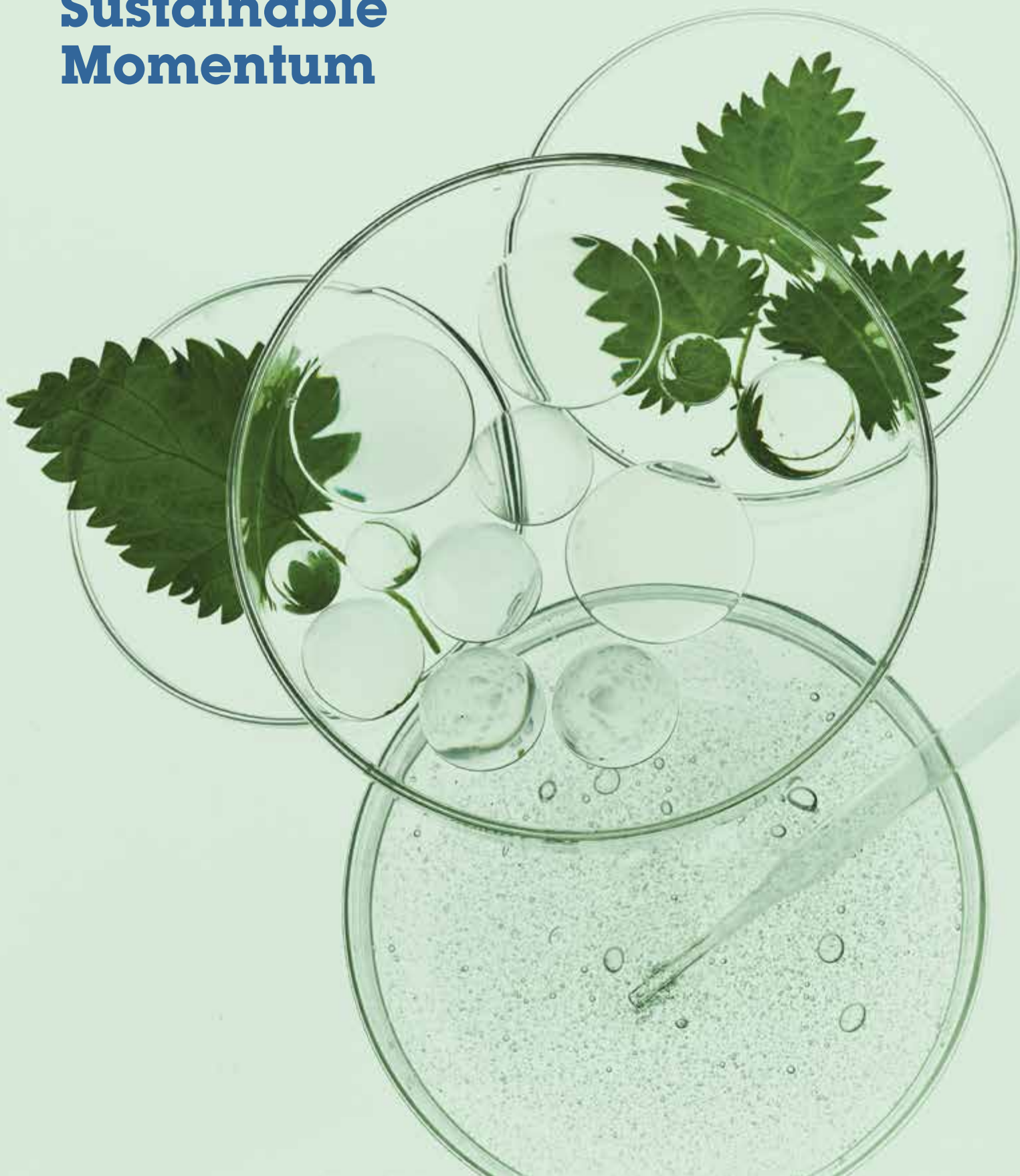




Carrying Forward A Sustainable Momentum



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For more information about the company, please
log on to www.indiapesticideslimited.com





Our effort, expertise and experience have enabled us to build the foundation of a robust organisation – attuned to the needs of today and poised to accomplish the objectives of tomorrow.

Over the years, we have fortified our market position with a diversified portfolio of superior quality products and a constant focus on research and development. While we march in new directions to carry forward a sustainable momentum, we are also aiming to capitalise on growing market opportunities. To flourish and prosper in a competitive environment, we are constantly shoring up operational capacities, enhancing our manufacturing capabilities and strengthening R&D efforts – to sustainably steer IPL towards prolonged growth and continued success.



About IPL

India Pesticides Limited (IPL) is one of the fastest growing agro-chemical companies*. We are also a leading manufacturer of herbicide and fungicide technicals and active pharmaceutical ingredients (APIs).

India Pesticides Limited (IPL) is one of the fastest growing R&D driven agrochemical companies. IPL is the sole Indian manufacturer of five technicals and ranks among the leading manufacturers of Captan, Folpet and Thiocarbamate

Herbicide, globally, in terms of production capacity. Incorporated in 1984, we cater to the needs of various large and small businesses. We have two state-of-the-art manufacturing facilities, delivering unique products

through continuous research and development. Both the manufacturing units are equipped with sophisticated equipment and machinery to produce both technical grade products and formulations.

*in terms of volume of Technicals manufactured



Our Growth in Numbers

Revenue from operations

₹6,489.54 million
FY 2020-21

₹ 2,322.90 million
FY 2015-16

22.80%
5-year CAGR growth

EBITDA

₹1,895.33 million
FY 2020-21

₹ 526.40 million
FY 2015-16

29.20%
5-year CAGR growth

PAT

₹1,345.44 million
FY 2020-21

₹ 137.80 million
FY 2015-16

57.73%
5-year CAGR growth

Gross Block

₹1,244.7 million
FY 2020-21

₹ 572.20 million
FY 2015-16

16.61%
5-year CAGR growth

Net Worth

₹3,895.00 million
FY 2020-21

₹ 752.00 million
FY 2015-16

38.95%
5-year CAGR growth

Debt Equity Ratio

0.08x
FY 2020-21

.86
FY 2015-16

RoCE

45.19%
FY 2020-21

₹ 497.70
FY 2015-16

RoE

34.64x
FY 2020-21

₹ 183.30
FY 2015-16





An Expansive Presence



Present in

20

Countries



2

Manufacturing facilities spread over 25 acres



673

Permanent Employees



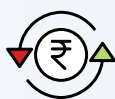
19,500 MT

Installed capacity for agro-chemical Technicals



57.27%

Revenue from
export market



42.73%

Revenue from
domestic market



Our Certificates

ISO 9001:2015

ISO 14001:2015

ISO 10002: 2018

ISO 45001: 2018 (OHSAS)



