerial personnel	100	118
Non Executive Directors	Key managerial personnel	61	75
<b>Employee related liabilities</b>			
Executive Directors	Key managerial personnel	19	5
<b>Interest accrued and due on borrowings</b>			
Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	-	16
<b>Legal and professional fees payable</b>			
Ms. Bhupinder Kaur	Relatives of key managerial personnel	-	4
Ms. Sonal Tiwari	Relatives of key managerial personnel	-	4

### V. Terms and conditions of transactions with related parties

The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions and within ordinary course of business.

### Note 44: Ratio Analysis

#### a) Current ratio = Current assets divided by current liabilities

Particulars	31-Mar-24	31-Mar-23
Current assets	40,654	38,059
Current liabilities	24,734	24,578
<b>Ratio</b>	<b>1.64</b>	<b>1.55</b>
<b>% Change from previous year</b>	<b>6.14%</b>	

Reason for change more than 25%: NA

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 44: Ratio Analysis (contd.)

#### b) Debt equity ratio = Debt divided by total shareholder's equity

Particulars	31-Mar-24	31-Mar-23
Debt	12,058	8,882
Total equity (excluding Non-controlling interests)	34,849	29,801
<b>Ratio</b>	<b>0.35</b>	<b>0.30</b>
<b>% Change from previous year</b>	<b>16.09%</b>	

Reason for change more than 25%: NA

#### c) Debt service coverage ratio = Earnings available for debt services divided by debt services

Particulars	31-Mar-24	31-Mar-23
Profit after tax	5,445	6,094
<b>Add : Non cash operating expenses and finance cost</b>		
- Depreciation and amortization expense	2,216	1,901
- Finance costs	1,920	1,780
- PPE written off	45	20
- Loss on sale of PPE	-	43
- Advance written off	19	36
- Expected credit loss	-	4
<b>Earnings available for debt services</b>	<b>9,645</b>	<b>9,878</b>
<b>Debt Services</b>		
Interest and lease payments	257	371
Principal repayments	1,301	805
Interest on Borrowings	1,550	1,370
<b>Total Debt Services</b>	<b>3,108</b>	<b>2,546</b>
<b>Ratio</b>	<b>3.10</b>	<b>3.88</b>
<b>% Change from previous year</b>	<b>-20.01%</b>	

Reason for change more than 25%: NA

#### d) Return on equity ratio / return on investment ratio = Net profit after tax divided by average shareholder's equity

Particulars	31-Mar-24	31-Mar-23
Net profit after tax	5,445	6,094
Average shareholder's equity	32,325	26,984
<b>Ratio</b>	<b>16.84%</b>	<b>22.58%</b>
<b>% Change from previous year</b>	<b>-25.42%</b>	

Reason for change more than 25%:

The ratio has decreased from 22.58% in March 2023 to 16.84% in March 2024 mainly due to decrease in profit.

#### e) Inventory turnover ratio = Net Sales divided by average inventory

Particulars	31-Mar-24	31-Mar-23
Sale of goods (Net Sales)	93,055	1,00,373
Average inventory	15,045	16,098
<b>Ratio</b>	<b>6.19</b>	<b>6.24</b>
<b>% Change from previous year</b>	<b>-0.80%</b>	

Reason for change more than 25%: NA

**Notes to the Standalone Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 44: Ratio Analysis** (contd.)**f) Trade receivables turnover ratio = Net sales divided by average trade receivables**

Particulars	31-Mar-24	31-Mar-23
Sale of goods (Net Sales)	93,055	1,00,373
Average trade receivables	17,537	12,763
<b>Ratio</b>	<b>5.31</b>	<b>7.86</b>
<b>% Change from previous year</b>	<b>-32.53%</b>	

**Reason for change more than 25%:**

The ratio has decreased from 7.86 in March 2023 to 5.31 in March 2024 mainly due to decrease in revenue and increased in trade receivables.

**g) Trade payables turnover ratio = Credit purchases divided by average trade payables**

Particulars	31-Mar-24	31-Mar-23
Net purchases	53,597	65,011
Other expenses*	15,403	15,794
<b>Total</b>	<b>69,000</b>	<b>80,805</b>
Average trade payables	12,758	13,463
<b>Ratio</b>	<b>5.41</b>	<b>6.00</b>
<b>% Change from previous year</b>	<b>-9.89%</b>	

**Reason for change more than 25%: NA**

\* Refer Note 36 for Other expenses, below other expenses have not been considered for above ratio calculation :

Particulars	31-Mar-24	31-Mar-23
Corporate Social Responsibility expenditure	181	133
Expected credit loss on trade receivables and advances	-	4
Property, plant and equipment written off	45	20
Rates and taxes	83	31
Director's sitting fees	-	15
Commission to director	-	189
Charity and donations (other than political parties)	20	8
Loss on sale of plant, property and equipment (net)	-	43
Exchange loss on foreign exchange fluctuations	49	-
Advances written off	19	36
<b>Total</b>	<b>397</b>	<b>479</b>

**h) Net capital turnover ratio = Net sales divided by capital**

Particulars	31-Mar-24	31-Mar-23
Sale of goods (Net Sales)	93,055	1,00,373
Working Capital (Total current assets minus total current liabilities)	15,920	13,481
<b>Ratio</b>	<b>5.85</b>	<b>7.45</b>
<b>% Change from previous year</b>	<b>-21.50%</b>	

**Reason for change more than 25%: NA****i) Net profit ratio = Net profit after tax divided by Net sales**

Particulars	31-Mar-24	31-Mar-23
Net profit/ (loss) after tax	5,445	6,094
Sale of goods (Net Sales)	93,055	1,00,373
<b>Ratio</b>	<b>5.85%</b>	<b>6.07%</b>
<b>% Change from previous year</b>	<b>-3.63%</b>	

**Reason for change more than 25%: NA****Notes to the Standalone Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 44: Ratio Analysis** (contd.)**j) Return on capital employed = Earnings before interest and taxes (EBIT) divided by capital employed**

Particulars	31-Mar-24	31-Mar-23
Profit before tax	7,370	8,872
Add: Finance costs	1,920	1,780
<b>EBIT</b>	<b>9,290</b>	<b>10,652</b>
Total assets	66,878	63,431
Less: Total liabilities	(32,029)	(33,630)
Other intangible assets	(370)	(74)
<b>Tangible net worth</b>	<b>34,480</b>	<b>29,727</b>
Total Debt	12,058	8,882
Deferred tax liability	791	530
<b>Capital employed</b>	<b>47,328</b>	<b>39,138</b>
<b>Ratio</b>	<b>19.63%</b>	<b>27.22%</b>
<b>% Change from previous year</b>	<b>-27.88%</b>	

**Reason for change more than 25%:**

The ratio has decreased from 27.22% in March 2023 to 19.63% in March 2024 mainly due to decrease in profit and increased in trade receivables.

**Note 45: Corporate Social Responsibility**

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate social responsibility (CSR) activities. A CSR Committee has been formed by the company as per the Act. The CSR Committee and Board had approved the projects with specific outlay on the activities as specified in Schedule VII of the act, in pursuant of the CSR policy :

	As at 31 March 2024	As at 31 March 2023
a) Gross amount required to be spent by the Company during the year	178	132
b) Amount approved by the Board to be spent during the year	178	132
c) Amount spent during the year on (in cash):		
(i) Construction / Acquisition of any asset	-	-
(ii) On purpose other than (i) above	181	133
d) Excess/ (Shortfall) at the end of the year	<b>3</b>	<b>1</b>
e) Total of previous years shortfall	-	-
f) Details of related party transactions	-	-
g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately"	-	-
h) Reason for shortfall:		
i) Nature of CSR Activities:		
i) Eradicating poverty including health care facilities	47	27
ii) Promoting education	118	85
ii) Rural development projects	16	19
iv) Animal welfare	-	2

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 46: Segment Information

The Executive Management Committee (Board of Director and key managerial personnel) monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. For management purpose, the Company has identified "Performance Chemicals" as single operating segment.

#### A) Information about geographical areas

Year ended 31 March 2024

	Sale of goods *	Sale of services *	Non current assets#
<b>India</b>	39,001	3,461	25,569
<b>Outside India</b>			
Europe (including united kingdom)	34,111	-	-
Japan	4,800	-	-
Israel	4,403	-	-
USA	379	-	-
Latin America	2,610	-	-
Others	2,119	-	68
<b>Total</b>	<b>87,423</b>	<b>3,461</b>	<b>25,637</b>

Year ended 31 March 2023

	Sale of goods *	Sale of services *	Non current assets#
<b>India</b>	29,806	9,736	24,842
<b>Outside India</b>			
Europe (including united kingdom)	41,199	-	-
Japan	5,433	-	-
Israel	4,003	-	-
USA	2,936	-	-
Latin America	2,722	-	-
Others	1,785	-	12
<b>Total</b>	<b>87,884</b>	<b>9,736</b>	<b>24,854</b>

\* Sale of goods and sale of services has been presented based on the geographical location of the customers.

# Non-current assets are excluding financial instruments and deferred tax assets and have been presented based on the geographical location of assets.

#### B) Information about major customers

Revenue from 2 customer of the Company amounting to Rs. 38,469 (previous year: Rs. 41,444) and Rs. 12,725 (previous year: Rs. 13,868) respectively, constitute more than 10% of the total revenue of Company.

### Note 47:

As at 31 March 2024, the Company has certain advances recoverable from its wholly owned subsidiary, located outside India, amounting to Rs. 2,027 (previous year Rs. 2,003) against expenses incurred on its behalf and certain dues towards it amounting to Rs. 1,516 (previous year Rs. 1,505) in respect of which the Company has filed for approval of Reserve Bank of India through Authorised Dealer towards setting of these balances.

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 48: Disclosures pursuant to Section 186 of the Companies Act, 2013:

	As at 31 March 2024	As at 31 March 2023
<b>Investments :</b>		
<b>(i) Investment in equity shares: Dena Bank Limited merged with Bank of Baroda</b>		
Balance as at the year end ^	0.49	0.31
Maximum amount outstanding at any time during the year ^	0.49	0.31
<b>(ii) Investment in equity shares: Syndicate Bank Limited merged with Canara Bank</b>		
Balance as at the year end ^	0.37	0.18
Maximum amount outstanding at any time during the year ^	0.37	0.18
<b>(iii) Investment in equity shares: Nimbua Green Field (Punjab) Limited</b>		
Balance as at the year end	135	127
Maximum amount outstanding at any time during the year	135	127
<b>(iv) Investment in equity shares: Mohali Green Environment Private Limited</b>		
Balance as at the year end	8	10
Maximum amount outstanding at any time during the year	10	10

^ Value of investment is less than Rs. 1 (previous year: Rs. 1).

### Note 49:

The Company has filed quarterly statement of current assets with banks and these are in agreement with books of account for all quarters in the current year and previous year.

### Note 50:

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### Note 51: Disclosures of Micro and Small Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Company as under :

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 51: Disclosures of Micro and Small Enterprises *Contd.*

Particulars	As at 31 March 2024	As at 31 March 2023
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	588	929
- Interest	9	16
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during each accounting year) but without adding the interest specified under the MSMED act 2006.	62	101
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	236	117
(e) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	236	117

### Note 52:

The Company had certain unsettled "advance from customer", "trade payable" and "trade receivables" from an overseas customer which have been outstanding since earlier years. During the previous year, as a result of product registration regulatory issues faced by the customer, the Company and the customer had preferred to enter into a settlement arrangement pursuant to which the original contract for supply of goods stands terminated. As a result of this termination of contract of supply of goods, the advance received from customer aggregating to Rs 1,063, previously shown as other current liabilities, was classified as "other financial liabilities". Consequentially, during the previous year ended 31 March 2023, the Company had also recognised Rs 284 as settlement income (net of certain expenses aggregating to Rs 225 already incurred pursuant to the original contract of supply) within other operating income and had set up a recoverable of Rs 509 as "other financial assets".

In view of the settlement during previous year, the Company has filed applications with the Reserve Bank of India through its Authorised dealer Bank of Baroda, Mumbai Branch under the relevant provisions of FEMA seeking to rectify the online records on EDPMS/ ICEGATE portal and condone the unintended delay caused in settling the account due to circumstances beyond the control as well as to seek approval from RBI to set off the related assets and liabilities as shown separately in the financial statement pursuant to the terms of the settlement arrangement.

	Amount
Other financial liabilities	1,063
Trade Payable	-
Other financial assets	509
Trade receivables	403
<b>Net Payable</b>	<b>151</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 53:

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any transactions with companies struck off.
- The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.
- The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- The Company including the "Companies in the Group" (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company ("CIC")

### Note 54:

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of income tax expense and that of provision for taxation.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022

**Gaurav Mahajan**  
Partner  
Membership No. : 507857

Place : Mumbai  
Date : May 6, 2024

For and on behalf of the Board of Directors of  
**Punjab Chemicals and Crop Protection Limited**

**Mukesh D Patel**  
Chairman  
DIN : 00009605  
Place : Mumbai

**Shalil S Shroff**  
Managing Director  
DIN : 00015621  
Place : Mumbai

**Vinod K Gupta**  
Chief Executive officer

**Rishu Chatley**  
Company Secretary  
& Compliance officer

**Ashish R Nayak**  
Chief Financial Officer

Place : Mumbai  
Date : May 6, 2024

Place : Mumbai

Place : Mumbai

# Independent Auditor's Report

To  
The Members of  
**Punjab Chemicals and Crop Protection Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Punjab Chemicals and Crop Protection Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor on separate financial statements of such subsidiary as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

### Revenue Recognition

See Note 2(j) and 28 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Group recognises revenue from the sales of products and services when control over goods is transferred to the customer/services are rendered based on the specific terms and conditions of the sale / service contracts entered into with respective customers and is measured net of discounts and returns.</p> <p>We have identified recognition of revenue as a key audit matter as-</p> <ul style="list-style-type: none"> <li>revenue is a key performance indicator; and</li> <li>there is a presumed fraud risk of revenue being overstated through manipulation of the timing of transfer of control and amount of revenue recognized due to pressures to achieve performance targets as well as meeting external expectations.</li> </ul>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence :</p> <ul style="list-style-type: none"> <li>We assessed the compliance of the revenue recognition accounting policies against the requirement of Ind AS 115 i.e. Revenue from contracts with customers.</li> <li>We evaluated the design, implementation and operating effectiveness of key financial controls with respect to revenue recognition on selected transactions (using random sampling).</li> <li>We performed substantive testing by using statistical sampling for revenue transactions recorded during the financial year. For such samples, verified the underlying documents, including invoices, good dispatch notes, customer acceptances and shipping documents (as applicable), and subsequent receipts in the bank</li> </ul>

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
	<p>statements to assess whether these are recognized in the appropriate period in which control is transferred or services are provided.</p> <ul style="list-style-type: none"> <li>We carried out analytical procedures on revenue recognized during the year to identify unusual variances.</li> <li>We tested journals posted to revenue ledger selected based on specified risk-based criteria to identify unusual items.</li> <li>We tested, on a sample basis (selected based on specified risk-based criteria), specific revenue transactions with respect to discounts, returns and unbilled revenue to assess whether these have been appropriately accounted and disclosed in the financial statements.</li> <li>We selected revenue transactions on a sample basis recorded during specified period around the year end date and checked whether revenue has been recognised in the correct reporting period by examining the underlying documents.</li> <li>We assessed the adequacy of disclosures in the financial statements against the requirement of Ind AS 115.</li> </ul>

### Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report(s) thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally

accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entity or business activity/activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- a. We did not audit the financial information of one subsidiary, whose financial information reflect total assets (before consolidation adjustments) of Rs. 428 lakhs as at 31 March 2024, total revenues (before consolidation adjustments) of Rs. 2,627 lakhs and net cash outflows (before consolidation adjustments) amounting to Rs. 104 lakhs for the year ended on

that date, as considered in the consolidated financial statements. This financial information has been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

The subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which has been audited by other auditor under generally accepted auditing standards applicable in its country. The Holding Company's management has converted the financial information of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary, as was audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014..

- c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company as on 01 April 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer Note 42(a) to the consolidated financial statements.
  - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.
  - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2024.

- d. (i) The management of the Holding Company represented to us that, to the best of their knowledge and belief, as disclosed in the Note 51 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management of the Holding Company represented to us that, to the best of their knowledge and belief, as disclosed in the Note 51 to the consolidated financial statements, no funds have been received by the Holding Company incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- As stated in Note 40 (ii) to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the

approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. Based on our examination which included test checks, except for the instances mentioned below, the Holding Company has used an Accounting Software from 1 April 2023 till 30 November 2023 for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period i.e. 1 April 2023 till 30 November 2023 for all relevant transactions recorded in the software:

- i) Audit trail (edit log) was not enabled at the database level to log any direct data changes
- ii) Audit trail (edit log) was not preserved for more than 99 changes for every master data or transaction (if any)

Further, where audit trail (edit log) facility was enabled, we did not come across any instance of audit trail feature being tampered with.

The Holding Company has migrated to a new Accounting Software effective 1 December 2023. Based on our examination which included test checks, except for the instances mentioned below, the Company has used the new Accounting Software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period i.e. 1 December 2023 till 31 March 2024 for all relevant transactions recorded in the software:

- i) Audit trail (edit log) was not enabled appropriately at the database level to log any direct data changes
- ii) The feature of recording audit trail (edit log) facility was not enabled at the application layer for the period 1 December till 31 March 2024 for certain tables/fields relating to revenue, trade receivables, purchases, trade payables, inventory, Fixed assets, general ledger and other allied areas of the accounting software's.

Further, where audit trail (edit log) facility was enabled, we did not come across any instance of audit trail feature being tampered with.

In addition, based on the examination of an independent auditor's report in relation to controls at service organization for accounting software used for maintaining books of account relating to payroll of the Holding Company, which are operated by a third-party software service provider, we are unable to comment whether audit trail feature for the said software was enabled and operated throughout the year for all relevant transactions at the database layer.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No. : 101248W/W-100022

**Gaurav Mahajan**

Partner

Membership No. : 507857

ICAI UDIN : 24507857BKFUPX7866

Place : Mumbai

Date : May 6, 2024

## Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Punjab Chemicals and Crop Protection Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (xxi) In our opinion and according to the information and explanations given to us, following Company incorporated in India and included in the consolidated financial statements have unfavourable remarks, qualification or adverse remarks given by its auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO) :

Sr. No.	Name of the entity	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Punjab Chemicals and Crop Protection Limited	L24231PB1975PLC047063	Holding Company	(i)(c) and (vii)(b)

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No. : 101248W/W-100022

**Gaurav Mahajan**

Partner

Membership No. : 507857

ICAI UDIN : 24507857BKFUPX7866

Place : Mumbai

Date : May 6, 2024



## Annexure B to the Independent Auditor's Report on the consolidated financial statements of Punjab Chemicals and Crop Protection Limited for the year ended 31 March 2024

### Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### Opinion

In conjunction with our audit of the consolidated financial statements of Punjab Chemicals and Crop Protection Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company, as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### Management's Responsibilities for Internal Financial Controls

The Holding Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable

to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

#### Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override

of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **BSR & Co. LLP**  
Chartered Accountants  
Firm's Registration No. : 101248W/W-100022

**Gaurav Mahajan**  
Partner  
Membership No. : 507857  
ICAI UDIN : 24507857BKFUPX7866

Place : Mumbai  
Date : May 6, 2024

## Consolidated Balance Sheet

as at 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

	Note	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	23,026	21,655
Right of use assets	4	214	475
Capital work-in-progress	3	1,154	1,855
Intangible assets	5	370	74
Intangible assets under development	5	60	100
Financial assets			
- Investments	6	144	137
- Other financial assets	7	454	390
Other tax assets (net)	8	649	649
Other non-current assets	9	164	47
<b>Total non-current assets</b>		<b>26,235</b>	<b>25,382</b>
<b>Current assets</b>			
Inventories	10	13,265	16,824
Financial assets			
- Investments	6	645	112
- Trade receivables	11	19,743	14,328
- Cash and cash equivalents	12	643	874
- Bank balances other than above	13	363	271
- Loans	14	10	6
- Other financial assets	7	1,318	874
Other current assets	15	1,727	2,899
		<b>37,714</b>	<b>36,188</b>
Assets held for sale	16	30	30
<b>Total current assets</b>		<b>37,744</b>	<b>36,218</b>
<b>Total assets</b>		<b>63,979</b>	<b>61,600</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	1,226	1,226
Other equity	18	31,790	26,836
<b>Total equity</b>		<b>33,016</b>	<b>28,062</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	19	5,256	6,161
- Lease liabilities	20	15	225
Provisions	21	1,226	1,929
Deferred tax liabilities (net)	22	791	530
Other non-current liabilities	23	7	207
<b>Total non-current liabilities</b>		<b>7,295</b>	<b>9,052</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	19	6,802	2,721
- Lease liabilities	20	210	290
- Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	24	553	855
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	11,261	13,041
- Other financial liabilities	25	3,076	4,421
Other current liabilities	26	526	1,087
Provisions	21	548	426
Current tax liabilities (net)	27	692	1,645
<b>Total current liabilities</b>		<b>23,668</b>	<b>24,486</b>
<b>Total liabilities</b>		<b>30,963</b>	<b>33,538</b>
<b>Total equity and liabilities</b>		<b>63,979</b>	<b>61,600</b>

Material accounting policies

2

Notes to the consolidated financial statements

3-54

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022For **Gaurav Mahajan**  
Partner  
Membership No. : 507857For and on behalf of the Board of Directors of  
**Punjab Chemicals and Crop Protection Limited**For **Mukesh D Patel**  
Chairman  
DIN : 00009605  
Place : MumbaiFor **Shalil S Shroff**  
Managing Director  
DIN : 00015621  
Place : MumbaiFor **Vinod K Gupta**  
Chief Executive officerPlace : Mumbai  
Date : May 6, 2024For **Rishu Chatley**  
Company Secretary  
& Compliance officer  
Place : MumbaiFor **Ashish R Nayak**  
Chief Financial Officer

Place : Mumbai

Place : Mumbai  
Date : May 6, 2024

## Consolidated Statement of Profit and Loss

for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

	Note	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operations	28	93,423	1,00,621
Other income	29	270	335
<b>Total income</b>		<b>93,693</b>	<b>1,00,956</b>
<b>EXPENSES</b>			
Cost of materials consumed	30	55,281	65,507
Purchases of stock-in-trade	31	271	348
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	1,692	(2,239)
Employee benefits expense	33	8,782	8,328
Finance costs	34	2,084	1,803
Depreciation and amortization expense	35	2,216	1,901
Other expenses	36	16,059	16,420
<b>Total expenses</b>		<b>86,385</b>	<b>92,068</b>
<b>Profit before income tax</b>		<b>7,308</b>	<b>8,888</b>
<b>Tax expense</b>	37		
Current tax		1,680	2,626
Deferred tax charge/(credit)		270	152
<b>Total tax expense</b>		<b>1,950</b>	<b>2,778</b>
<b>Profit for the year</b>		<b>5,358</b>	<b>6,110</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit (asset)		(44)	(129)
- Fair value change on equity investments through other comprehensive income		6	5
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit (asset)		11	33
- Fair value change on equity investments through other comprehensive income		(2)	(1)
Items that will be reclassified subsequently to profit or loss:			
- Exchange difference in translating financial statements of foreign operations		(7)	(150)
<b>Other comprehensive income / (loss) for the year (net of tax)</b>		<b>(36)</b>	<b>(242)</b>
<b>Total comprehensive income for the year</b>		<b>5,322</b>	<b>5,868</b>
<b>Earnings per equity share [nominal value of Rs. 10 (previous year Rs. 10)]</b>	38		
Basic (Rs.)		43.70	49.84
Diluted (Rs.)		43.70	49.84

Material accounting policies

2

Notes to the standalone financial statements

3-54

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022For **Gaurav Mahajan**  
Partner  
Membership No. : 507857For and on behalf of the Board of Directors of  
**Punjab Chemicals and Crop Protection Limited**For **Mukesh D Patel**  
Chairman  
DIN : 00009605  
Place : MumbaiFor **Shalil S Shroff**  
Managing Director  
DIN : 00015621  
Place : MumbaiFor **Vinod K Gupta**  
Chief Executive officerPlace : Mumbai  
Date : May 6, 2024For **Rishu Chatley**  
Company Secretary  
& Compliance officer  
Place : MumbaiFor **Ashish R Nayak**  
Chief Financial Officer

Place : Mumbai

Place : Mumbai  
Date : May 6, 2024

**Consolidated Statement of Cash Flow** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>A. Cash flow from operating activities</b>		
Profit before tax	7,308	8,888
Adjustments for :		
Depreciation and amortization expense	2,216	1,901
Liability no longer required written back	(20)	(209)
Interest income	(129)	(41)
Amortization of contractual liabilities	(31)	-
Finance cost	2,084	1,803
Unrealised foreign exchange (gain) net	(16)	(24)
Advances written off	19	36
(Gain)/loss on sale of property, plant and equipment (net)	(52)	43
Gain on fair valuation of investments	(33)	(7)
Property, plant and equipment written off	45	20
Rental income	(2)	(2)
Other operating income	-	(284)
Reversal of impairment loss on doubtful advance and trade receivable	-	(43)
Expected credit loss on trade receivable	-	4
<b>Operating cash flow before working capital changes</b>	<b>11,389</b>	<b>12,085</b>
<b>Changes in working capital :</b>		
(Increase) in trade receivables	(5,387)	(3,120)
Decrease/(increase) in inventories	3,560	(1,453)
Decrease in other current and non-current assets	1,172	1,254
(Increase) in current and non-current other financial assets	(519)	(217)
(Increase) in current and non-current loans	(20)	(6)
(Decrease) in trade payables and other liabilities	(2,806)	(293)
(Decrease)/increase in other current financial liabilities	(1,141)	1,062
(Decrease)/increase in long-term and short-term provisions	(626)	16
<b>Cash generated from operating activities</b>	<b>5,622</b>	<b>9,328</b>
Income tax paid (net)	(2,633)	(3,507)
<b>Net cash generated from operating activities (A)</b>	<b>2,989</b>	<b>5,821</b>
<b>B. Cash flow from investing activities</b>		
Acquisition of property, plant and equipment (including capital advances)	(3,324)	(3,735)
Proceeds from sale of property, plant and equipment	190	128
Proceeds from sale of other investments	-	1,500
Acquisition of other investments	(501)	(1,600)
Movement in other bank balances	(92)	12
Proceeds from deposits with original maturity of more than 12 months	4	7
Interest received	136	38
Rental income	2	2
<b>Net cash flows (used in) investing activities (B)</b>	<b>(3,585)</b>	<b>(3,648)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from non-current borrowings	396	76
Repayments of non-current borrowings	(852)	(1,307)
Payment of lease liabilities (Principal)	(290)	(278)
Payment of lease liabilities (Interest)	(39)	(57)
Proceeds from current borrowings (net)	3,632	1,385
Payment of dividend	(366)	(365)
Finance cost paid	(2,109)	(1,445)
<b>Net cash flows generated/(used in) financing activities (C)</b>	<b>372</b>	<b>(1,991)</b>

**Consolidated Statement of Cash Flow** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(224)</b>	<b>182</b>
<b>Effect of exchange gain on cash and cash equivalents</b>	<b>(7)</b>	<b>(150)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>874</b>	<b>842</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>643</b>	<b>874</b>
<b>Notes :</b>		
1. Cash and cash equivalents include :		
Balances with banks		
- In current accounts	628	845
- Deposits with original maturity of less than three months	-	17
Cash on hand	15	12
	<b>643</b>	<b>874</b>

2. The above statement of cash flow has been prepared under the indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows". Also, refer to note 2(s).

3. Refer note 19 for reconciliation of movements of liabilities to cash flows arising from financing activities.

4. Reconciliation of movements of current and non-current borrowings to cash flows arising from financing activities

	As at 31 March 2024	As at 31 March 2023
<b>Borrowings at the beginning of the year (current and non-current borrowings)</b>	<b>8,882</b>	<b>8,728</b>
Proceeds from non-current borrowings	396	76
Repayment of non-current borrowings	(852)	(1,307)
Repayment of lease liabilities		
Proceeds from current borrowings (net)		
Repayment of current borrowings	3,632	1,385
<b>Borrowings at the end of the year (current and non-current borrowings)</b>	<b>12,058</b>	<b>8,882</b>

5. Reconciliation of movements of lease liabilities to cash flows arising from financing activities during the period :

	As at 31 March 2024	As at 31 March 2023
<b>Balance as at beginning of the period</b>	<b>515</b>	<b>604</b>
Additions	-	189
Accreditation of interest	39	57
Payment of lease liabilities	(329)	(335)
<b>Balance as at end of the period</b>	<b>225</b>	<b>515</b>

6. During the year, the Company paid in cash Rs. 181 (previous year: Rs.133) towards corporate social responsibility (CSR) expenditure (included in Corporate social responsibility expenditure - Refer note 46).