Our Momentous Journey

1984

• Incorporation of the Company as 'India Pesticides Private Limited'

1987

• Acquisition of entire assets and liabilities of the partnership firm 'India Pesticides'

1991

• Commencement of commercial production at the manufacturing facility situated in Dewa Road, Chinhat, Uttar Pradesh

2003

• Conversion of our Company into a public limited company

2009

• Registration of the in-house research and development unit located at Tiwariganj, Chinhat, Lucknow with the DSIR

2018

• Commencement of export of herbicide Technicals manufactured at the Sandila facility

2015

• Commencement of commercial production at the manufacturing facility in Sandila, Hardoi, Uttar Pradesh

2020

• Registration of in-house research and development unit at Tiwariganj, Chinhat, Lucknow, Sandila and Hardoi, along with DSIR, until March 31, 2023

Our Business Segments

Over a span of more than three decades, we have significantly invested in research and development activities to create a niche portfolio of agro-chemical products. Resting on our expertise in manufacturing and supplying Formulations, herbicide and fungicide technicals as well as APIs, we have continued to deliver superior quality products to our diverse clientele.





Technicals

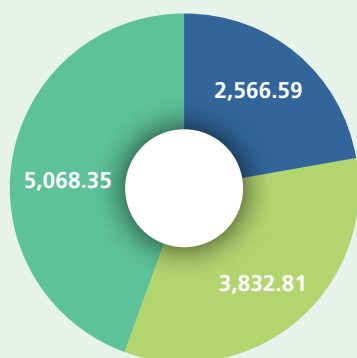
At IPL, we manufacture and supply generic Technicals for fungicides & herbicides and APIs used in dermatological products. Some of the key fungicide Technicals manufactured by IPL include:

- ▶ **Folpet** - used to manufacture fungicides that control fungal growth at vineyards, cereals crops and biocide in paints;
- ▶ **Cymoxanil** - used to manufacture fungicides that control downy mildews of grapes, potatoes, vegetables and several other crops.

Thiocarbamate herbicides are one of the major herbicide technical manufactured by us and is used for field crops such as wheat and rice. The APIs we manufacture are also used for anti-scabies and anti-fungal drugs.

Revenue from the segment

(₹ in million)



● FY2019 ● FY2020 ● FY2021



22

Agro-chemical Technicals sold in domestic market

27

Agro-chemical Technicals Exported

2

APIs

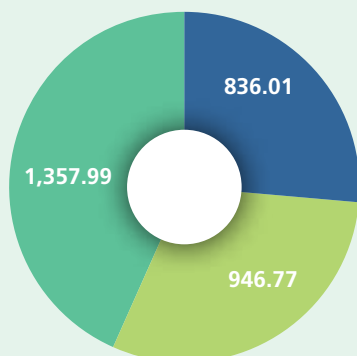


Formulations

We manufacture and supply different types of formulations for insecticides, fungicides and herbicides, growth regulators and Acaricides. This ready-to-use product segment offers branded products to customers through our distribution partners. We manufacture a broad range of fungicides, herbicides and insecticide formulations including Takatvar, IPL Ziram-27, IPL Dollar, IPL Soldier and IPL Guru.

Revenue from the segment

(₹ in million)



● FY2019 ● FY2020 ● FY2021



124

Formulations available in domestic market

34

Formulations Exported



Our Investment Case



Formulations

We manufacture and supply different types of formulations for insecticides, fungicides and herbicides, growth regulators and Acaricides. This ready-to-use product segment offers branded products to customers through our distribution partners. We manufacture a broad range of fungicides, herbicides and insecticide formulations including Takatvar, IPL Ziram-27, IPL Dollar, IPL Soldier and IPL Guru.

90.48%

Growth in revenue from operation between FY19 to FY21



Lasting relationships with customers

At IPL, our B2B model allows us to deal with large and small companies with excellent track records. Over the years, we have built long-term relationships with various multinational corporations and it has helped us to expand our product portfolio and the geographic reach of our Technicals business. Our clientele consists of leading and renowned crop protection product manufacturing companies such as Syngenta Asia Pacific Pte. Ltd, UPL Limited, ASCENZA AGRO, S.A., Conquest Crop Protection Pty Ltd, Sharda Cropchem Limited and Stotras Pty Ltd.

10 years+

Association with key customers



Strong Manufacturing capabilities

Our manufacturing facilities have the ability to manufacture a wide range of products that provide us the flexibility to cater to evolving market demands, thereby reducing our dependence on any one product category. Further, our manufacturing facilities are ISO certified and our quality management, environment management and occupational health & safety management systems abide by the highest standards of governance.

77%

Capacity utilization of Agro-chemical Technicals

73%

Capacity utilization of Formulations

₹41.92 crore

CAPEX in FY 21



Diverse product portfolio and extensive geographical reach

Owing to our strong R&D capabilities and manufacturing excellence, we have built a strong and diverse product portfolio of formulations and technicals. Alongside, we have also focused on expanding our geographical footprints across the globe. This diversification across products and sectors allow us to cushion our business from a slowdown in any particular product or geography.

As on 31st March 2021, we manufacture:

8

Export grade Technicals

2

APIs

30+

Formulations



Experienced promoters and strong management team

The Company's promoters and the management possess vast experience and expertise in their respective fields. Our company is led by an experienced team consisting of an organic chemist, an agronomist, a project advisor, and various advisors on environmental and toxicological studies. Their professional capabilities enable us to anticipate and address market trends, manage and grow our operations, expand in newer territories, enhance our manufacturing capabilities, maintain strong customer relationships, innovate continuously and respond to evolving customer preferences. We will continue to leverage the expertise of our management team and their understanding of the specialty chemicals and pharmaceutical industry to capitalise on current and future market opportunities.