Material accounting policies 2  
Notes to the standalone financial statements 3-54

The accompanying notes form an integral part of the consolidated financial statements  
As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022

**Gaurav Mahajan**  
Partner  
Membership No. : 507857

For and on behalf of the Board of Directors of  
**Punjab Chemicals and Crop Protection Limited**

**Mukesh D Patel**  
Chairman  
DIN : 00009605  
Place : Mumbai

**Shalil S Shroff**  
Managing Director  
DIN : 00015621  
Place : Mumbai

**Vinod K Gupta**  
Chief Executive officer

**Rishu Chatley**  
Company Secretary  
& Compliance officer  
Place : Mumbai

**Ashish R Nayak**  
Chief Financial Officer  
Place : Mumbai

Place : Mumbai  
Date : May 6, 2024

Place : Mumbai  
Date : May 6, 2024

**Consolidated Statement of Changes in Equity** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**a. Equity share capital :**

	Note	
<b>Balance as at 1 April 2023</b>	17	<b>1,226</b>
Changes in equity share capital due to prior period errors		-
Changes in equity share capital during the year		-
<b>Balance as at 31 March 2024</b>	17	<b>1,226</b>
<b>Balance as at 1 April 2022</b>		<b>1,226</b>
Changes in equity share capital due to prior period errors		-
Changes in equity share capital during the year		-
<b>Balance as at 31 March 2023</b>		<b>1,226</b>

**b. Other Equity :**

Particulars	Note	Reserves and surplus (Refer note 1)						Other comprehensive income (Refer note 1)		Total
		Capital reserve	Securities premium	Capital redemption reserve	Capital reduction reserve	Amalgamation reserve	Retained earnings	Equity instruments through other comprehensive income	Foreign currency translation reserve	
<b>Balance as at 1 April 2023</b>		<b>314</b>	<b>5,707</b>	<b>28</b>	<b>21</b>	<b>19</b>	<b>20,845</b>	<b>17</b>	<b>(115)</b>	<b>26,836</b>
Total comprehensive income for the year ended 31 March 2024										
- Profit for the year		-	-	-	-	-	5,358	-	-	5,358
- Other comprehensive (loss)/ income (net of tax)	18	-	-	-	-	-	(33)	4	(7)	(36)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,325</b>	<b>4</b>	<b>(7)</b>	<b>5,322</b>
<b>Transactions with owners of the Company</b>										
<b>Contributions and distributions</b>										
- Final equity dividend for the financial year 2022-2023 (Amount Rs. 3 per share)		-	-	-	-	-	(368)	-	-	(368)
<b>Total Contributions and distributions for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(368)</b>	<b>-</b>	<b>-</b>	<b>(368)</b>
<b>Balance as at 31 March 2024</b>		<b>314</b>	<b>5,707</b>	<b>28</b>	<b>21</b>	<b>19</b>	<b>25,802</b>	<b>21</b>	<b>(122)</b>	<b>31,790</b>
<b>Balance as at 1 April 2022</b>		<b>314</b>	<b>5,707</b>	<b>28</b>	<b>21</b>	<b>19</b>	<b>15,199</b>	<b>13</b>	<b>35</b>	<b>21,336</b>
Total comprehensive income for the year ended 31 March 2023										

**Consolidated Statement of Changes in Equity** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

Particulars	Note	Reserves and surplus (Refer note 1)						Other comprehensive income (Refer note 1)		Total
		Capital reserve	Securities premium	Capital redemption reserve	Capital reduction reserve	Amalgamation reserve	Retained earnings	Equity instruments through other comprehensive income	Foreign currency translation reserve	
- Profit for the year		-	-	-	-	-	6,110	-	-	6,110
- Other comprehensive income/(loss) (net of tax)	18	-	-	-	-	-	(96)	4	(150)	(242)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,014</b>	<b>4</b>	<b>(150)</b>	<b>5,868</b>
<b>Transactions with owners of the Company</b>										
<b>Contributions and distributions</b>										
- Final equity dividend for the financial year 2021-2022 (Amount Rs. 3 per share)		-	-	-	-	-	(368)	-	-	(368)
<b>Total Contributions and distributions for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(368)</b>	<b>-</b>	<b>-</b>	<b>(368)</b>
<b>Balance as at 31 March 2023</b>		<b>314</b>	<b>5,707</b>	<b>28</b>	<b>21</b>	<b>19</b>	<b>20,845</b>	<b>17</b>	<b>(115)</b>	<b>26,836</b>

**Note 1 :** Refer to note 18 for nature and purpose of other equity

Material accounting policies 2

Notes to the standalone financial statements 3-54

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022For and on behalf of the Board of Directors of  
**Punjab Chemicals and Crop Protection Limited****Gaurav Mahajan**  
Partner  
Membership No. : 507857**Mukesh D Patel**  
Chairman  
DIN : 00009605  
Place : Mumbai**Shalil S Shroff**  
Managing Director  
DIN : 00015621  
Place : Mumbai**Vinod K Gupta**  
Chief Executive officer**Rishu Chatley**  
Company Secretary  
& Compliance officer**Ashish R Nayak**  
Chief Financial OfficerPlace : Mumbai  
Date : May 6, 2024Place : Mumbai  
Date : May 6, 2024Place : Mumbai  
Place : Mumbai

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

### Note 1. Corporate Information

Punjab Chemicals and Crop Protection Limited ("the Company" or the "Parent Company" or "Holding Company") (CIN no. L24231PB1975PLC047063) is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is situated at Milestone 18, Ambala Kalka Road, Village & P.O. Bhankharpur, Derabassi, Distt. SAS Nagar, Mohali (Punjab)-140201.

These consolidated financial statements comprise of the Company and its subsidiaries (together referred to as the 'Group'). The Group is engaged in business of manufacturing of agro chemicals, speciality chemicals and bulk drugs and its intermediates.

### Note 2. Material accounting policies

#### (a) Basis of preparation

##### (i) Statement of compliance

These Consolidated financial statements ("Consolidated Financial Statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013, ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The consolidated financial statements of the Company as at and for the year ended on 31 March 2024 comprise the financial statements of the Company and its subsidiary (together referred to as "the Group").

Effective 01 April 2016, the Group had transitioned to Ind AS while the consolidated financial statements were being prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP) till 31 March 2017 and the transition was carried out in accordance of Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition, in addition to the mandatory exemptions, the Group had elected to certain exemption which are listed as below:

- The Group had opted to continue with the carrying value for all of its property, plant and equipment, intangible assets and investment property as recognized in the consolidated financial statements prepared under previous GAAP and use the same as deemed cost in the consolidated financial statement as at the transition date.
- The Group had deemed the cumulative translation differences for all foreign operations to be zero as at the transition date by transferring cumulative differences to retained earnings.

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months. The Consolidated financial statements for the year ended 31 March 2024 were approved for issue by the Company's Board of Directors on 06 May 2024.

##### (ii) Functional and presentation currency

The Group's consolidated financial statements are presented in Indian rupees, which is the functional currency of the Holding Company. These financial statements are presented in Indian rupees. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

##### (iii) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Equity securities at FVOCI	Fair value
Net defined benefits (assets)/liability	Fair value of the plan assets less present value of defined

##### (iv) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The Management believes that the estimates used in preparation of these financial statements are prudent and reasonable. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

#### Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note 2(j) and 28 – revenue recognition: whether revenue is recognized over time or at a point in time, and determining the transaction price.
- Note 2(e) and 20 – lease term: whether the Company is reasonably certain to exercise extension option

Assumptions and estimation uncertainties In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 2(d) and 3 – Assessment of useful life and residual value of Property, plant and equipment
- Note 2(p), 2(o) and 42 – Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- Note 2(n) and Note 22 – Recognition and estimation of tax expense including deferred tax
- Note 2(m) and Note 41 – Measurement of defined benefit obligations: key actuarial assumptions
- Note 2(i) – Impairment of financial assets
- Note 2(h) and Note 10 – Valuation of inventories

#### (v) Current versus non-current classification

The Company presents assets and liabilities in the Statement of Assets and Liabilities based on current/noncurrent classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### (vi) Measurement of fair values

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's board of directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is included note 41(a).

### (b) Principles of consolidation

The consolidated financial statements comprises the financial statement of the Holding Company, and its subsidiary as at 31 March 2024. Control is achieved when the Holding Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The details of the consolidated entity are as follows:

S. No.	Name	Country of Incorporation	Percentage of ownership
1.	SD Agchem (Europe) NV	Belgium	100 %

### Consolidation procedure

#### (i) Business Combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

#### (ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

#### (iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in Statement of Profit and Loss.

#### (iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### (v) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Currency exchange differences are generally recognised in profit or loss, except foreign currency exchange differences arising from the translation of the following items which are recognised in OCI

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).



## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

### (vi) Foreign operations

The assets and liabilities of foreign operations (i.e. subsidiary) including fair value adjustments arising on acquisition, are translated into Indian Rupees, the functional currency of the Holding Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupees at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Such exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation).

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI.

### (c) Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However trade receivables that do not contain a significant financing component are measured at transaction price.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- » Debt instruments at amortised cost
- » Equity instruments measured at fair value through other comprehensive income (FVOCI)

##### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

##### Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

##### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable adoption to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

##### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

### Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## (d) Property, plant and equipment ('PPE')

### Recognition and measurement

Items of PPE are stated at cost, which includes capitalized finance costs, less accumulated depreciation and/or accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items.

Cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes after deducting any trade discounts and rebates and any directly attributable cost of bringing the asset to its working condition for its intended use.

The cost of a self-constructed item of PPE comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Freehold land is carried at historical cost less any accumulated impairment losses.

Advances paid towards acquisition of PPE outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

Any gain or loss on disposal of an item of PPE is recognised in the Statement of Profit and Loss.

### Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

### Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Statement of Profit and Loss.

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with the notification dated 29 August 2014 of the Ministry of Corporate Affairs except for certain classes of PPE which are depreciated based on the internal technical assessment of the management. The estimated useful lives of items of PPE for the current and comparative periods are as follows:

	Useful life as per Schedule II	Management estimate of useful life
Building - Factory	30 Years	5 - 28 Years
Building - Office	60 Years	5 - 58 Years
Plant and equipment	3 - 15 Years	1 - 20 Years
Electrical installations	10 Years	4 - 10 Years
Vehicles	8 Years	8 Years
Furniture and fittings	10 Years	2 - 10 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

### Derecognition

An item of PPE is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

## (e) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Leases in which the Group is a lessee

The Group's lease asset classes primarily consist of leases for buildings, furniture and fixtures and leasehold land. The Group, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Group recognises a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.





## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Group recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

### Leases in which the Group is a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue to allocate the consideration in the contract.

### (f) Other intangible assets

#### Internally generated intangible assets

Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:

- Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.
- Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure including regulatory cost and legal expenses leading to product registration/market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

### Acquired Intangible

Intangible assets that are acquired (including implementation of software system) are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and nonrefundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Advances paid towards acquisition of intangible assets outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as intangible assets under development.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

### Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expense in Statement of Profit and Loss.

The estimated useful lives are as follows:

Computer software	3-5 Years
Product registrations (including task charges, task force studies and other related expenses)	10 Years
Technical know-how	5 Years

### Derecognition

Intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

### (g) Non-current assets held for sale

Non-current assets, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit and Loss.

Once classified as held-for sale, property, plant and equipment, and investment property and intangible assets are no longer amortised or depreciated.

### (h) Inventories

Inventories are valued at lower of cost or net realisable value. The methods of determining cost of various categories of inventories are as follows:

Raw materials (except goods in transit)	Weighted average method
Finished goods	Weighted average method
Packing material	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Goods in transit	Specifically identified purchase cost



## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The Company reviews the condition of its inventories and makes provision against obsolete and slow moving inventory items which are identified as no longer suitable for sale or use.

The comparison of cost and net realisable value is made on an item-by-item basis.

### (i) Impairment

#### Impairment of financial assets

The Group recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the trade receivables, borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- the trade receivable is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

#### Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Group in accordance with the contract and the cash flow that the Group expects to receive).

#### Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

#### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due.

#### Impairment of non-financial assets

The Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g. head office building for providing support to CGU) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### (j) Revenue from contract with customers

Under Ind AS 115, the group recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

#### Sale of products

The Group recognises revenue generally at the point in time when the products are delivered or dispatch to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. No element of financing is deemed present as the sales are



## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

made against the receipt of advance, letter of credit or with an agreed credit period ranging from 30 to 180 days, which is consistent with the market practices. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Trade receivables are measured at transaction price.

The Group disaggregates revenue from contracts with customers by geography.

Use of Significant Judgement in Revenue Recognition

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

### Sale of services

The Group offers services in fixed term contracts and short term arrangement. Revenue from service is recognized when obligation is performed or services are rendered. The Group offers services in fixed term contracts and short term arrangement. Revenue from service is recognized when obligation is performed or services are rendered.

### Export incentives

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

## (k) Other Income

### Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except where the rentals are structured to increase in line with expected general inflation.

### Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

### Insurance and Other Claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

### (l) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### (m) Employee benefits

#### Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

#### Post-employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

##### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. Certain employees of the Group are also participants in the superannuation plan ('the Plan'), a defined contribution plan. The Group makes contributions to Life Insurance Corporation of India (LIC). Contribution made by the Group to the plan during the year is charged to Statement of Profit and Loss.

##### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC') for certain employees. The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Group's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

"Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI."

#### Other long-term employee benefits:

##### Compensated absences

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Group's obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current



## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Such obligation such as those related to compensate absences is measured on the basis of an actuarial valuation performed annually by a qualified actuary using the projected unit cost credit method. The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

### Termination benefits:

Termination benefits are recognised as an expense when, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

### Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

### (n) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other Comprehensive Income.

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions or make reversals of provisions made in earlier years, where appropriate, on the basis of amounts expected to be paid to / received from the tax authorities.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets, recognized or unrecognized, are reviewed at each reporting date and recognized / reduced to the extent that it has

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

become probable / no longer probable respectively that future taxable profits will be available against which they can be used.

Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Holding Company has opted for this benefit in earlier years.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

### (o) Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### Onerous contracts

A provision for onerous contract is recognised when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognises any impairment loss on assets associated.

### (p) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

### (q) Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

### (r) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

### (s) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### (t) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

### (u) Foreign currency transactions

#### Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions.

#### Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

### (v) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### (w) Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Group is charged to the Statement of the Profit and Loss.

### (x) Share Capital

Incremental costs directly attributable to the issue of equity shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

### (y) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### (z) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standard or amendments to the existing standards applicable to the Group.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 3 : Property, plant and equipment and capital work-in-progress

#### Gross carrying amount

	Free hold Land	Lease hold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total
Balance as at 1 April 2022	5,395	-	3,299	16,044	371	1,301	359	26,769
Additions	-	-	354	2,377	14	113	69	2,927
Disposals /other adjustments (refer note below)	-	-	55	259	5	183	13	515
Assets classified as held for sale (refer note 18)	-	-	41	-	-	-	-	41
<b>Balance as at 31 March 2023</b>	<b>5,395</b>	<b>-</b>	<b>3,557</b>	<b>18,162</b>	<b>380</b>	<b>1,231</b>	<b>415</b>	<b>29,140</b>
Balance as at 1 April 2023	5,395	-	3,557	18,162	380	1,231	415	29,140
Additions	-	-	642	2,276	27	459	70	3,474
Disposals /other adjustments (refer note below)	-	-	59	631	-	90	166	946
Assets classified as held for sale (refer note 16)	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>5,395</b>	<b>-</b>	<b>4,140</b>	<b>19,807</b>	<b>407</b>	<b>1,600</b>	<b>319</b>	<b>31,668</b>

#### Accumulated depreciation

	Free hold Land	Lease hold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total
Balance as at 1 April 2022	-	-	765	4,587	150	541	108	6,151
Depreciation for the year	-	-	137	1,265	35	145	87	1,669
Disposals /other adjustments (refer note below)	-	-	47	146	5	116	10	324
Assets classified as held for sale (refer note 18)	-	-	11	-	-	-	-	11
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>844</b>	<b>5,706</b>	<b>180</b>	<b>570</b>	<b>185</b>	<b>7,485</b>
Depreciation for the year	-	-	164	1,490	28	151	87	1,920
Disposals /other adjustments (refer note below)	-	-	56	506	-	44	157	763
Assets classified as held for sale (refer note 16)	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>-</b>	<b>-</b>	<b>952</b>	<b>6,690</b>	<b>208</b>	<b>677</b>	<b>115</b>	<b>8,642</b>

#### Carrying amounts (net)

	Free hold Land	Lease hold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total
<b>As at 31 March 2023</b>	<b>5,395</b>	<b>-</b>	<b>2,713</b>	<b>12,456</b>	<b>200</b>	<b>661</b>	<b>230</b>	<b>21,655</b>
<b>As at 31 March 2024</b>	<b>5,395</b>	<b>-</b>	<b>3,188</b>	<b>13,117</b>	<b>199</b>	<b>923</b>	<b>204</b>	<b>23,026</b>

#### Notes :

- Plant and equipment includes Rs. 44 (previous year: Rs. 44) worth of equipment acquired under United Nations Industrial Development Organisation grant scheme.
- Plant and equipment includes Rs.18 (previous year: Rs. 77) of capitalisation towards research and development.
- Refer note 19 for information on property, plant and equipment pledged as security by the Company during the year.
- Refer note 42 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 3 : Property, plant and equipment and capital work-in-progress** *Contd.*

- e. The Company has capitalised the following expenses of revenue nature to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	123	127
Power and fuel	39	145
Finance costs	48	91
	<b>210</b>	<b>363</b>

- f. Capital work in progress

	Building	Plant and equipment	Total
<b>Balance as at 1 April 2022</b>	<b>108</b>	<b>567</b>	<b>675</b>
Additions	491	2,804	3,295
Disposals /other adjustments	-	-	-
Capitalisations	335	1,780	2,115
<b>Balance as at 31 March 2023</b>	<b>264</b>	<b>1,591</b>	<b>1,855</b>
Additions	280	1,653	1,933
Disposals /other adjustments	-	-	-
Capitalisations	320	2,314	2,634
<b>Balance as at 31 March 2024</b>	<b>224</b>	<b>930</b>	<b>1,154</b>

**Capital-work- in progress ageing schedule as at 31 March 2024**

CWIP	Amount in CWIP for a period of				
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress	1,154	-	-	-	1,154
<b>Total</b>	<b>1,154</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,154</b>

**Capital-work- in progress ageing schedule as at 31 March 2023**

CWIP	Amount in CWIP for a period of				
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress	1,855	-	-	-	1,855
<b>Total</b>	<b>1,855</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,855</b>

**Note 4 : Right of use asset**

	Leasehold Land	Building	Plant & Machinery	Furniture and fixtures	Total
Balance as at 1 April 2022	3	459	-	17	479
Additions	-	-	198	-	198
Depreciation for the year	-	181	20	1	202
<b>Balance as at 31 March 2023</b>	<b>3</b>	<b>278</b>	<b>178</b>	<b>16</b>	<b>475</b>
Balance as at 1 April 2023	3	278	178	16	475
Additions	-	-	-	-	-
Depreciation for the year	-	181	79	1	261
<b>Balance as at 31 March 2024</b>	<b>3</b>	<b>97</b>	<b>99</b>	<b>15</b>	<b>214</b>

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 4 : (contd.)****Notes :**

- a. The Company has also taken or leases certain office premises with contract terms of one year. These leases were short-term in nature and the Company had elected not to recognise right-of-use assets and lease liabilities for those leases. The Company incurred Rs. 47 (previous year Rs. 81) towards expenses relating to short-term leases for which the recognition exemption has been applied.
- b. The total cash outflow for leases, including cash outflow for short term and low value leases, is Rs. 376 (previous year Rs.416).
- c. During the previous year, lease agreement not held in the name of Company :

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Lease agreement for Industrial building at H.A.Limited Compound Pimpri, Pune, Maharashtra	Not applicable. Lease premises has immovable Property plant and equipment of Rs.173 lakhs (Net Value Rs.Nil.)	Excel Prosphe Chem (Sole Proprietors)	No	18 Years	Excel Phospho Chem was merged with STS Chemicals Limited and STS Chemicals Limited was merged with Punjab Chemicals and Crop Protection Limited in 2005. The appeal is pending in the District Court, Pune under the Public Premises Act 1971. Next hearing is expected to be in August 2024. Also refer to note 42(a)(iii) of the financial Statements.

**Note 5 : Intangible assets and intangible assets under development****Gross carrying amount**

	Computer Software	Product registrations	Technical know how	Total
Balance as at 1 April 2022	192	718	320	1,230
Additions - internally generated	-	-	-	-
Additions - acquired	12	4	-	16
Disposals	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>204</b>	<b>722</b>	<b>320</b>	<b>1,246</b>
Balance as at 1 April 2023	204	722	320	1,246
Additions - internally generated	-	-	-	-
Additions - acquired	269	62	-	331
Disposals	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>473</b>	<b>784</b>	<b>320</b>	<b>1,577</b>

**Accumulated amortisation**

	Computer Software	Product registrations	Technical know how	Total
Balance as at 1 April 2022	169	662	311	1,142
Amortisation for the year	16	9	5	30
Disposals	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>185</b>	<b>671</b>	<b>316</b>	<b>1,172</b>
Balance as at 1 April 2023	185	671	316	1,172
Amortisation for the year	26	9	-	35
Disposals	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>211</b>	<b>680</b>	<b>316</b>	<b>1,207</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 5 : (contd.)

#### Carrying amounts (net)

	Computer Software	Product registrations	Technical know how	Total
As at 31 March 2023	19	51	4	74
As at 31 March 2024	262	104	4	370

#### Note :

#### a. As at 31 March 2024, the estimated remaining amortization period for intangible assets are as follows :

	As at 31 March 2024	As at 31 March 2023
Computer Software	0 to 3 years	0 to 3 years
Product registrations	0.05 to 8 years	0.05 to 8 years
Technical know how	0 to 1 years	0 to 1 years

#### b. Intangible assets under development

	Computer Software	Product registrations	Total
Balance as at 1 April 2022	-	49	49
Additions	-	55	55
Disposals	-	-	-
Capitalisations	-	4	4
Balance as at 31 March 2023	-	100	100
Additions	269	18	287
Disposals	-	-	-
Capitalisations	269	58	327
Balance as at 31 March 2024	-	60	60

#### c. Intangible assets under development ageing schedule as on 31 March 2024:

Intangible assets under development	Amount in Intangible assets under development for a period of					Total	Remarks
	< 1 Years	1-2 Years	2-3 Years	> 3 years			
Product registration projects	15	-	2	43	60	Refer note (a) below	
<b>Total</b>	<b>15</b>	<b>-</b>	<b>2</b>	<b>43</b>	<b>60</b>		

#### Intangible assets under development ageing schedule as on 31 March 2023 :

Intangible assets under development	Amount in Intangible assets under development for a period of					Total	Remarks
	< 1 Years	1-2 Years	2-3 Years	> 3 years			
Product registration projects	54	3	-	43	100	Refer note (a) below	
<b>Total</b>	<b>54</b>	<b>3</b>	<b>-</b>	<b>43</b>	<b>100</b>		

#### Note :

- (a) These projects relate to certain product registration submission to regulatory authority for which the necessary approvals are currently awaited. These approval are expected to be received in the near term basis which these will be capitalised as product registration.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 6: Investments

	As at 31 March 2024	As at 31 March 2023
<b>Non-current investments</b>		
<b>Investments in equity shares</b>		
<i>Quoted equity shares</i>		
Equity shares (at fair value through other comprehensive income)		
- Bank of Baroda 187 (31 March 2023: 187) equity shares of Rs. 10 each fully paid-up ^	0.49	0.31
- Canara Bank 63 (31 March 2023: 63) equity shares of INR 10 each fully paid-up ^	0.37	0.18
	<b>0.86</b>	<b>0.49</b>
<i>Unquoted equity shares</i>		
<i>Other Companies (fair value through other comprehensive income)</i>		
- Nimbua Green Field (Punjab) Limited 84,375 (31 March 2023: 84,375) equity shares of INR 10 each fully paid-up	135	127
- Mohali Green Environment Private Limited 70,000 (31 March 2023: 100,000) equity shares of INR 10 each fully paid-up	8	10
- SVC Cooperative Bank Limited 100 equity shares (31 March 2023: 100) equity shares of INR 25 each fully paid-up	0.03	0.03
<b>Total non-current investments</b>	<b>144</b>	<b>137</b>
Aggregate book value of quoted investments ^	0.86	0.49
Aggregate market value of quoted investments ^	0.86	0.49
^ Aggregate value of unquoted investments	144	137
^ Value of investment is less than Rs. 1 lakh (previous year: less than Rs. 1 lakh).		

	As at 31 March 2024	As at 31 March 2023
<b>Current investments</b>		
<b>^Quoted</b>		
<b>Investments in mutual funds measured at fair value through statement of profit and loss</b>		
17,335.77 (31 March 2023: 3110.70) units of INR 3,694.91 in Nippon India Mutual Fund.	641	108
29,723.54 (31 March 2023: 29,723.54 ) units of INR 13.90 in Bandhan Mutual Fund.	4	4
<b>Total current investments</b>	<b>645</b>	<b>112</b>
Aggregate book value of quoted investments ^	645	112
Aggregate market value of quoted investments ^	645	112

^Value of investment is less than Rs. 1 lakh (previous year: less than Rs. 1 lakh).

### Note 7: Other financial assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Security deposits	404	68	335	77
Deposits with original maturity of more than 12 months	50	-	55	-
Interest receivable	-	26	-	33
Export incentive recoverable	-	173	-	105
Due from customer (refer note 53)	-	509	-	509
Recoverable from government authorities (Refund)	-	391	-	-

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Other receivable (includes claim recoverable etc.)	-	151	-	150
	<b>454</b>	<b>1,318</b>	<b>390</b>	<b>874</b>

Refer note 39(b) for information about credit risk and market risk of other financial assets.

**Note 8: Other tax assets (net)**

	As at 31 March 2024	As at 31 March 2023
Advance income-tax and tax deducted at source (net of provision Rs. 1,456 (31 March 2023: Rs. 1,456))	649	649
	<b>649</b>	<b>649</b>

**Note 9: Other non-current assets**

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Capital advances		
- to others considered good	158	47
Prepaid expenses	6	-
	<b>164</b>	<b>47</b>

**Note 10: Inventories**

(At lower of cost and net realizable value)

	Note	As at 31 March 2024	As at 31 March 2023
Raw materials	(a), (b)	6,353	8,308
Work-in-progress	(b)	3,230	4,175
Finished goods	(a)	2,500	3,247
Stores and spares	(b)	982	890
Packing material	(b)	200	204
		<b>13,265</b>	<b>16,824</b>
<b>Notes :</b>			
(a) Includes goods-in-transit:			
- raw materials		626	692
- finished goods		550	1,809
(b) Refer note 19(C) for hypothecation of current assets against term loan.			

**Note 11: Trade receivables**

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Trade receivables	19,828	14,427
Trade receivables from related party (refer note 43)	-	4
Less : expected credit loss allowance	(85)	(103)
	<b>19,743</b>	<b>14,328</b>
<b>Break-up of trade receivables :</b>		
Trade receivable considered good -Secured	-	-
Trade receivable considered good -Unsecured	19,797	14,400

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 11: Inventories (contd.)**

	As at 31 March 2024	As at 31 March 2023
Trade receivable which have significant increase in credit risk	8	8
Trade receivable- credit impaired	23	23
<b>Total</b>	<b>19,828</b>	<b>14,431</b>
<b>Less : expected credit loss allowance</b>		
- Trade receivable considered good - secured	-	-
- Trade receivables considered good - unsecured	(54)	(72)
- Trade receivables which have significant increase in Credit risk	(8)	(8)
- Trade Receivables – credit impaired	(23)	(23)
<b>Total trade receivables</b>	<b>19,743</b>	<b>14,328</b>

**Trade receivables ageing schedule :**

As at 31 March 2024	Outstanding for following periods from due date of payment									
	Unbilled	Not due	< 6 months	6 months -1 year	1 year - 2 years	2 year - 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Undisputed Trade Receivable - considered good	1,360	11,625	6,247	9	28	403	125	19,797	54	19,743
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	23	23	23	-
Disputed Trade Receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	8	8	8	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,360</b>	<b>11,625</b>	<b>6,247</b>	<b>9</b>	<b>28</b>	<b>403</b>	<b>156</b>	<b>19,828</b>	<b>85</b>	<b>19,743</b>

**Trade receivables ageing schedule :**

As at 31 March 2023	Outstanding for following periods from due date of payment									
	Unbilled	Not due	< 6 months	6 months -1 year	1 year - 2 years	2 year - 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Undisputed Trade Receivable - considered good	891	10,620	2,212	118	420	4	135	14,400	72	14,328
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	23	23	23	-
Disputed Trade Receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	8	8	8	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>891</b>	<b>10,620</b>	<b>2,212</b>	<b>118</b>	<b>420</b>	<b>4</b>	<b>166</b>	<b>14,431</b>	<b>103</b>	<b>14,328</b>

Refer note 39(b) for information about credit risk and market risk of trade receivables.

Refer note 19(C) for hypothecation of current assets against term loan.



**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 12: Cash and cash equivalents**

	As at 31 March 2024	As at 31 March 2023
Balances with banks		
- Current accounts	628	845
- Fixed deposits with original maturity upto three months	-	17
Cash on hand	15	12
	<b>643</b>	<b>874</b>

Refer note 19(C) for hypothecation of current assets against term loan.

**Note 13: Other Bank balances**

	As at 31 March 2024	As at 31 March 2023
Deposit accounts with original maturity more than 3 months and upto 12 months from the reporting date #	353	264
Balance in unclaimed dividend accounts	10	7
	<b>363</b>	<b>271</b>

# These deposits include restricted bank deposits Rs. 290 (31 March 2023: Rs. 186) pledged as margin money.

**Note 14: Loans***(Unsecured, considered good unless otherwise stated)*

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Advances recoverable from others				
- considered good	-	-	-	-
- considered doubtful	16	24	16	24
Less: expected credit loss allowance	(16)	(24)	(16)	(24)
Loans to employee	-	10	-	6
	-	<b>10</b>	-	<b>6</b>

Refer note 39(b) for information about credit risk and market risk of loans.

**Note 15: Other current assets***(Unsecured, considered good unless otherwise stated)*

	As at 31 March 2024	As at 31 March 2023
Recoverable from/ balances with government authorities		
- considered good	708	1,958
Advances for supply of goods and services	350	246
Export benefit receivable on advance license	204	276
Prepaid expenses	302	324
Contract assets	161	95
Others	2	-
	<b>1,727</b>	<b>2,899</b>

**Note 16: Assets classified as held for sale**

	As at 31 March 2024	As at 31 March 2023
Assets as held for sale	30	30
	<b>30</b>	<b>30</b>

In August 2022, management committed to a plan to sell its office building located in Ahmedabad ('Asset'). Efforts to sell this Asset has started and sales is expected by September 2024. There is no impairment loss or cumulative income or expenses

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

included in OCI in relation to the Asset Accordingly, in the current year the Asset has been classified as "Assets classified as held for sale" in accordance with Ind AS 105.

**Note 17: Equity Share capital**

(i) Details of share capital

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>				
Equity shares of Rs. 10 each	1,98,00,000	1,980	1,98,00,000	1,980
9.8% redeemable cumulative preference shares of Rs. 100 each	20,000	20	20,000	20
	<b>1,98,20,000</b>	<b>2,000</b>	<b>1,98,20,000</b>	<b>2,000</b>
<b>Issued Shares</b>				
Equity shares of Rs. 10 each	1,22,77,218	1,228	1,22,77,218	1,228
	<b>1,22,77,218</b>	<b>1,228</b>	<b>1,22,77,218</b>	<b>1,228</b>
<b>Subscribed and fully paid up</b>				
Equity shares of Rs. 10 each fully paid up	1,22,62,185	1,226	1,22,62,185	1,226
	<b>1,22,62,185</b>	<b>1,226</b>	<b>1,22,62,185</b>	<b>1,226</b>

(ii) Reconciliation of number of shares outstanding at the beginning and end of the year

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning and at the end of the year	<b>1,22,62,185</b>	<b>1,226</b>	<b>1,22,62,185</b>	<b>1,226</b>

(iii) Rights, preference and restriction attached to shares

The Group has only one class of equity shares having a par value of Rs. 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Group's residual assets on winding up. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders (except for interim dividend) in the ensuing Annual General Meeting. In the event of liquidation of the group, the holders of equity shares will be entitled to receive the remaining assets of the group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of shareholders holding more than 5% shares in the group

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% holding in the class	Number of shares	% holding in the class
<b>Equity shares of Rs. 10 each fully paid</b>				
Hem-sil Trading and Manufacturing Private Limited	40,17,318	32.76%	40,17,318	32.76%
Gowal Consulting Services Private Limited	30,00,000	24.47%	30,00,000	24.47%

(v) Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2024

During the five years immediately preceding 31 March 2024, neither any bonus shares have been issued nor any shares have been bought back. Further, no shares have been issued for consideration other than cash.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 17: Equity Share capital (contd.)