28 years

Average experience of the top management



Financial Highlights

Revenue from operations

(₹ in million)

2021	6,489.54
2020	4,796.27
2019	3,406.90
2018	2,524.80
2017	2,280.40

PAT

(₹ in million)

2021	1,345.40
2020	707.80
2019	439.20
2018	330.10
2017	354.40

PAT Margin

(₹ in million)

2021	205.30
2020	144.50
2019	126.90
2018	129.20
2017	153.80

Cash and Cash Equivalent

(₹ in million)

2021	19.10
2020	67.20
2019	16.30
2018	63.10
2017	50.60

RoCE

(in %)

2021	45.19
2020	35.82
2019	32.33
2018	33.80
2017	45.57

EBITDA

(₹ in million)

2021	1,895.30
2020	1,036.60
2019	706.30
2018	581.70
2017	619.50

EBITDA Margin

(in %)

2021	29.21
2020	21.61
2019	20.73
2018	23.04
2017	27.17

Net Worth

(₹ in million)

2021	3,895.00
2020	2,568.20
2019	1,870.20
2018	1,870.20
2017	1,870.20

Debt Equity ratio

(in times)

2021	0.08
2020	0.09
2019	0.29
2018	0.23
2017	0.21

RoE

(in %)

2021	34.64
2020	27.48
2019	23.46
2018	23.23
2017	32.26



Chairman's Message

“

We intend to focus on this space along with our constant endeavour to expand our geographical footprints and our customer base.



Dear Shareholders,

It gives me immense pleasure to present to you the annual report of IPL, outlining our phenomenal performances in the fiscal year 2021. It has been a memorable year for the company as we embark on a new journey of growth and expansion. We received approval for an Initial Public Offering (IPO) and we look forward with great enthusiasm and optimism to take our Company to new heights of success.

Since our inception in 1984, we have traversed a journey spanning over 3 decades. We have evolved to become a successful R&D driven agro-chemical manufacturer with a strong portfolio of Technicals and formulations. We are the only Indian manufacturer and among the top five manufacturers globally, to deliver a diverse portfolio of Technicals, like Folpet, Captan and Thiocarbamate Herbicide. We also became the fastest growing agro-chemical company, and We have recorded 37.17% year-on-year growth in Technicals manufacturing (by volume) between Fiscal 2020 and Fiscal 2021.

We have continuously met the needs of several large and small businesses, leveraging our deep domain knowledge and years of experience in this field. Our new-age manufacturing facilities and a diverse product portfolio of herbicides and fungicides Technicals, Formulations, and active pharmaceutical ingredients (APIs) allow us to be a preferred agrochemical supplier for a broad clientele.

At IPL, we understand the impact of our operations on the environment and therefore, strive to keep ecological sustainability at the core of our operations. Hence, we believe in developing superior quality, environment-friendly products. Besides, we are immaculately focused on driving our R&D efforts to develop innovative products that consistently meet evolving market demands. It not only enables us to accelerate our growth but, also consistently cements our position in the Indian and global markets.

The recent Coronavirus pandemic had a devastating impact on humankind as well as the economy. Manufacturing came to a standstill and supply chains across the world were disrupted. The first few months of the pandemic were particularly strenuous for us. But, demand revived in the latter part of the year due to surge in agricultural productivity. Despite odds, the year witnessed healthy agricultural output and as a firm that caters to this sector, our growth trajectory also remained promising during FY21.

Our annual turnover for FY 20-21 was Rs. 6,489.54 million, at a CAGR of more than 38% during the FY 19 to 21. 56.83% of our revenues from operation in FY21



We plan to expand our portfolio further, focus on R&D capabilities and aim to improve existing products and processes.

was generated from the top 10 customers. EBIDTA recorded 83% y-o-y growth and PAT stood at Rs. 1348.89 million, recording 91% increase in comparison to the last fiscal. Despite overall softening of economic activity and a particularly challenging period, we displayed robust performance and maintained the strength of our balance sheet with a stable liquidity position.

Our aggregate installed capacity for the year stands at 19,500 MT for Technicals and 6,500 MT for Formulations. Capacity utilization in both these segments have remained 79% (Technical) and 21% (Formulations). The long term D/E ratio stood at 0.06 times and gross asset turnover was recorded at an impressive 4.8%.

The efficiency of our production process and our scalable operations contributed to our steady progress. Our ability to source raw materials locally allows us to easily weather volatilities in raw material prices and ensures business continuity. Furthermore, our R&D efforts facilitate continuous portfolio evaluation which allows us to modify production based on profits generated.

We have strategically improved our credibility in the market, enhanced market relevance and have successfully established a competitive edge over others. With our consistent focus on R&D and process innovation, we are broadening the product portfolio, increasing the customer base and our revenue share from existing customers. We also ensure cost optimisation to create economies of scale that improve the efficiency of manufacturing processes. Besides, we have expanded our Formulation product portfolio by leveraging our forward integration capabilities

in the Technicals segment. The emergence of India as a favourable manufacturing hub, on account of trade tensions with China, has spurred the demand for indigenous offerings in the agrochemical space. It presents us with exceptional opportunities to further strengthen our position in Indian and international markets.

IPL is also committed to be a sustainable organisation and aims to create meaningful changes in communities as well as the natural environment where we operate. All our efforts are therefore, guided by an overarching zeal to be an environmentally sustainable entity with a strong emphasis on EHS (Environment, Health and Safety).

Our tech-enabled manufacturing facilities are equipped with sophisticated machinery that enables us to keep sustainability at the core of our operations. Besides, we rely on innovative synthetic chemistry to deliver products that minimise environmental footprints. Our plants also have pilot facilities, effluent treatment plants, warehouses and other essential arrangements for reducing effluents and hazardous waste generation.

At IPL we prioritise the safety and well-being of our employees. It is their tireless efforts that empower

us to remain competitive in a dynamic environment. Therefore, to safeguard our employees, we ensure periodic maintenance of equipment and provide intensive training on chemical safety.

Moving ahead, we feel, it is imperative to change with time. Therefore, to remain competitive, we plan to expand our portfolio further, focus on R&D capabilities and aim to improve existing products and processes. Moreover, many technicals are expected to be off-patent by 2026, opening up a huge market worth more than US\$ 4.2 billion. We intend to focus on this space along with our constant endeavour to expand our geographical footprints and our customer base.

I sincerely thank all the stakeholders of IPL for their continuous belief and unwavering support for our Company. We look forward to many more years of association with you and remain extremely eager to unlock promising prospects that await us in the near future!

Anand Swarup Agarwal
Chairman and Founder

Robust R&D capabilities

At IPL, we are committed to developing new and improved technicals and formulations that meet diverse customer needs. Our R&D team comprises of PhDs, post-graduates in Chemistry and Biotechnology engineers that enhance the efficiency and productivity of our team.

We conduct extensive research and development on Technicals in our laboratory to continuously add value to our products. As a part

of our broader R&D efforts, we also test commercial production of Technicals at our pilot facility. Our R&D capabilities enable us

to further expand our offerings, improve the quality of products and significantly contribute to the overall growth of the Company.