(vi) Promoters Shareholdings

S. no.	Promoter's name	As at 31 March 2024		As at 31 March 2023		
		Number of shares	% of total shares	Number of shares	% of total shares	% change during the year
1	Rupam Shalil Shroff	2,07,293	1.69	2,07,293	1.69	-
2	Shalil Shashikumar Shroff	2,30,581	1.88	2,30,581	1.88	-
3	Shalil Shashikumar Shroff HUF	77,652	0.63	77,652	0.63	-
4	Hemal Raju Shete	2,12,812	1.74	2,12,812	1.74	-
5	Malvika Shalil Shroff	35,340	0.29	35,340	0.29	-
6	Ishika Shalil Shroff	27,894	0.23	27,894	0.23	-
7	Hem-sil Trading and Manufacturing Pvt Ltd.	40,17,318	32.76	40,17,318	32.76	-
	<b>Total</b>	<b>48,08,890</b>	<b>39.22</b>	<b>48,08,890</b>	<b>39.22</b>	<b>-</b>

### Note 18 : Other equity

#### Nature:

#### (i) Capital reserve

Capital reserve represents the forfeited share application money of Rs. 185 received for preferential convertible warrants in 2008-2009 and Rs. 124 received for equity convertible warrant in 2009-2010.

#### (ii) Securities premium

Securities premium represents the excess consideration received by the Company over the face value of the shares issued to shareholders. This will be utilized in accordance with the applicable provisions of the Companies Act, 2013.

#### (iii) Capital redemption reserve

Capital redemption reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

#### (iv) Capital reduction reserve

Capital reduction reserve is carried forward in the consolidated balance sheet of the Group post merger of Parul Chemical Limited into the Group during the year 2010-2011.

#### (v) Amalgamation reserve

Amalgamation reserve is carried forward in the consolidated balance sheet of the Group post merger of Parul Chemical Limited into the Group during the year 2010-2011.

#### (vi) Retained earnings

Retained earnings represents the profits that the Group has earned till date less any transfer to general reserve, less any dividends, or other distributions paid to shareholders.

#### (vii) Equity instruments through Other Comprehensive Income

The Group has elected to recognise changes in the fair value of certain investments in equity securities of other comprehensive income. These changes are accumulated within the equity instrument through OCI within equity. The Group transfers amounts there from to retained earning when the relevant equity securities are derecognised.

#### (viii) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the Group dispose or partially dispose off its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, that entity.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 19: Borrowings

#### A. Non-current borrowings

	Note	As at 31 March 2024	As at 31 March 2023
<b>Secured</b>			
From Banks			
Term loan	(a)	2,926	3,694
Working capital term loan	(b)	1,500	1,500
From Others			
Vehicle finance scheme	(c)	499	187
		<b>4,925</b>	<b>5,381</b>
<b>Unsecured</b>			
From Others			
Inter-corporate deposits - from related party (refer note 43)	(d)	1,632	1,585
		<b>1,632</b>	<b>1,585</b>
Total non current borrowings (including current maturities)		<b>6,557</b>	<b>6,966</b>
Less : Current maturities of non-current borrowings		1,301	805
		<b>5,256</b>	<b>6,161</b>

#### Notes :

- (a) Term loan from SVC Co-operative Bank Ltd. amounting to Rs. 2,926 (31 March 2023: Rs. 3,694) carrying interest rate of 10.85% p.a. (31 March 2023: 10.85%) is secured by exclusive charge by way of hypothecation on all movable property including Plant & Machinery situated at Company's unit at Derabassi, Punjab both present and future. It is further secured by way of equitable mortgage on factory land and building situated at Company's unit at Derabassi, Punjab. The loan is repayable in 46 (31 March 2023: 58) equal monthly installments.
- (b) Working capital term loan (WCTL) under emergency credit line guarantee scheme (ECLGS scheme) from SVC Co-operative Bank Ltd. amounting to Rs. 1,500 (31 March 2023: Rs. 1,500) carrying interest rate of 9.25% p.a. (31 March 2023: 9.25%) is secured by 100% guarantee coverage from Naional Credit Guarantee Trustee Company Limited (NCGTC) and 2<sup>nd</sup> charge on existing prime & collateral securities of the Company. The loan has a moratorium of 2 years from the date of first disbursement and is thereafter repayable in 48 (31 March 2023: 48) equal monthly installments.
- (c) Loan from SVC Co-operative Bank Limited under vehicle finance scheme amounting to Rs. 499 (31 March 2023: 187) carrying interest rate of 8.75% (31 March 2023: 8.75%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in 36 to 45 (31 March 2023: 48) equal monthly installments.
- (d) Inter-corporate deposits amounting to Rs. 1,632 (31 March 2023: INR 1,585) is carrying interest rate of 12.75% to 16.50% p.a (31 March 2023: 12.75% to 16.50% p.a ).

#### B. Current borrowings

	Note	As at 31 March 2024	As at 31 March 2023
Loans repayable on demand			
- from banks (secured)	(a), (b)	5,501	1,916
Others			
- Current maturities of non-current borrowings		1,301	805
		<b>6,802</b>	<b>2,721</b>
		<b>12,058</b>	<b>8,882</b>

#### Notes :

- (a) Cash credit amounting to Rs. 3,995 (31 March 2023: 1,916) from SVC Co-operative bank Ltd. carrying interest rate of 9.90% p.a. (31 March 2023: 9.90%) is secured by exclusive charge by way of hypothecation on all current assets of the Company, both present and future. It is further secured by exclusive charge by way of registered mortgage on

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 19: Borrowings** (contd.)

factory land and building situated at Derabassi, Punjab and exclusive charge by way of hypothecation on all movable property, including plant and machinery, situated at Derabassi, Punjab.

- (b) Working capital demand loan amounting to Rs. 1,506 (31 March 2023: Nil) from Yes Bank Ltd. carrying interest rate of 8.85% p.a. (31 March 2023: Nil) is secured by exclusive charge by way of hypothecation on all current assets of the Company, both present and future. It is further secured by exclusive charge by way of registered mortgage on factory land and building situated at Lalru, Punjab and exclusive charge by way of hypothecation on all movable property of the Company (excluding SVC co-operative bank).

**C. Assets pledged as security**

Assets with following carrying amounts are pledged as collateral/security against loans and borrowings at year end :

	As at 31 March 2024	As at 31 March 2023
Property, plant and equipment	19,838	19,838
Inventory	13,265	16,824
Other current assets (including financial assets)	24,509	19,423
	<b>57,612</b>	<b>56,085</b>

**D. Reconciliation of movements of current and non-current borrowings to cash flows arising from financing activities**

	As at 31 March 2024	As at 31 March 2023
<b>Borrowings at the beginning of the year (current and non-current borrowings)</b>	<b>8,882</b>	<b>8,728</b>
Proceeds from non-current borrowings	396	76
Repayment of non-current borrowings	(852)	(1,307)
Proceeds from current borrowings (net)	3,632	1,385
<b>Borrowings at the end of the year (current and non-current borrowings)</b>	<b>12,058</b>	<b>8,882</b>

**Note 20: Lease liabilities**

	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
Total non current lease liability (including current maturities)	225	515
Less : Current maturities of non-current lease liabilities*	210	290
Total non current lease liability	<b>15</b>	<b>225</b>
<b>Current</b>		
Current maturities of non-current lease liabilities	210	290
	<b>210</b>	<b>290</b>

\* Current and non-current classification of lease liabilities is based on contractual maturities.

**Reconciliation of movements of lease liabilities to cash flows arising from financing activities during the period :**

	As at 31 March 2024	As at 31 March 2023
<b>Balance as at beginning of the period</b>	<b>515</b>	<b>604</b>
Additions	-	189
Accreditation of interest	39	57
Payment of lease liabilities	(329)	(335)
<b>Balance as at end of the period</b>	<b>225</b>	<b>515</b>

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 20: Lease liabilities** (contd.)

- (a) The Company has entered into agreements for leasing office premises on lease and license basis. The leases typically run for a period of 5 years with no restriction placed upon the Company for entering into said lease.
- (b) Loan from Siemens Financial Services Private Limited under lease financing scheme amounting to Rs.73 (31 March 2023 : Rs.128) carrying interest rate of 7.09% (31 March 2023: 7.09%) for purchase of machineries. The loan is repayable in 24 (31 March 2023 : 36) equal monthly instalments.

Information about leases for which the Company is a lessee is presented below :

- (i) The following are the amounts recognised in statement of profit and loss :

	As at 31 March 2024	As at 31 March 2023
Interest on lease liabilities	39	57
Expenses relating to short-term leases	116	168
	<b>155</b>	<b>225</b>

- (ii) The following is the break-up of current and non-current lease liabilities :

	As at 31 March 2024	As at 31 March 2023
Non-current lease liabilities	15	225
Current maturities of lease liabilities	210	290
	<b>225</b>	<b>515</b>

- (iii) The weighted average incremental borrowing rate applied to lease liabilities is 11.25%
- (iv) As at 31 March 2024, the Company has a lease liability balance of Rs. 225 (previous year Rs.515). During the previous year, the Company entered into new leases agreement of Rs. 192.
- (v) The following is the information regarding the contractual maturities of lease liabilities on an undiscounted basis :

	As at 31 March 2024	As at 31 March 2023
Less than one year	219	329
One to five years	16	235
<b>Total</b>	<b>235</b>	<b>564</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

- (vi) There are no leases not yet commenced to which the Company is committed.

**Note 21: Provisions**

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Provision for employee benefits (refer note 41)	816	355	1,536	252
Liability for gratuity	410	193	393	174
Liability for compensated absences				
	<b>1,226</b>	<b>548</b>	<b>1,929</b>	<b>426</b>

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 22: Deferred tax**

	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax assets on account of:</b>		
- Expenses allowable on payment basis	292	424
- Expected credit loss allowance	50	55
- Expenses allowed on deferred basis under income tax	6	6
- Lease liabilities	13	20
<b>Deferred tax asset (A)</b>	<b>361</b>	<b>505</b>
Deferred tax liabilities on account of:		
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	1,152	1,035
<b>Deferred tax liability (B)</b>	<b>1,152</b>	<b>1,035</b>
<b>Deferred tax (liability) (net) (A - B)</b>	<b>(791)</b>	<b>(530)</b>

**Movement in temporary differences :**

2022-2023	As at 1 April 2022	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2023
<b>Deferred tax assets:</b>				
- Expenses allowable on payment basis	450	(58)	32	424
- Expected credit loss allowance	86	(31)	-	55
- Expenses allowed on deferred basis under income tax	6	-	-	6
- Lease liabilities	33	(13)	-	20
<b>Deferred tax liabilities :</b>				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(985)	(50)	-	(1,035)
	<b>(410)</b>	<b>(152)</b>	<b>32</b>	<b>(530)</b>

2023-2024	As at 1 April 2023	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2024
<b>Deferred tax assets:</b>				
- Expenses allowable on payment basis	424	(141)	9	292
- Expected credit loss allowance	55	(5)	-	50
- Expenses allowed on deferred basis under income tax	6	-	-	6
- Lease liabilities	20	(7)	-	13
<b>Deferred tax liabilities :</b>				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(1,035)	(117)	-	(1,152)
	<b>(530)</b>	<b>(270)</b>	<b>9</b>	<b>(791)</b>

**Note 23: Other non-current liabilities**

	As at 31 March 2024	As at 31 March 2023
Advance from customers	-	207
Contractual Liabilities	7	-
	<b>7</b>	<b>207</b>

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 24: Trade payables**

	As at 31 March 2024	As at 31 March 2023
(a) Total outstanding dues of micro enterprise and small enterprises	553	855
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	11,261	13,041
	<b>11,814</b>	<b>13,896</b>

Refer note 39(b) for information about liquidity risk and market risk of trade payables.

**Trade payables ageing schedule as at 31 March 2024 :**

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	253	283	17	-	-	553
Total outstanding dues of creditors other than micro enterprises and small enterprises	184	7,065	3,821	16	63	112	11,261
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>184</b>	<b>7,318</b>	<b>4,104</b>	<b>33</b>	<b>63</b>	<b>112</b>	<b>11,814</b>

**Trade payables ageing schedule as at 31 March 2023 :**

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	364	491	-	-	-	855
Total outstanding dues of creditors other than micro enterprises and small enterprises	142	8,872	3,590	187	131	119	13,041
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>142</b>	<b>9,236</b>	<b>4,081</b>	<b>187</b>	<b>131</b>	<b>119</b>	<b>13,896</b>

Also refer to note-52

**Note 25: Other financial liabilities**

	As at 31 March 2024	As at 31 March 2023
	Current	Current
Interest accrued and due on borrowings	-	63
Unpaid dividend #	9	7
Interest bearing security deposits from customers	61	61
Security deposit from employees	31	77
Due to customer (refer note 53)	1,063	1,063
Employee related liabilities	1,017	828
Capital creditors of micro enterprise and small enterprises	35	74
Capital creditors other than micro enterprise and small enterprises	277	383
Others (includes interest provision for MSME vendor and payable pursuant to settlement agreement (refer note 42(b) etc.)	583	1,865
	<b>3,076</b>	<b>4,421</b>

# not due for deposit to investor education and protection fund

Refer note 39(b) for information about liquidity risk and market risk of other financial liabilities.

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 26: Other current liabilities**

	As at 31 March 2024	As at 31 March 2023
Advance from customers	93	489
Contractual Liabilities	118	-
Deferred revenue	-	18
Deferred government grant	2	2
Statutory dues	313	578
<b>Total</b>	<b>526</b>	<b>1,087</b>

**Note 27: Current tax liabilities (net)**

	As at 31 March 2024	As at 31 March 2023
Provision for income tax (net of advance tax of Rs. 9,335 (31 March 2023: Rs. 6,812))	692	1,645
<b>Total</b>	<b>692</b>	<b>1,645</b>

**Note 28: Revenue from operations**

	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products		
Finished goods	84,250	84,867
Traded goods	3,541	3,265
Sale of services	3,461	9,736
Other operating revenues :		
Scrap sales	523	332
Export incentive	1,476	1,631
Product development charges	172	494
Others	-	296
<b>Total</b>	<b>93,423</b>	<b>1,00,621</b>

**Revenue disaggregation by geography (location of destination of shipment) is as follows :**

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Geography :</b>		
India	42,462	39,542
Outside India		
Europe (including united kingdom)	34,479	41,447
Japan	4,800	5,433
Israel	4,403	4,003
USA	379	2,936
Latin America	2,610	2,722
Others	2,119	1,785
<b>Total</b>	<b>91,252</b>	<b>97,868</b>

**Information about major customers :**

Revenue from 2 customer of the Company amounting to Rs. 38,469 (previous year: Rs. 41,444) and Rs. 12,725 (previous year: Rs. 13,868) respectively, constitute more than 10% of the total revenue of Company.

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 28: Revenue from operations (contd.)****Changes in Unbilled revenue are as follows :**

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	891	1,191
Invoices raised during the year	(891)	(1,191)
Revenue recognised during the year (yet to be invoiced)	1,341	891
<b>Balance at the end of the year</b>	<b>1,341</b>	<b>891</b>

**Changes in Deferred revenue are as follows :**

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	18	40
Revenue recognised during the year	(18)	(22)
<b>Balance at the end of the year</b>	<b>-</b>	<b>18</b>

**Reconciliation of revenue recognised with the contracted price is as follows:**

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Contracted price</b>	<b>91,293</b>	<b>97,930</b>
Reductions towards variable consideration components*	(41)	(62)
<b>Revenue recognised</b>	<b>91,252</b>	<b>97,868</b>

\*The reduction towards variable consideration comprises of trade discount.

**Contract balances**

	Year ended 31 March 2024	Year ended 31 March 2023
Trade receivables	19,743	14,328
Trade receivables-Unbilled	1,360	891
Contract Liabilities- Current	93	489
Contract Liabilities- Non-current	-	207

Contract liabilities primarily relate to advance consideration received from customers against supply of goods for which revenue is recognised at a point in time.

Trade receivables are net of expected credit loss and loss allowance on credit impaired assets.

**Timing of revenue recognition :**

	Year ended 31 March 2024	Year ended 31 March 2023
Product transferred at a point in time	75,066	74,264
Products and services transferred over time	16,186	23,604
<b>Revenue from contracts with customers</b>	<b>91,252</b>	<b>97,868</b>

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 29: Other income**

	Year ended 31 March 2024	Year ended 31 March 2023
Interest income on financial assets measured at amortised cost		
- on fixed deposits	20	18
- others	109	23
Amortization of contractual liabilities	31	-
Reversal of impairment loss on doubtful advances	-	43
Liability no longer required written back	20	209
Rental income	2	2
Exchange gain on foreign exchange fluctuation (net)	-	30
Gain on fair valuation of mutual fund	33	7
Gain on sale of property, plant and equipment (net)	52	-
Others	3	3
	<b>270</b>	<b>335</b>

**Note 30: Cost of materials consumed**

	Year ended 31 March 2024	Year ended 31 March 2023
Inventory of raw material at the beginning of the year	8,308	9,152
Add: Purchases of raw materials (chemicals)	53,326	64,663
Less: Inventory of raw material at the end of the year	(6,353)	(8,308)
	<b>55,281</b>	<b>65,507</b>

**Note 31: Purchases of stock-in-trade**

	Year ended 31 March 2024	Year ended 31 March 2023
Chemicals	271	348
	<b>271</b>	<b>348</b>

**Note 32: Changes in inventories of finished goods, work-in-progress and stock-in-trade**

	Year ended 31 March 2024	Year ended 31 March 2023
Opening stock		
Work-in-progress	4,175	1,903
Finished goods	3,247	3,269
Stock-in-trade	-	11
	<b>7,422</b>	<b>5,183</b>
Less Closing stock		
Work-in-progress	3,230	4,175
Finished goods	2,500	3,247
Stock-in-trade	-	-
	<b>5,730</b>	<b>7,422</b>
	<b>1,692</b>	<b>(2,239)</b>

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 33: Employee benefits expense**

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	7,544	7,061
Contribution to provident and other funds	682	710
Staff welfare expenses	556	557
	<b>8,782</b>	<b>8,328</b>

**Note 34: Finance costs**

	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense on financial liabilities measured at amortized cost	1,511	1,313
Interest expenses on lease liabilities	39	57
Other borrowing cost (delay in custom duty payments, delay in MSME vendor payment, income tax provision, etc.)	534	433
	<b>2,084</b>	<b>1,803</b>

**Note 35: Depreciation and amortization expense**

	Note	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation of property, plant and equipment	3	1,920	1,669
Depreciation of right of use assets	4	261	202
Amortization of intangible assets	5	35	30
		<b>2,216</b>	<b>1,901</b>

**Note 36: Other expense**

	Year ended 31 March 2024	Year ended 31 March 2023
Stores and spares consumed	312	385
Power and fuel	6,567	7,061
Repairs and maintenance	1,710	1,695
Sub-contracting charges	976	793
Rent	116	168
Rates and taxes	86	34
Insurance charges	247	265
Traveling and conveyance	767	707
Commission on sales	26	78
Packing expenses	771	770
Freight and handling expenses	1,117	1,389
Job work expenses	299	396
Legal and professional fees (refer note (a) below)	729	440
Director's sitting fees	-	15
Commission to director	-	189
Charity and donations (other than political parties)	20	8
Corporate Social Responsibility expenditure	181	133
Advances written off	19	36
Property, plant and equipment written off	45	20
Loss on sale of plant, property and equipment (net)	-	43
Expected credit loss on trade receivables and advances	-	4

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 36: Other expense** Contd.

	Year ended 31 March 2024	Year ended 31 March 2023
Marketing and promotional expenses	248	188
Exchange loss on foreign exchange fluctuations	35	-
Pollution control expenses	443	280
Factory Maintenance and housing charges	278	251
Quality control expenses	167	180
IT and communication expenses	122	117
Miscellaneous expenses	778	775
	<b>16,059</b>	<b>16,420</b>

**(a) Payments to the statutory auditor (excluding taxes as applicable) :**

	Year ended 31 March 2024	Year ended 31 March 2023
<b>As auditor</b>		
Statutory audit	27	23
Limited review of quarterly results	15	15
	<b>42</b>	<b>38</b>

**Note 37: Tax expense****a) Income tax recognised in statement of profit and loss**

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Current tax :</b>		
- Current year	1,680	2,240
- Adjustments in respect of current tax of previous year	-	386
	<b>1,680</b>	<b>2,626</b>
<b>Deferred tax :</b>		
<b>Attributable to :</b>		
Origination and reversal of temporary differences	270	152
	<b>270</b>	<b>152</b>
<b>Total tax expense recognised</b>	<b>1,950</b>	<b>2,778</b>

**b) Reconciliation of effective tax rate**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Accounting profit before income tax</b>	<b>7,308</b>	<b>8,888</b>
Tax at India's statutory tax rate of 25.168% (31 March 2023: 25.168%)	1,417	2,232
Effect of expense that are non-deductible expenses in determining taxable profits	21	105
Effect of change in estimate related to previous year	-	386
Others	512	55
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>1,950</b>	<b>2,778</b>

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**c) Income tax expense recognised in other comprehensive income**

	Year ended 31 March 2024	Year ended 31 March 2023
Arising on income and expenses recognized in other comprehensive income		
Remeasurement of defined benefit obligation	11	33
Equity investments through other comprehensive income- net change in fair value	(2)	(1)
<b>Total income tax recognised in other comprehensive income</b>	<b>9</b>	<b>32</b>
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	9	32
Items that will be reclassified to profit or loss	-	-
	<b>9</b>	<b>32</b>

**Note 38: Earnings per share**

	Year ended 31 March 2024	Year ended 31 March 2023
Profit after tax for basic and diluted EPS per share	5,358	6,110
Weighted average number of equity shares for basic and diluted EPS per share	1,22,62,185	1,22,62,185
Basic and diluted earnings per share (face value of Rs. 10 each)	<b>43.70</b>	<b>49.84</b>

**Note 39(a): Fair values**

Financial instruments by category and fair values	Note	Level of Hierarchy	As at 31 March 2024			As at 31 March 2023		
			FVTPL	Amortised Cost	FVOCI	FVTPL	Amortised cost	FVOCI
<b>Financial assets (non-derivative)</b>								
<b>Non current</b>								
Investment in quoted equity shares	(a)	1	-	-	0.86	-	-	0.49
Investment in unquoted equity shares - Others	(a)	3	-	-	143	-	-	137
Trade receivables		-	-	-	-	-	-	-
Loans	(b)		-	-	-	-	-	-
Other financial assets	(b)		-	454	-	-	390	-
<b>Current</b>								
Trade receivables	(c)		-	19,743	-	-	14,328	-
Cash and cash equivalents	(c)		-	643	-	-	874	-
Other bank balances	(c)		-	363	-	-	271	-
Loans	(c)		-	10	-	-	6	-
Other financial assets	(c)		-	1,318	-	-	874	-
<b>Total financial assets</b>			<b>-</b>	<b>22,531</b>	<b>144</b>	<b>-</b>	<b>16,743</b>	<b>137</b>
<b>Financial liabilities (non-derivative)</b>								
<b>Non-current</b>								
Borrowings	(d)		-	5,256	-	-	6,161	-
Other financial liabilities	(b)		-	-	-	-	-	-
<b>Current</b>								
Borrowings	(c)		-	6,802	-	-	2,721	-
Trade payables	(c)		-	11,814	-	-	13,896	-
Other financial liabilities	(c)		-	-	-	-	4,421	-
<b>Total financial liabilities</b>			<b>-</b>	<b>23,871</b>	<b>-</b>	<b>-</b>	<b>27,199</b>	<b>-</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

- (a) For quoted investments, market value is taken as fair value. The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at net book value as per the latest audited financial statements available.
- (b) Fair value of non-current financial assets and financial liabilities has not been disclosed as there is no significant differences between carrying value and fair value.
- (c) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- (d) The Company's non-current borrowings have been contracted at market rates of interest. Accordingly, the carrying value of such non-current borrowings approximates fair value. Further, fair value measurement of lease liabilities is not required.

There are no transfers between level 1, level 2 and level 3 during the current year and previous year

### Reconciliation of fair value measurement of unquoted equity shares classified as FVOCI

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	137	132
Re-measurement recognized in OCI	6	5
<b>Balance at the end of the year</b>	<b>143</b>	<b>137</b>

### Note 39(b): Financial risk management

#### (i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to audit committee.

The Company has exposure to the following risks arising from financial instruments :

- Credit risk (see (ii));
- Liquidity risk (see (iii));and
- Market risk (see (iv))

#### (ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Company's receivable from customers and loans. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet :

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 39(b): Financial risk management (contd.)

	As at 31 March 2024	As at 31 March 2023
- Investments	789	249
- Trade receivables	19,743	14,328
- Cash and cash equivalents	643	874
- Other bank balances	363	271
- Loans	10	6
- Other financial assets	1,318	874
<b>Trade receivables</b>		
The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.		

The Group's exposure to credit risk for trade receivables by geographic region is as follows:

	As at 31 March 2024	As at 31 March 2023
Within India	12,396	8,689
Outside India	7,347	5,639
The carrying amount of the Company's most significant customer is Rs. 8,374 (31 March 2023: Rs. 5,144).		
The Group based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.		

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

	Gross Carrying amount	Expected credit loss allowance	Carrying amount
<b>31 March 2024</b>			
Less than 6 Months	19,232	-	19,232
More than 6 Months	596	85	511
	<b>19,828</b>	<b>85</b>	<b>19,743</b>
<b>31 March 2023</b>			
Less than 6 Months	14,233	-	14,233
More than 6 Months	198	103	95
	<b>14,431</b>	<b>103</b>	<b>14,328</b>



## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 39(b): Financial risk management (contd.)

The movement in the allowance for impairment in respect of trade receivables is as follows

	Year ended 31 March 2024	Year ended 31 March 2023
Balance as at the beginning of the year	103	101
Provision made during the year	-	2
Amounts written back	(18)	
<b>Balance as at the end of the year</b>	<b>85</b>	<b>103</b>
The loans primarily represents security deposits and advances recoverable. The management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these deposits and loans have been given have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for expected credit loss has been provided on these financial assets. Credit risk on cash and cash equivalents and bank deposits is limited as the Group generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.		
<b>Cash and cash equivalents</b>		
The Group holds cash and cash equivalents of Rs. 643 at 31 March 2024 (31 March 2023: Rs. 874). The cash and cash equivalents are held with scheduled banks.		
<b>Financial guarantee</b>		
The Group has assessed the credit risk associated with its financial guarantee contracts for allowance for Expected Credit Loss (ECL) as at the period / year end. The Group makes use of various reasonable supportive forward-looking parameters which are both qualitative as well as quantitative while determining the change in credit risk and the probability of default. The Group's maximum exposure relating to financial guarantees as on 31 March 2024 is INR 1500 lakhs (31 March 2023: INR Nil). Considering the creditworthiness of entity within the group in respect of which financial guarantees have been given to third parties, the management believes that the subsidiary have a low risk of default and do not have any amounts past due. Accordingly, no allowance for expected credit loss needs to be recognised as at year end.		

### (iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group approach to manage liquidity is to have sufficient liquidity to meet it's liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Group's reputation.

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities. The Group's will continue to consider various borrowings or leasing options to maximize liquidity and supplement cash requirements as necessary.

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

	Contractual Cash Flow				
	Carrying Amount	Total	Less than 1 year	1 to 5 years	> 5 years
<b>As at 31 March 2024</b>					
Borrowings (including current maturities)	12,058	12,058	6,802	5,256	-
Lease liabilities	225	235	219	16	-
Trade and other payables	11,814	11,814	11,814	-	-
Other financial liabilities	3,076	3,076	3,076	-	-
	<b>27,173</b>	<b>27,182</b>	<b>21,911</b>	<b>5,272</b>	<b>-</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 39(b): Financial risk management (contd.)

	Contractual Cash Flow				
	Carrying Amount	Total	Less than 1 year	1 to 5 years	> 5 years
<b>As at 31 March 2023</b>					
Borrowings (including current maturities)	8,882	8,882	2,721	6,160	-
Lease liabilities	515	564	329	235	-
Trade and other payables	13,896	13,896	13,896	-	-
Other financial liabilities	4,421	4,421	4,421	-	-
	<b>27,714</b>	<b>27,763</b>	<b>21,367</b>	<b>6,395</b>	<b>-</b>

### (iv) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### (a) Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Group has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Group manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material prices under check to the extent possible.

A reasonably possible change of 0.50 % in raw material prices during the year would have affected the profit or loss by the amounts shown below.

	Profit or Loss		Equity, net of tax	
	Increased	Decreased	Increased	Decreased
<b>Year ended 31 March 2024</b>				
Raw material price (0.50% movement)	278	(278)	207	(207)
<b>Year ended 31 March 2023</b>				
Raw material price (0.50% movement)	329	(329)	245	(245)

#### (b) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

The exposure of the Company's borrowing to fixed interest rate as reported at the end of the reporting period are as follows :

	As at 31 March 2024	As at 31 March 2023
Fixed rate borrowings	6,557	6,966
Floating rate borrowings	5,501	1,916
Total borrowings (gross of transaction cost)	<b>12,058</b>	<b>8,882</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 39(b): Financial risk management (contd.)

#### Interest rate sensitivity analysis

A reasonably possible change of 0.50 % in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>Year ended 31 March 2024</b>				
Interest rate (0.5% movement)	28	(28)	7	(7)
<b>Year ended 31 March 2023</b>				
Interest rate (0.5% movement)	10	(10)	2	(2)

#### c) Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities.

#### Unhedged foreign currency exposure

The following table provides details of the Company's exposure to currency risk:

Foreign Exchange Exposures outstanding at the year end	Currency	As at 31 March 2024		As at 31 March 2023	
		Amount in indian currency	Amount in foreign currency	Amount in indian currency	Amount in foreign currency
Trade receivable	EUR	1,718	19	325	4
	USD	4,407	53	4,261	52
	GBP <sup>^</sup>	18	0	54	1
Trade payable	EUR	108	1	110	1
	USD	3,223	39	872	25

<sup>^</sup> amount is less than Rs. 1

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2024 and 31 March 2023 would have affected the measurement of financial instruments denominated in foreign currency and affected Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2024</b>				
USD (2% movement)	(23)	23	(18)	18
EURO (2% movement)	(32)	32	(24)	24
<b>31 March 2023</b>				
USD (2% movement)	(44)	44	(33)	33
EURO (2% movement)	(4)	4	(3)	3

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 40: Capital management

#### (i) Risk management

The Group policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Group monitors capital using a ratio of 'total debt' to 'total equity'. For this purpose, total debt is defined as total borrowings. Equity comprises all components of equity (as shown in the Balance Sheet).