Focus areas:

- ▶ Identify appropriate Technicals that are suitable for commercial production
- ▶ Improve our production processes
- ▶ Increase the quality and purity of our present products
- ▶ Manufacture new off-patent products
- ▶ Undertake pilot studies of new technologies, evaluate and incorporate feedback from customers to manufacture Technicals

2

Well-equipped R&D laboratories, each of which is registered with the DSIR

Development of processes

Well-equipped R&D laboratories, each of which is registered with the DSIR

Commercialization of

3

Technicals that contributed 78.87% of our revenue in FY21

Our Strategies for unlocking growth

In order to ensure consistent growth in the coming years, we have identified the following strategic priorities:

Strategic Priority

1



Focus on new product and process development

To cope with a changing business landscape and meet diverse customer needs, we will continue to invest and leverage our R&D capabilities to expand our product portfolio of complex off patented technicals and improve the existing products and processes. It will allow us to constantly increase the number of Technicals offered for sale. We believe, a significant opportunity lies for the development of a number of off-patent/generic active intermediates.

Strategic Priority

2



Cost Optimisation

We resort to various cost optimisation measures to improve margins and offer products at attractive rates to our customers. We also constantly review our products to gather insight of their market acceptance, manufacturing costs, profit margins and the processes involved in its manufacturing. This enables us to eliminate non-performing products and promote those that have a greater acceptance among customers. We source raw materials and labour locally, a prudent strategy that allows us to keep our costs low. We also focus on reducing our dependence on import of raw materials and source them indigenously. Long-term contracts with suppliers help us to ensure a steady supply of raw materials at viable prices.

Strategic Priority

3



Expansion of geographical footprint

Currently, we export a significant portion of our products in more than 20 countries. Exports have been an important part of our growth strategy as we intend to further increase revenues from international markets by expanding our presence in new geographies as well as strengthen our position in existing countries. Further, we also intend to expand our distribution network in India by increasing the number of branches in various states. We believe, our extensive distribution network will enable us to supply products directly to customers .

Strategic Priority

4



Capitalize on industry opportunities

The rapid population growth has propelled the demand for food crops, resulting in an imminent need to increase crop yield per hectre. Further, many countries have taken a conscious decision to reduce their dependence on China for manufacturing activities and consider India as a favourable alternative. This presents immense opportunities for the growth and expansion of our operations. Backed by our robust R&D capabilities, state-of-the-art manufacturing facilities, a stringent focus on quality guidelines and the ability to produce world class products, we are perfectly poised to capitalise on emerging opportunities in the agrochemical sector.

Profile of BOD and KMP


1

2

3

4

5

6

7

8

9
1

Anand Swarup Agarwal Chairman, Founder and Non-executive Director

- ▶ Holds a Bachelor's Degree in Law from the University of Lucknow.
- ▶ Over 35 years of experience in agrochemical manufacturing.
- ▶ Nominated as a part time non-official director on the Board of Directors of Punjab National Bank. He also served as a Director on the Board of Directors of PNB Gilts Limited.
- ▶ He has been awarded with the UP Ratan award in the year 2013 by the All India Conference of Intellectuals.

2

Rajendra Singh Sharma Whole-time Director

- ▶ Holds a Bachelor's Degree in science, specialising in agriculture, from the University of Meerut.
- ▶ Has been associated with the Company for the last 22 years and was initially appointed as a Director of the Company on June 10, 1998.
- ▶ Extensive experience in agro-chemical manufacturing.

3

Adesh Kumar Gupta

Independent Director

- ▶ Holds a Bachelor's Degree in Commerce from the University of Jodhpur and is a qualified chartered accountant.
- ▶ Registered insolvency professional with the Insolvency and Bankruptcy Board of India.
- ▶ Previously held the position of Whole Time Director and Chief Financial Officer at Grasim Industries Limited and has also been a Director at Ultra Tech Cement Limited.

4

Mohan Vasant Tanksale

Independent Director

- ▶ Member of the Institute of Cost and Works Accountants of India.
- ▶ Previously the Chairman and Managing Director of Central Bank of India and was an Executive Director on the board of Punjab National Bank, until June 2011.

5

Madhu Dikshit

Independent Director

- ▶ Holds a Master's Degree in science (bio chemistry) from the University of Allahabad and is a PhD in chemistry from the Chhatrapati Shahuji Maharaj University, Kanpur.
- ▶ Previously associated with the CSIR – Central Drug Research Institute, Lucknow, as a director and has been a visiting professor of Indian Institute of Technology, Jodhpur.
- ▶ Has been appointed as the National Chair of the Transitional Health Science and Technological Institute, Faridabad.

6

Rahul Arun Bagaria

Non-Executive Director

- ▶ Holds a Bachelor's Degree in commerce from University of Mumbai and is a Qualified Chartered Accountant.
- ▶ Extensive professional experience and expertise in corporate law and taxation.

7

Dheeraj Kumar Jain

Chief Executive Officer

- ▶ Holds a Bachelor's Degree and a Master's Degree in chemical engineering from Osmania University, Hyderabad India.
- ▶ Over 25 years of experience with the Company. He has been responsible for product development, international business development and project engineering.
- ▶ Prior to joining the Company he has worked with Indian Institute of Chemical Technology, Hyderabad.

8

Satya Prakash Gupta

Chief Financial Officer

- ▶ Holds a Bachelor's Degree in Commerce from the University of Allahabad.
- ▶ Associate member of the Institute of Cost Accountants of India and an associate of the Institute of Chartered Accountants of India.
- ▶ Over 27 years of experience in the field of finance and over 25 years of experience with the Company
- ▶ Prior to joining the Company, he has worked at Delite Commercial Limited and Trimurtee Fertilisers Limited.

9

Ajeet Pandey

Company Secretary and Compliance Officer:

- ▶ Holds a Bachelor's Degree in Commerce and Law from University of Ayodhya & Kanpur respectively and is a Qualified Company Secretary.
- ▶ Extensive professional experience and expertise in Corporate Law and other Allied Law.
- ▶ He has also worked & served his service as Company law Faculty, Committee Member and Programme Director of Kanpur Chapter of ICSI.
- ▶ Prior to joining the Company, he has worked at Jagran Prakashan Limited and Dolphin Developer Limited as Secretarial officer and Company Secretary respectively.