The Group debt to equity ratio was as follows.

	As at 31 March 2024	As at 31 March 2023
Total debt	12,058	8,882
Total equity	33,016	28,062
<b>Debt to equity ratio</b>	<b>0.37</b>	<b>0.32</b>

#### (ii) Dividends

	Year ended 31 March 2024	Year ended 31 March 2023
Final dividend for the year ended 31 March 2023 of Rs. 3.00 (31 March 2022: Rs. 3.00) per fully paid equity share *	368	368
<b>Dividend not recognised at the end of the year</b>		
In addition to the above dividend, since year end the Board of Directors have recommended payment of final dividend of Rs. 3.00 (31 March 2023: Rs. 3.00) per fully paid equity share. The proposed dividend is subject to the approval of the shareholders in the ensuing annual general meeting. The dividend declaration is in accordance with section 123 of the companies Act, 2013 to the extent its applies to declaration of dividend	368	368
* Final dividend has been paid on the number of shares issued by the Company till the date of annual general meeting after approval of shareholders and is in accordance with section 123 of Companies Act, 2013.		

### Note 41: Employee benefits

#### A. Assets and liabilities relating to employee benefits

	As at 31 March 2024	As at 31 March 2023
Non-current		
Liability for gratuity	816	1,536
Liability for leave encashment	410	393
	<b>1,226</b>	<b>1,929</b>
Current		
Liability for gratuity	355	252
Liability for leave encashment	193	174
	<b>548</b>	<b>426</b>
	<b>1,774</b>	<b>2,355</b>

For details about the related employee benefit expenses, refer to note no. 33.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 41: Employee benefits (contd.)

#### B. Defined contribution plan

##### a. Provident fund and employee's state insurance

The Company's provident fund scheme and employee's state insurance (ESI) fund scheme are defined contribution plans. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes. The contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due.

##### b. Superannuation Fund

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has recognised following amounts as expense in the Statement of Profit and Loss :

	As at 31 March 2024	As at 31 March 2023
<b>Included in Contribution to Provident and Other Funds (Refer Note 33)</b>		
Provident Fund	449	442
Superannuation Fund	202	234
ESI contribution	29	31
	<b>680</b>	<b>707</b>

#### C. Defined benefit plan - Gratuity

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Company to following risks :

##### Interest rate risk :

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

##### Salary inflation risk :

Higher than expected increases in salary will increase the defined benefit obligation.

##### Demographic risk :

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 41: Employee benefits (contd.)

#### a) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Company does not expect any significant liquidity risks.

The following table sets out the status of the defined benefit plan as required under Ind AS 19 - Employee Benefits :

Particulars	As at 31 March 2024	As at 31 March 2023
<b>b) Reconciliation of present value of defined benefit obligation</b>		
Balance at the beginning of the year	2,180	2,115
Interest cost	161	151
Current service cost	137	126
Benefits paid	(236)	(337)
Actuarial loss/(gain) recognised in other comprehensive income		
- from changes in financial assumptions	20	(30)
- from experience adjustments	23	155
<b>Balance at the end of the year</b>	<b>2,285</b>	<b>2,180</b>
<b>c) Reconciliation of the present value of plan assets</b>		
Balance at the beginning of the year	392	453
Expected Interest Income	28	27
Contributions paid by the employer	879	193
Benefits paid	(184)	(281)
Actuarial loss for the year on Assets	-	-
<b>Balance at the end of the year</b>	<b>1,115</b>	<b>392</b>

Particulars	As at 31 March 2024	As at 31 March 2023
<b>d) Amount recognized in statement of profit and loss</b>		
Total service cost	137	126
Interest cost on benefit obligation	132	119
<b>Amount recognized in statement of profit and loss</b>	<b>269</b>	<b>245</b>
<b>e) Remeasurements recognised in other comprehensive income</b>		
Actuarial loss for the year on defined benefit obligation	43	124
Loss on plan assets (excluding interest income)	1	5
<b>Total Actuarial loss for the year</b>	<b>44</b>	<b>129</b>

#### f) Plan assets

100% of the plan assets are managed by LIC

#### g) Actuarial assumptions

##### (i) Economic assumptions :

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate (per annum)	7.23%	7.38%
Future salary growth rate (per annum)	5.75%	5.75%
Expected rate of return on plan assets (per annum)	7.05%	7.05%
Expected average remaining working lives (years)	17.93	18.18

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 41: Employee benefits** (contd.)

## (ii) Demographic assumptions :

Particulars	As at 31 March 2024	As at 31 March 2023
Retirement Age	58	58
Mortality rate	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition rate		
Upto 30 years	3%	3%
31 to 44 years	2%	2%
44 years and above	1%	1%

**h) Sensitivity analysis on defined benefit obligation on account of change in significant assumption :**

	As at 31 March 2024		As at 31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(67)	71	(66)	65
Future salary growth rate (0.5% movement)	69	(66)	63	(66)
Attrition rate	6	(6)	6	(6)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**i) Expected future benefit payments**

Undiscounted amount of expected benefit payments for next 10 years are as follows :

	As at 31 March 2024	As at 31 March 2023
Within 1 year	355	252
1-2 year	202	289
2-3 year	218	180
3-4 year	205	194
4-5 year	223	180
5-10 years	1,082	1,084

**j) Weighted average duration and the expected employers contribution for next year of the defined benefit plan :**

	As at 31 March 2024	As at 31 March 2023
Weighted average duration of the defined benefit plan (in years)	14.36	14.48
Expected employers contribution for next year	234	225

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 42: Contingent liabilities and commitments (to the extent not provided for)****(a) Claims against the company not acknowledged as debts**

	As at 31 March 2024	As at 31 March 2023
Income Tax matters	1,255	2,274
Sales tax matters	11	11
Service tax matters	1	1
	<b>1,267</b>	<b>2,286</b>

Notes : (i)

Assessment Year	Remarks	As at 31 March 2024	As at 31 March 2023
2008-09	The case is pending with ITAT	44	840
2009-10	The case is pending with ITAT	299	569
2013-14	The case is pending with CIT(A)	25	23
2014-15	The case is pending with CIT(A)	62	62
2015-16	The case is pending with CIT(A)	121	121
2016-17	The case is pending with CIT(A)	12	12
2017-18	The case is pending with ITAT	640	597
2018-19	The case is pending with CIT(A)	52	50
2019-20	The case is pending with CIT(A)	-	-
		<b>1,255</b>	<b>2,274</b>

There has been no major development in the above mentioned matters except as below :

(A) The Income Tax Assessing officer had passed an order dated 27 March 2021 and 28 March 2021 for assessment year 2008-2009 and 2009-2010 respectively and has raised the demand to Rs. 4,384 and Rs. 3,281 respectively. Subsequently, the Company had filed the rectification request and during the year 2022, the Assessing officer issued rectification order under section 154 by reducing the demand to Rs.556 and Rs.419 (net of advance tax) respectively. During the previous year, the Company received TP Order after giving effect of DRP Directions basis on which company again filed rectification application with the assessing officer. During the current year, company received rectification order under section 154 resulting in refund of Rs 230 for assessment year 2008-09 and reducing the demand to Rs 197 for assessment year 2009-10.

No tax expense has been accrued in financial statements for the tax demand raised. The Company is contesting the demand and the management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the company's financial position and results of operations.

(ii) (A) In earlier years, the Directorate of Revenue Intelligence - Ahmadabad had asked the Company to re-ascertain the benefits claimed under the Merchandise Exports from India Scheme from 1 April 2015 onwards. Consequently, the Company basis expert view, had assessed a liability for the differential amount to be refunded for the period from 1 April 2015 till 31 December 2019 amounting to Rs. 907 lakhs (including interest 130 lakhs) which was also paid in the 2020-21.

During year 2020-21, the Company had also received a show cause notice (SCN) from DRI Ahmadabad on 28 December 2020 under the Custom Act, 1962 who also appointed additional Director General (Adjudication), DRI, New Delhi as common adjudicating authority for the purpose of adjudication in respect all imports covered in the SCN. However, in view of the Hon'ble Supreme Court's judgement dated 9 March 2021 in civil appeal no. 1827, DRI issued letter DRI/HQR/24 A/ADJN/ 3-2021/ 3245, dated 7/4/2021 intimating that the said SCN is transferred to the call book under provision of section 28(9A)(c) of the Custom act, 1962. In 2022, additional Director General (Adjudication), DRI, New Delhi was re-designated as Commissioner of Custom (Adjudication) Delhi as per notification no 23/2022-cus(nt) dated 31.03.2022. During the previous year, the company had filed application before the customs and central excise settlement commission additional bench, Mumbai for settlement of the case under section 127B of customs act, 1962. During the year the settlement commission passed the order by imposing penalty of Rs 20 lakhs which was subsequently deposited and intimated to the adjudicating authority to pass the final order which is still awaited.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 42: Contingent liabilities and commitments (to the extent not provided for) (contd.)

Further, the Company has also received notice from Additional Director General of Foreign Trade (DGFT) dated 20 October 2020 and has filed the reply dated 26 October 2020 as well as attended the hearing on 04 November 2020. Thereafter, there has been no updated in the case.

- (B) In earlier years, the Directorate of Revenue Intelligence – Kolkata had initiated an inquiry in relation to the manner in which the Company was claiming refund of IGST on input material at the time of export. During the current and previous year, the Company received summons from the office of Central goods and Service tax commissioner, Ludhiana seeking further documents in relation to the above. The Company had in the interim, filed a writ petition in the High court of Punjab and Haryana requesting the court to give suitable directions on the above matter. The next hearing is scheduled in September 2024. Further, on 1 May 2023, the Company had received a show cause notice dated 24 April 2023 from the office of the Principal Commissioner, Central GST Commissionerate, Ludhiana in relation to refund of INR 4,496 of IGST wrongly claimed in contravention of Rule 96(10) along with related interest and penalties as applicable for which the Company has obtained the stay from high court for further action by office of central goods and service tax commissioner.

The Company believes, basis legal advice, that it has not caused any loss to the exchequer and while it was entitled to claim refund in accordance with the laws as applicable and that it has reasonable legal grounds to defend its position as already contained in the writ petition filed with the High Court on this matter in the earlier year.

- (iii) During the earlier years, the Company had received a notice of eviction in relation to the Pune facility which was under a lease arrangement. We have filed an appeal Court of district judge Pune in relation to the aforesaid and have received a stay order in relation to the above. There is no update on this matter in the current year. Next hearing is expected to be in August 2024.
- (iv) Pursuant to judgement by the hon'ble supreme court dated 28 February 2019 on wages for the purposes of provident fund, the Company has ascertained the impact of the same from post 28 February 2019 which was recognised and deposited in earlier years.

#### (b) Other Commitments

	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	210	303

#### Notes :

- (1) The Company has extended comfort letters to provide continued financial support to its wholly-owned subsidiary to ensure that the subsidiary is able to meet its debts, commitments and liabilities as they fall due and it continues as going concerns entity.

During the current year, the group has entered into a Settlement Agreement dated 11 December 2023 with ex-shareholders of Sintesis Quimica S.A.I.C, Argentina (erstwhile shareholders) (erstwhile step down subsidiary till September 2017) for a total consideration of INR 1,483 to be paid by SD Agchem (Europe) NV. Accordingly, SD Agchem (Europe) NV has recorded an incremental liability of INR 198 in the third quarter of current financial year and has also paid a sum of Rs. 1,148 till 31 March 2024. The remaining balance of Rs.335 has also been paid subsequent to the year end.

### Note 43: Related party disclosures

- I. List of related parties and nature of related party relationship, where control exists : Nil
- II. List of related parties and nature of related party relationship, where control exists :

Description of Relationship	Name of the Party
Enterprises where control over the composition of Governing Body exists	Hemsil Trading & Manufacturing Private Limited
	Shroff Family Master Trust
	Salil ShashiKumar Shroff HUF
	Akola Chemicals (India) Private Limited
	U & I Initiatives LLP

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

### Note 43: Related party disclosures (contd.)

Description of Relationship	Name of the Party
Key managerial personnel	Mr. Shalil ShashiKumar Shroff (Managing Director)
	Mr. Vinod Kumar Gupta (Chief Executive Officer)
	Dr. Sriram Swaminathan (Chief Financial Officer) (Upto 16 March 2023)
	Mr. Ashish Ramdas Nayak (Chief Financial Officer) (w.e.f. 16 March 2023)
	Mr. Jain Prakash (Sr. Vice President (Works)) (Upto 16 March 2023)
	Mr. V Srinivas (GM Legal & Company Secretary) (Upto 24 January 2023)
	Mrs. Rishu Chatley (Company Secretary & Compliance officer) (w.e.f 24 January 2023)
Non Executive Independent Directors	Mr. Mukesh Dahyabhai Patel
	Mr. Vijay Dilbagh Rai
	Mr. Sheo Prasad Singh
	Mrs. Aruna Rajendra Bhinge
Non Executive Non-Independent Directors	Mrs. Tara Subramaniam (w.e.f. 3 August 2023)
	Mr. Shivshankar Shripal Tiwari
	Mr. Avtar Singh
Relatives of key managerial personnel	Capt. Surjit Singh Chopra (Retd.)
	Ms. Malvika Shroff
	Mr. Jaskaran Singh
	Ms. Sonal Tiwari

### III. Transactions with related parties during the current / previous year

Nature of transactions	Relationship	As at 31 March 2024	As at 31 March 2023
<b>a. Sale of goods</b>			
Akola Chemicals (India) Private Limited	Enterprises where control over the composition of Governing Body exists	23	18
<b>b. Payment of lease liabilities</b>			
Shroff Family Master Trust	Enterprises where control over the composition of Governing Body exists	208	189
Salil ShashiKumar Shroff HUF	Enterprises where control over the composition of Governing Body exists	15	12
Ms. Malvika Shroff	Relatives of key managerial personnel	59	48
<b>c. Interest expense during the year</b>			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	210	210
<b>d. Debtors written off</b>			
Akola Chemicals (India) Limited	Enterprises where control over the composition of Governing Body exists	2	-
<b>e. Employee benefits paid</b>			
<b>Short term employee benefits</b>			
Mr. Shalil ShashiKumar Shroff	Key Managerial Personnel	260	230
Mr. Vinod Kumar Gupta	Key Managerial Personnel	256	228
Dr. Sriram Swaminathan	Key Managerial Personnel	-	118
Mr. Ashish Ramdas Nayak	Key Managerial Personnel	86	2

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

Nature of transactions	Relationship	As at 31 March 2024	As at 31 March 2023
Mr. Jain Prakash	Key Managerial Personnel	-	108
Mr. V Srinivas	Key Managerial Personnel	-	36
Mrs. Rishu Chatley	Key Managerial Personnel	21	3
<b>Benefits to Relatives</b>			
Mr. Jaskaran Singh	Relatives of Key Managerial Personnel	18	17
<b>f. Commission</b>			
Executive Directors	Key Managerial Personnel	100	118
Non Executive Directors	Key Managerial Personnel	61	75
<b>g. Sitting Fees</b>			
Non Executive Directors	Key Managerial Personnel	17	15
<b>h. Sitting Fees</b>			
Ms. Sonal Tiwari	Relatives of Key Managerial Personnel	42	33

**Break-up of compensation of key managerial personnel of the Company**

	Year ended 31 March 2024	Year ended 31 March 2023
Short-term employee benefits	623	725
Post-employment benefits	14	8
<b>Total</b>	<b>637</b>	<b>733</b>

**IV. Outstanding balances as at year end**

Particulars	Relationship	As at 31 March 2024	As at 31 March 2023
<b>a. Receivables</b>			
Akola Chemical (India) Private Limited	Enterprises where control over the composition of Governing Body exists	-	4
<b>b. Borrowings</b>			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	1,632	1,585
<b>c. Security deposit from employees</b>			
Mr. Shalil Shashikumar Shroff	Key managerial personnel	2	2
Mr. Jain Prakash	Key managerial personnel	-	2
<b>d. Commission payable to directors</b>			
Executive Directors	Key managerial personnel	100	118
Non Executive Directors	Key managerial personnel	61	75
<b>e. Employee related liabilities</b>			
Executive directors	Key managerial personnel	19	5
<b>f. Interest accrued but not due</b>			
Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	-	16
<b>g. Legal and professional fees payable</b>			
Ms. Bhupinder Kaur	Relatives of key managerial personnel	-	4
Ms. Sonal Tiwari	Relatives of key managerial personnel	-	4

**V. Terms and conditions of transactions with related parties**

The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions and within ordinary course of business.

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 44: Segment Information**

The Executive Management Committee (Board of Directors and key managerial personnel) monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. For management purpose, the Group has identified "Performance Chemicals" as single operating segment.

**A) Information about geographical areas**

Year ended 31 March 2024

	Sale of goods *	Sale of services *	Non current assets#
<b>India</b>	39,001	3,461	25,569
<b>Outside India</b>			
Europe (including united kingdom)	34,479	-	-
Japan	4,800	-	-
Israel	4,403	-	-
USA	379	-	-
Latin America	2,610	-	-
Others	2,119	-	68
<b>Total</b>	<b>87,791</b>	<b>3,461</b>	<b>25,637</b>

Year ended 31 March 2023

	Sale of goods *	Sale of services *	Non current assets#
<b>India</b>	29,806	9,736	24,843
<b>Outside India</b>			
Europe (including united kingdom)	41,447	-	-
Japan	5,433	-	-
Israel	4,003	-	-
USA	2,936	-	-
Latin America	2,722	-	-
Others	1,785	-	12
<b>Total</b>	<b>88,132</b>	<b>9,736</b>	<b>24,855</b>

\* Sale of goods and sale of services has been presented based on the geographical location of the customers.

# Non-current assets are excluding financial instruments and deferred tax assets and have been presented based on the geographical location of assets.

**B) Information about major customers**

Revenue from 2 customer of the Company amounting to Rs. 38,469 (previous year: Rs. 41,444) and Rs. 12,725 (previous year: Rs. 13,868) respectively, constitute more than 10% of the total revenue of Company.

**Note 45: Ratio Analysis****a) Current ratio = Current assets divided by current liabilities**

Particulars	31-Mar-24	31-Mar-23
Current assets	37,744	36,218
Current liabilities	23,668	24,486
<b>Ratio</b>	<b>1.59</b>	<b>1.48</b>
<b>% Change from previous year</b>	<b>7.82%</b>	

Reason for change more than 25%: NA

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**b) Debt equity ratio = Debt divided by total shareholder's equity**

Particulars	31-Mar-24	31-Mar-23
Debt	12,058	8,882
Total equity (excluding Non-controlling interests)	33,016	28,062
<b>Ratio</b>	<b>0.37</b>	<b>0.32</b>
<b>% Change from previous year</b>	<b>15.39%</b>	

Reason for change more than 25%: NA

**c) Debt service coverage ratio = Earnings available for debt services divided by debt services**

Particulars	31-Mar-24	31-Mar-23
Profit after tax	5,358	6,110
<b>Add : Non cash operating expenses and finance cost</b>		
- Depreciation and amortization expense	2,216	1,901
- Finance costs	2,084	1,803
- PPE written off	45	20
- Loss on sale of PPE	-	43
- Advance written off	19	36
- Expected credit loss	-	4
<b>Earnings available for debt services</b>	<b>9,722</b>	<b>9,917</b>
<b>Debt Services</b>		
Interest and lease payments	326	458
Principal repayments	1,301	805
Interest on Borrowings	1,550	1,370
<b>Total Debt Services</b>	<b>3,177</b>	<b>2,633</b>
<b>Ratio</b>	<b>3.06</b>	<b>3.77</b>
<b>% Change from previous year</b>	<b>-18.74%</b>	

Reason for change more than 25%: NA

**d) Return on equity ratio / return on investment ratio = Net profit after tax divided by average shareholder's equity**

Particulars	31-Mar-24	31-Mar-23
Net profit after tax	5,358	6,110
Average shareholder's equity	30,539	25,312
<b>Ratio</b>	<b>17.55%</b>	<b>24.14%</b>
<b>% Change from previous year</b>	<b>-27.32%</b>	

Reason for change more than 25% :

The ratio has decreased from 24.14% to 17.55% in March 2024 mainly due to decrease in profit.

**e) Inventory turnover ratio = Net Sales divided by average inventory**

Particulars	31-Mar-24	31-Mar-23
Sale of goods (Net Sales)	93,423	1,00,621
Average inventory	15,045	16,098
<b>Ratio</b>	<b>6.21</b>	<b>6.25</b>
<b>% Change from previous year</b>	<b>-0.65%</b>	

Reason for change more than 25%: NA

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**f) Trade receivables turnover ratio = Net sales divided by average trade receivables**

Particulars	31-Mar-24	31-Mar-23
Sale of goods (Net Sales)	93,423	1,00,621
Average trade receivables	17,035	12,755
<b>Ratio</b>	<b>5.48</b>	<b>7.89</b>
<b>% Change from previous year</b>	<b>-30.48%</b>	

Reason for change more than 25% :

The ratio has decreased from 7.89 in March 2023 to 5.48 in March 2024 mainly due to decrease in revenue and increased in trade receivables.

**g) Trade payables turnover ratio = Credit purchases divided by average trade payables**

Particulars	31-Mar-24	31-Mar-23
Net purchases	53,597	65,011
Other expenses*	15,673	15,938
<b>Total</b>	<b>69,270</b>	<b>80,949</b>
Average trade payables	12,855	13,556
<b>Ratio</b>	<b>5.39</b>	<b>5.97</b>
<b>% Change from previous year</b>	<b>-9.76%</b>	

Reason for change more than 25%: NA

\* Refer Note 36 for Other expenses, below other expenses have not been considered for above ratio calculation :

Particulars	31-Mar-24	31-Mar-23
Corporate Social Responsibility expenditure	181	133
Expected credit loss on trade receivables and advances	-	4
Property, plant and equipment written off	45	20
Rates and taxes	86	34
Director's sitting fees	-	15
Commission to director	-	189
Charity and donations (other than political parties)	20	8
Loss on sale of plant, property and equipment (net)	-	43
Exchange loss on foreign exchange fluctuations	35	-
Advances written off	19	36
<b>Total</b>	<b>386</b>	<b>482</b>

**h) Net capital turnover ratio = Net sales divided by capital**

Particulars	31-Mar-24	31-Mar-23
Sale of goods (Net Sales)	93,423	1,00,621
working Capital (Total current assets minus total current liabilities)	14,076	11,731
<b>Ratio</b>	<b>6.64</b>	<b>8.58</b>
<b>% Change from previous year</b>	<b>-22.62%</b>	

Reason for change more than 25%: NA

**i) Net profit ratio = Net profit after tax divided by Net sales**

Particulars	31-Mar-24	31-Mar-23
Net profit/ (loss) after tax	5,358	6,110
Sale of goods (Net Sales)	93,423	1,00,621
<b>Ratio</b>	<b>5.74%</b>	<b>6.07%</b>
<b>% Change from previous year</b>	<b>-5.55%</b>	

Reason for change more than 25%: NA

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**j) Return on capital employed = Earnings before interest and taxes (EBIT) divided by capital employed**

Particulars	31-Mar-24	31-Mar-23
Profit before tax	7,309	8,888
Add: Finance costs	2,084	1,803
<b>EBIT</b>	<b>9,393</b>	<b>10,691</b>
Total assets	63,979	61,600
Less: Total liabilities	(30,963)	(33,538)
Other intangible assets	(370)	(74)
<b>Tangible net worth</b>	<b>32,646</b>	<b>27,988</b>
Total Debt	12,058	8,882
Deferred tax liability	791	530
<b>Capital employed</b>	<b>45,495</b>	<b>37,400</b>
<b>Ratio</b>	<b>20.65%</b>	<b>28.59%</b>
<b>% Change from previous year</b>	<b>-27.78%</b>	

**Reason for change more than 25% :**

The ratio has decreased from 28.59% in March 2023 to 20.65% in March 2024 mainly due to decrease in profit and increased in trade receivables.

**Note 46: Corporate Social Responsibility**

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate social responsibility (CSR) activities. A CSR Committee has been formed by the company as per the Act. The CSR Committee and Board had approved the projects with specific outlay on the activities as specified in Schedule VII of the act, in pursuant of the CSR policy:

	As at 31 March 2024	As at 31 March 2023
a) Gross amount required to be spent by the Company during the year	178	132
b) Amount approved by the Board to be spent during the year	178	132
c) Amount spent during the year on (in cash):		
(i) Construction / Acquisition of any asset	-	-
(ii) On purpose other than (i) above	181	133
d) Excess/ (Shortfall) at the end of the year	<b>3</b>	<b>1</b>
e) Total of previous years shortfall	-	-
f) Details of related party transactions	-	-
g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-
h) Reason for shortfall:		
i) Nature of CSR Activities:		
i) Eradicating poverty including health care facilities	47	27
ii) Promoting education	118	85
ii) Rural development projects	16	19
iv) Animal welfare	-	2

**Notes to the Consolidated Financial Statements** for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

**Note 47: Disclosures pursuant to Section 186 of the Companies Act, 2013:**

	As at 31 March 2024	As at 31 March 2023
<b>Investments :</b>		
<b>(i) Investment in equity shares: Dena Bank Limited merged with Bank of Baroda</b>		
Balance as at the year end ^	0.49	0.31
Maximum amount outstanding at any time during the year ^	0.49	0.31
<b>(ii) Investment in equity shares: Syndicate Bank Limited merged with Canara Bank</b>		
Balance as at the year end ^	0.37	0.18
Maximum amount outstanding at any time during the year ^	0.37	0.18
<b>(iii) Investment in equity shares: Nimbua Green Field (Punjab) Limited</b>		
Balance as at the year end	135	127
Maximum amount outstanding at any time during the year	135	127
<b>(iv) Investment in equity shares: Mohali Green Environment Private Limited</b>		
Balance as at the year end	8	10
Maximum amount outstanding at any time during the year	10	10

^ Value of investment is less than Rs. 1 (previous year: Rs. 1).

**Note 48:** The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of income tax expense and that of provision for taxation.

**Note 49:** Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III :

Name of the entity in the Group	Net Assets (Total assets - Total liabilities)		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated profit/ (loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated other comprehensive income	Amount
31 March 2024								
<b>Parent</b>								
Punjab Chemicals and Crop Protection Limited	106%	34,849	102%	5,445	80%	(29)	102%	5,416
<b>Subsidiary - Outside India</b>								
S D Agchem (Europe) N.V	-6%	(1,848)	-2%	(90)	20%	(7)	-2%	(97)
Elimination	0%	15	0%	3	0%	-	0%	3
<b>Total</b>	<b>100%</b>	<b>33,016</b>	<b>100%</b>	<b>5,358</b>	<b>100%</b>	<b>(36)</b>	<b>100%</b>	<b>5,322</b>



## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

Name of the entity in the Group	Net Assets (Total assets - Total liabilities)		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated profit/ (loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated other comprehensive income	Amount
31 March 2023								
<b>Parent</b>								
Punjab Chemicals and Crop Protection Limited	106%	29,801	100%	6,094	38%	(93)	102%	6,001
<b>Subsidiary - Outside India</b>								
S D Agchem (Europe) N.V	-6%	(1,745)	0%	1	62%	(150)	-2%	(149)
Elimination	0%	7	0%	15	0%	-	0%	15
<b>Total</b>	<b>100%</b>	<b>28,062</b>	<b>100%</b>	<b>6,110</b>	<b>100%</b>	<b>(243)</b>	<b>100%</b>	<b>5,867</b>

**Note 50:** The Group has filed quarterly statement of current assets with banks and these are in agreement with books of account for all quarters in the current year and previous year.

**Note 51:** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### Note 52: Disclosures of Micro and Small Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Group as under :

Particulars	As at 31 March 2024	As at 31 March 2023
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	588	929
- Interest	9	16
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during each accounting year) but without adding the interest specified under the MSMED act 2006.	62	101
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	236	117

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

Particulars	As at 31 March 2024	As at 31 March 2023
(e) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	236	117

### Note 53:

The Group had certain unsettled "advance from customer", "trade payable" and "trade receivables" from an overseas customer which have been outstanding since earlier years. During the previous year, as a result of product registration regulatory issues faced by the customer, the Company and the customer had preferred to enter into a settlement arrangement pursuant to which the original contract for supply of goods stands terminated. As a result of this termination of contract of supply of goods, the advance received from customer aggregating to Rs 1,063, previously shown as other current liabilities, was classified as other financial liabilities. Consequentially, during the previous year ended 31 March 2023, the Company had also recognised Rs 284 as settlement income (net of certain expenses aggregating to Rs 225 already incurred pursuant to the original contract of supply) within other operating income and has set up a recoverable of Rs 509 as "other financial assets".

In view of the settlement during previous year, the Company has filed applications with the Reserve Bank of India through its Authorised dealer Bank of Baroda, Mumbai Branch under the relevant provisions of FEMA seeking to rectify the online records on EDPMS/ ICEGATE portal and condone the unintended delay caused in settling the account due to circumstances beyond the control as well as to seek approval from RBI to set off the related assets and liabilities as shown separately in the financial statement pursuant to the terms of the settlement arrangement.

Particulars	Amount
Other financial liabilities	1,063
Trade Payable	-
Other financial assets	509
Trade receivables	403
<b>Net Payable</b>	<b>151</b>

### Note 54:

- The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Group does not have any transactions with companies struck off.
- The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in Indian Rupees Lakhs except for share data)

- (vi) The Group has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (vii) None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (viii) The group has complied with the number of layers prescribed under the Companies Act, 2013.
- (ix) The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year
- (x) The Group including the "Companies in the Group" (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company ("CIC")

As per our report of even date attached

For **BSR & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022

**Gaurav Mahajan**  
Partner  
Membership No. : 507857

Place : Mumbai  
Date : May 6, 2024

For and on behalf of the Board of Directors of  
**Punjab Chemicals and Crop Protection Limited**

**Mukesh D Patel**  
Chairman  
DIN : 00009605  
Place : Mumbai

**Vinod K Gupta**  
Chief Executive officer

Place : Mumbai  
Date : May 6, 2024

**Shalil S Shroff**  
Managing Director  
DIN : 00015621  
Place : Mumbai

**Rishu Chatley**  
Company Secretary  
& Compliance officer

Place : Mumbai

**Ashish R Nayak**  
Chief Financial Officer

Place : Mumbai

## Our manufacturing facilities



Lalru, Punjab



Derabassi, Punjab



Derabassi, Punjab



Derabassi, Punjab



Derabassi, Punjab

### Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements written and oral that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially (favorably or against) from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

**ATRISYS PRODUCT**  
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