Corporate Information

BOARD OF DIRECTORS

Chairman and Non-Executive Director

Mr. Anand Swarup Agarwal

Whole-Time Director

Mr. Rajendra Singh Sharma

Non-Executive Directors

Mr. Mohan Vasant Tanksale
(Independent)

Dr. Madhu Dikshit
(Independent)

Mr. Adesh Kumar Gupta
(Independent)

Mr. Rahul Arun Bagaria
(Non Independent)

CHIEF EXECUTIVE OFFICER

Mr. Dheeraj Kumar Jain

CHIEF FINANCIAL OFFICER

Mr. Satya Prakash Gupta

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ajeet Pandey

COMMITTEES OF THE BOARD

Audit Committee

Mr. Mohan Vasant Tanksale,
Chairman;
Mr. Adesh Kumar Gupta; and
Mr. Rahul Arun Bagaria.

Nomination and Remuneration Committee

Mr. Adesh Kumar Gupta, Chairman;
Dr. Madhu Dikshit; and
Mr. Rahul Arun Bagaria

Stakeholders' Relationship Committee

Mr. Anand Swarup Agarwal,
Chairman;
Mr. Rajendra Singh Sharma; and
Mr. Adesh Kumar Gupta

Corporate Social Responsibility Committee

Mr. Mohan Vasant Tanksale,
Chairman;
Mr. Anand Swarup Agarwal; and
Mr. Rajendra Singh Sharma.

Risk Management Committee

Dr. Madhu Dikshit, Chairman,
Mr. Anand Swarup Agarwal,
Mr. Adesh Kumar Gupta,
Mr. Dheeraj Kumar Jain; and
Mr. Satya Prakash Gupta

REGISTERED OFFICE

35-A, Civil Lines, Bareilly – 243 001,
Uttar Pradesh, India.
Tel: +91 05812567459

CORPORATE OFFICE

Swarup Cold Storage Compound,
Water Works Road, Aishbagh,
Lucknow – 226 004, Uttar Pradesh,
India.
Tel: +91 0522 2653602
Website:
www.indiapesticideslimited.com
Email Id:-
info@indiapesticideslimited.com

MANUFACTURING FACILITIES

Unit 1:- UPSIDC Industrial Area,
Deva Road, Lucknow

Unit :- UPSIDC Industrial Area,
Sandila, HarDOI.

STATUTORY AUDITORS

Lodha & Co.
Mumbai, Maharashtra, India

Cost Auditors

Manoj Mishra & Associates,
Lucknow, Uttar Pradesh, India

Secretarial Auditors

GSK & Associates,
Company Secretaries,
Kanpur, Uttar Pradesh, India

Internal Auditors

M/s. Ashok K Agarwal & Associates,
Chartered Accountants, Lucknow,
Uttar Pradesh, India

BANKERS

Bank of India

278/81, Chandra Nagari Aishbagh
Road, Lucknow 226 004
Tel: +91 8189001651
E-mail: aishbagh.lucknow@
bankofindia.co.in
Website: www.bankofindia.co.in

State Bank of India

Commercial Branch Lucknow
6A Way Road, Gokhle Marg UP
Lucknow 226 001
Tel: + 91 522 2205548
E-mail: sbi.04166@sbi.co.in
Website: www.onlinesbi.com
State Bank of India

REGISTRAR AND SHARE TRANSFER AGENT

KFin Technologies Pvt. Ltd;
Selenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad-500 032, Telangana.
einward.ris@kfintech.com
www. kfintech.com

Board's Report

To,
The Members,
India Pesticides Limited

The directors have pleasure in presenting their Annual Report of the Company together with the Audited accounts for the period ended on 31st March, 2021.

Financial Results:

(All amount in Indian rupees million, unless otherwise stated)

Particulars	Standalone		Consolidated
	Current Year (for the Period 2020-21)	Previous (for the Period 2019-20)	Current Year (for the Period 2020-21)
Total Income	6553.77	4897.27	6553.77
Less-Expenditure during the year	4658.44	3860.70	4658.7
Profit/(Loss) before Depreciation, Interest &tax	1895.33	1036.57	1895.07
Less- Depreciation	61.35	50.69	61.35
Less- Finance Cost	34.33	52.18	34.33
Less: Exceptional Items			
Profit/(Loss) after Depreciation, interest & Before Tax	1799.65	933.70	1799.39
Less- Provision For Tax & Adjustments	454.21	225.86	454.12
Net Profit/(Loss)	1345.44	707.83	1345.27

State of Company's Affairs

During the Financial year, the Company has earned a net profit of Rs.1345.44millionasagainst previous year's profit of Rs. 707.83 million.

During the year, the Company has earned a consolidated net profit of Rs. 1345.27 million.

Changes in Structure of Share Capital, if any:

During the Financial Year 2020-2021 the Company has Changed in Structure of Share Capital:-

Authorised Share Capital:-

As per recommendation of the Board of Directors dated 10th December, 2020 and approval of the shareholders obtained in Annual general Meeting dated 21st December, 2020, Company has increased its Authorised Share Capital from Rs 3,50,00,000 to Rs 15,00,00,000.

Split of shares:-

As per recommendation of the Board of Directors dated 10th December, 2020 and approval of the shareholders obtained in Annual general Meeting dated 21stDecember, 2020, the Company has increased its existing authorised share capital to Rs. 15,00,00,000 consisting of 15,00,000 equity shares of face value of Rs.100 each. Further, the existing equity shares were split into 15,00,00,000 equity shares of face value of Rs.1 each by obtaining shareholders' approval in the Extra Ordinary General Meeting

held on 28th December, 2020.Pursuant to the above resolution the existing issued, paid-up and subscribed paid up capital of the Company stands sub-divided to 31,832,500 equity shares of Re. 1 each.

Bonus Issue

As per recommendation of the Board of Directors dated 21st December, 2020 and approval of the shareholders dated 28th December, 2020, the Company has issued 7,95,81,250 bonus equity shares of face value of Rs. 1/- each in ratio of 2.5:1 (i.e. 5 (Five) Bonus Shares for every 2 (Two) Equity Share to the shareholders of the Company. the Company has allotted 79581250 Bonus equity shares to the exiting members on January 22, 2021.

Preferential Allotment

As per recommendation of the Board of Directors dated 23rd January, 2021 and approval of the shareholders dated 25th January, 2021, the Company has issued 3,71,380 equity shares of face value of Rs. 1/- each at a premium of Rs. 32.70/- on preferential basis to Mr. Arun Kishanlal Bagaria and Mrs. Madhu Arun Bagaria and allotted 1,85,690 equity shares to Mr. Arun Kishanlal Bagaria and 1,85,690 equity shared to Mrs. Madhu Arun Bagaria respectively on 28th January, 2021.

Issued, Subscribed and Paid-up Share Capital: `

Company Issued, Subscribed and Paid-up Share Capital as on March 31, 2021is Rs. 111785130/- divided into 111785130Equity Shares of Rs. 1/- each.

Initial Public Offer ("IPO")

The Board of Directors of the Company are pleased to inform that during the year under review, the Company has filed DRHP on 09.02.2021 with SEBI for its Initial Public Offer (IPO) with issue size of Rs 800 Cr. and Initial Public Offering (IPO) of Company comprised of a fresh issue of Rs. 100 Cr. and an offer for sale of Rs. 700 Cr, by selling shareholders. The Company has received in principle Approvals from both BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") dated March 10, 2021 and March 18, 2021 respectively.

Subsidiaries, Joint Ventures or Associate Companies

Our Company has one Wholly Owned Subsidiary having name Shalvis Specialities Limited w.e.f 18.01.2021. The Statement containing salient features of the financial statement of Subsidiaries/ associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) is annexed AOC-1 as Annexure 1.

Shalvis Specialities Limited ("SSL")

SSL was incorporated on January 18, 2021 as a public company limited by shares under the Companies Act, 2013. Its corporate identification number is U24290UP2021PLC140490. It has its registered office at 35-A, Civil Lines, Bareilly 243001.

SSL is authorised to engage in the business of among other things, manufacture, production, formulation, sale and trade of all types of agricultural chemicals and pesticides under the objects clause of its memorandum of association.

Capital Structure of subsidiary

The authorised share capital of SSL is Rs.10,000,000 divided into 1,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of SSL is Rs. 8,000,000 divided into 800,000 equity shares of Rs. 10 each.

The Company has no Joint Venture or Associate Company.

Material Changes and Commitments during the Year

There are 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 financial statements relate and the date of the report during the year under review, as required under Section 134(3)(l) of the Companies Act, 2013.

Adequacy of Internal Financial Controls - Rule 8(5)(viii) of The Companies (Accounts) Rules, 2014

The Company has, in all material respects, an adequate system of internal controls over financial reporting and such internal controls over financial reporting were operating effectively as at 31st March, 2021.

Change in the Nature of Business

During the year, there was no material change in nature of business of the company.

Impact of COVID 19

Financial Year 2020-21 has been challenging, particularly in later part of the year due to COVID-19 Outbreak. Our focus has been safety of our people, Protecting Supply Line, Supply demand, contributing the society & optimizing cost and cash.

The outbreak of COVID 19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Company's plants, warehouses and offices were shut post announcement of nationwide lockdown. However, since manufacturing of pesticides was determined to be an essential industry, we were allowed to resume operations in a phased manner after second week of April 2020 and both of our facilities restarted operations, subject to certain adjustments in working patterns, social distancing measures and additional safety measures.

The Company has considered external and internal information in assessing the impact of COVID 19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

Extract of Annual Return

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information. (Annexure: 2) and is also available on the Company's website viz www.indiapesticideslimited.com.

Dividend

In the Financial year 20-21, board of directors on November 11, 2020 recommend a final dividend for the Financial year 19-20 and members approved at AGM dated 21.12.2020 for an amount of Rs. 35.02 Millions to its shareholders.

During the current financial year our Directors are pleased to recommend a Final Dividend on May 25, 2021 for an amount of Rs. 35.77 Millions to its shareholders for the Financial Year 2020-21. The dividend, if approved at the 36th Annual General Meeting (AGM), will be paid to those members whose names appear on the register of members of the company as on record date.

Dividend Distribution Policy

The Company has adopted the Dividend Distribution Policy to determine the distribution of dividends in accordance with the provisions of applicable laws. The policy was adopted and effective from January 23, 2021. The Web-link for assessing the policy is <https://www.indiapesticideslimited.com/corporate-governance-policies/>

Reserves & Surplus

Current Year's profit of Rs.1,345.44 million has been included under the head Retained Earnings during the year under review.

Directors & Key Managerial Personnel

Term of Mr. Pranav Agarwal, Independent director of the company expired on 29.09.2020. He was appointed as Independent director for a term of 5 years. The Board has placed on record its appreciation for the valuable contribution made by him as Directors of the Company.

Mr. Anand Swarup Agarwal was appointed as an Additional Director of the Company on 10.09.2020 and was regularized as Chairman & Non-Executive Director of the Company in the Extra Ordinary General Meeting of the Company held on 06.10.2020.

Mr. Ajeet Pandey was appointed as Company Secretary and Compliance Officer wef 01.10.2020.

Mr. Satya Prakash Gupta was appointed as Chief Financial Officer of the company wef 01.11.2020.

Mr. Kuruba Adeppa was appointed as an Additional Director of the Company on 10.12.2020 and was regularized as Wholetime Director of the Company in the Annual General Meeting of the Company held on 21.12.2020. He resigned on 08.02.2021 due to his inability to devote full time as a Wholetime Director in the Company. The Board recognizes valuable contribution made by him during his tenure as Directors of the Company.

Mr. Ashok Kumar Gupta and Mr. Govind Singh Mehta resigned from the Company on 10.12.2020. The Company acknowledges and values contribution made by them during their tenure.

Ms. Shweta Agarwal resigned from the Company on 21.12.2020. The Company acknowledges and values contribution made by her during her tenure.

Mr. Sanjay Khatau Asher was appointed as Independent Director of the Company on 21.12.2020 in the Annual General Meeting by the shareholders of the Company. He resigned on 08.02.2021 due to his inability to hold more directorships in the Company as he exceeded the number set by the law in which a person can be director or can hold chairmanship. The Board has placed on record its appreciation for the valuable contribution made by him as Directors of the Company.

Mr. Mohan Vasant Tanksale was appointed as Independent Director of the Company on 21.12.2020 in the Annual General Meeting by the shareholders of the Company.

Dr. Madhu Dikshit was appointed as Independent Director of the Company on 21.12.2020 in the Annual General Meeting by the shareholders of the Company.

Mr. Rahul Arun Bagaria was appointed as an Additional Director of the Company on 23.01.2021 and was regularized as Non-Executive Director of the Company in the Extra Ordinary General Meeting of the Company held on 25.01.2021.

Mr. Adesh Kumar Gupta was appointed as an Additional Director of the Company on 23.01.2021 and was regularized as Independent Director of the Company in the Extra Ordinary General Meeting of the Company held on 25.01.2021.

Mr. Dheeraj Kumar Jain was appointed as Chief Executive Officer of the Company on 23rd January, 2021 in the Board Meeting.

Retirement by Rotation:-

Mr. Anand Swarup Agarwal, Chairman and Non-Executive Director shall retire by Rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Annual Evaluation of the Board of its own performance, its committees and individual directors (including chairman of the Company):-

Pursuant to the provisions of the Act and the Listing Regulations, annual performance evaluation is to be done for the Board, its Committees, the Chairman and Individual Directors. To ensure an effective evaluation process, the Nomination and Remuneration Committee of the Board of Directors ("NRC") has put in place evaluation framework for conducting the performance evaluation exercise. During the financial year 2020-21, the NRC, for further improving the evaluation process, made certain amendments in criteria of evaluation for improvement.

Auditors and Report thereon

During the year under review, M/s R K Chari & Co., Chartered Accountants (Firm Registration No. 000481C), resigned from the post of Statutory Auditors of the Company. Thereafter, the company appointed M/s Lodha & Co., Chartered Accountants (Firm Registration No. 301051E) as Statutory Auditors at Extra Ordinary General Meeting held on 13.08.2020 to hold office till the conclusion of the Annual General Meeting for the Financial year 2019-20.

At the AGM of the Company held on 21.12.2020, pursuant to the provisions of the Act and the Rules made thereunder, M/s Lodha & Co., Chartered Accountants (Firm Registration No. 301051E), were appointed as Statutory Auditors of the Company from the conclusion of the 35th AGM held on 21.12.2020 till the conclusion of the 40th AGM to be held in the year 2025.

During the year under review, the Auditors had not reported any matter under Section 143(12) of the Companies Act 2013; therefore, no detail is required to be disclosed under Section 134(3) (ca) of the Companies Act, 2013.

Comments by Board on Auditors' Report:

The Auditors' report read along with notes to accounts is self-explanatory and therefore does not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Compliance under Secretarial Standards:

The Company is in compliance of all Secretarial Standards issued by The Institute of Company Secretary of India from time to time.

Particulars of Loans, Guarantees and Investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the notes to Financial Statements.

Related Party Transactions

The related party transactions entered into during the year are detailed in Note No. 36 of the Balance Sheet. All the transactions were on arms's length basis and in the ordinary course of business, thus Form AOC-2 in terms of Section 134 of Companies Act, 2013 is not required.

Deposits

1. Accepted during the year: NIL
2. Remained unpaid or unclaimed as at the end of the year: NIL
3. If there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:
 - a. At the beginning of the year: NIL
 - b. Maximum during the year: NIL
 - c. At the end of the year: NIL

Deposits not in compliance with Chapter V of the Act

The Company has not accepted any amount covered under the provisions of Section 73 of Companies Act, 2013 and Rules made there under.

Directors Responsibility Statement:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 your directors state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and 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 at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Declaration by Independent Directors

The Company has received declaration from all independent directors (within the prescribed time limit) in accordance with the provisions of Section 149(6) of the Companies Act, 2013.

Audit Committee

According to Section 177 of the Companies Act, 2013, the company's Audit Committee comprised of three directors as on 31.03.2021. The board accepted the recommendations of the Audit Committee. The composition of the Audit Committee as on 31.03.2020 is as under:

Name of the Director	Position held in the Committee	Category of the Director
Mr. Mohan Vasant Tanksale	Chairman	Non Executive / Independent Director
Mr. Adesh Kumar Gupta	Member	Non Executive/ Independent Director
Mr. Rahul ArunBagaria	Member	Non Executive/ Non Independent Director

The Audit Committee was last reconstituted by the Board of Directors at their meeting held on February 08, 2021. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the Listing Regulations.

The terms of reference of the Audit Committee include:

1. 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;
2. Recommendation for appointment, replacement, reappointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the director's responsibility statement to be included in the Board's report, in terms of the Companies Act, 2013, as amended;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and

- g) Qualifications and modified opinion(s) in the draft audit report.
 5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 6. Examination of the financial statement and auditor's report thereon;
 7. Monitoring the end use of funds raised through public offers and related matters;
 8. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document/ prospectus/notice and making appropriate recommendations to the Board to take up steps in this matter;
 9. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 10. Approval or any subsequent modification of transactions of the Company with related parties;
 11. Scrutiny of inter-corporate loans and investments;
 12. Valuation of undertakings or assets of the Company, wherever it is necessary;
 13. Evaluation of internal financial controls and risk management systems;
 14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 16. Discussion with internal auditors of any significant findings and follow up thereon;
 17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 18. Discussion with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 20. To review the functioning of the whistle blower mechanism;
 21. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 22. Carrying out any other function as may be required / mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws;
 23. Reviewing the utilization of loan and/or advances from investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
 24. Consider and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
- The Audit Committee shall mandatorily review the following information:
1. management discussion and analysis of financial condition and results of operations;
 2. statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 3. management letters / letters of internal control weaknesses issued by the statutory auditors;
 4. internal audit reports relating to internal control weaknesses;
 5. the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee; and
 6. statement of deviations as and when becomes applicable:
 - (a) quarterly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015."
- The Audit Committee is required to meet at least four times in a year and not more than 120 days are permitted to elapse between two meetings under the terms of the Listing Regulations.
- Nomination and Remuneration Committee:**
- As per the Section 178(1) of the Companies Act, 2013 the Company's Nomination and Remuneration Committee comprises of three Non-executive Directors. The table sets out the composition of the Committee as on 31.03.2021
- | Name of the Director | Position held in the Committee | Category of the Director |
|-----------------------|--------------------------------|--|
| Mr. Adesh Kumar Gupta | Chairman | Non Executive/
Independent Director |

Name of the Director	Position held in the Committee	Category of the Director
Mr. Rahul Arun Bagaria	Member	Non Executive/ Non Independent Director
Ms. Madhu Dikshit	Member	Non Executive/ Independent Director

The Nomination and Remuneration Committee was last reconstituted by the Board of Directors at their meeting held on January 23, 2021. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations.

The terms of reference of the Nomination and Remuneration Committee include:

1. Formulating 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;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
2. Formulating criteria for evaluation of performance of independent directors and the Board of Directors;
 3. Devising a policy on diversity of Board;
 4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
 5. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 6. Recommending to the Board, all remuneration, in whatever form, payable to senior management.
 7. Carrying out any other function as may be required/ mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/ or any other applicable laws; and

8. Performing such other functions as may be necessary or appropriate for the performance of its duties.

Remuneration to Executive Directors:

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

Remuneration to Non-Executive Directors:

The Non-Executive Directors are paid remuneration by way of Sitting Fees and Commission. The Non-Executive Directors are paid sitting fees for each meeting of the Board and Committee of Directors attended by them.

Remuneration Policy

The Nomination and Remuneration Policy approved by the Board is uploaded on the website of the Company at www.indiapesticideslimited.com

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Anand Swarup Agarwal, Chairman;
2. Rajendra Singh Sharma; and
3. Adesh Kumar Gupta.

The Stakeholders' Relationship Committee was constituted by the Board of Directors at their meeting held on January 23, 2021. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations.

The terms of reference of the Stakeholders' Relationship Committee are as follows:

1. To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
2. To review measures taken for effective exercise of voting rights by shareholders;
3. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. To 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; and

5. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended or by any other regulatory authority.

Risk Management Committee

The members of the risk management committee are:

1. Madhu Dikshit, Chairperson;
2. Anand Swarup Agarwal;
3. Adesh Kumar Gupta;
4. Dheeraj Kumar Jain; and
5. Satya Prakash Gupta

The Risk Management Committee was constituted by the Board of Directors at their meeting held on February 08, 2021. The scope and function of the Risk Management Committee is in accordance with the Companies Act, 2013 and the Listing Regulations.

The terms of reference of the Risk Management Committee of the Company are as follows:

- (a) To formulate a detailed risk management policy which shall include:
 - (i) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the risk management committee;
 - (ii) Measures for risk mitigation including systems and processes for internal control of identified risks; and
 - (iii) Business continuity plan.
- (b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (c) To monitor and oversee implementation of the risk management policy of the Company, including evaluating the adequacy of risk management systems;
- (d) To periodically review the risk management policy of the Company, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (f) To review the appointment, removal and terms of remuneration of the chief risk officer (if any); and
- (g) To carry out any other function as may be required / mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, as amended, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws."

The Risk Management Committee shall meet at least twice in a year. The quorum of the meeting will be at least two members or one third of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance.

Risk Management Policy

The Company has a Risk Management Policy to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The Risk Management Policy as approved by the Board is uploaded on the Company's website at www.indiapesticideslimited.com.

Corporate Social Responsibility

The composition of CSR Committee as on 31.03.2021:

1. Mr. Mohan Vasant Tanksale, Chairman
2. Mr. Anand Swarup Agarwal, Member
3. Mr. Rajendra Singh Sharma, Member

The company was required to spend Rs. 39.77 Millions in specified project as per the provision of the Act but has made expenditure of Rs. 8.73 Million towards CSR activities and the balance amount shall be spent in phased manner as per the requirement of project.

Further, the Company has transferred unspent amount of Rs. 31.04 Millions to the special account named as "Unspent Corporate Social Responsibility Account" on 30th April, 2021 as required by the amended Companies (CSR) Amendment Rules, 2021 to be spent in future on identified projects as decided by the Board.

The Annual Report on CSR initiatives is enclosed herewith as Annexure 3.

Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) Conservation of energy:

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Power and Fuel Consumption		
1. Electricity		
Purchased Units (kwh)	28439392.94 Units	20316692 Units

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Total Amount (in Rs.)	247802576.26	185892178.47
Unit Rate (in Rs.)	8.71	9.15
2. Own Generation (on Diesel)		
Units Generated	1709148.40 Units	2259208.90 Units
Total Amount (Rs.)	35067057.13	37803879.58
Unit Cost (Rs.)	20.52	16.73

- (i) The steps taken or impact on conservation of energy:

The products manufactured by the company are material intensive. However, consistent efforts are being made for identifying the potential for energy saving.

- (ii) The steps taken by the company for utilizing alternate sources of energy:

Company is exploring possibility of roof top Solar Energy System.

(B) Technology absorption:

- i. The efforts made towards technology absorption:

All process technologies are developed in-house at the R&D. The R&D is equipped with instruments and equipments to generate products from gram scale to kilo scale. After completely studying the process in pilot plant, standard operating procedures are developed for implementation in the plant.

- ii. The benefits derived:

1. Reduction in cost of manufacturing
2. Commercialization of new product

- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): No technology has been imported by the Company.

- iv. The expenditure incurred on Research and Development: Rs. 20.15Million.

(C) Foreign exchange earnings and Outgo:

- a. Foreign Exchange earned in terms of actual inflows during the year: Rs.3546.78Million; and
- b. Foreign Exchange outgo during the year in terms of actual outflows: Rs. 1245.85Million.

Details of Board Meeting Held during the Year

Number of Board Meetings held during the year: 12

Date of Board Meeting	No. of directors present
18.05.2020	3
19.06.2020	3

Date of Board Meeting	No. of directors present
14.07.2020	5
13.08.2020	5
10.09.2020	5
25.09.2020	6
11.11.2020	5
25.11.2020	5
10.12.2020	5
21.12.2020	4
23.01.2021	6
08.02.2021	6

Secretarial Auditors and Secretarial Audit Report

Pursuant to the provisions of Section 204 of Companies Act, 2013 and rules made there under, the Company has appointed M/s. GSK&Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2020-21. The Secretarial Audit Report is annexed as Annexure 4 and forms an integral part of this report.

There is no secretarial audit qualification for the year under review.

Cost Audit

M/s Manoj Mishra & Associates, Cost Auditors, Lucknow has conducted the cost audit of books and accounts of the Company for the Financial Year 2020-21.

There is no cost audit qualification for the year under review.

Internal Auditor

Mr. Awadh Narain Shukla, Chartered Accountant, was appointed as the Internal Auditor of the Company for the FY 2020 21.

The Board of Directors have appointed M/s Ashok K Agarwal & Associates, Chartered Accountants (FRN: 015816C), as the Internal Auditor of the Company on May 25th, 2021 for conducting the internal audit for the FY 2021-22.

Significant And Material Orders Passed By The Regulators Or Courts Or Tribunals Impacting The Going Concern Status And Company's Operations In Future

The Company has not received any order passed by Regulators or Courts or Tribunals impacting the Going Concern Status and Company's operations in future.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2020-21.

No. of complaints received	NIL
No. of complaints disposed off	NIL

Credit Ratings

As on March 31, 2021, the Company had a Long Term / Short Term Bank Facilities of CARE A; Stable / CARE A1 (Single A; Outlook: Stable/ A One) and Short Term Bank Facilities of CARE A1 (A One) by CARE for bank loan facilities aggregating to Rs. 60 crore.

Vigil Mechanism:

In accordance with the provisions of the Act and listing regulations, Vigil Mechanism for directors and employees to report genuine concerns has been established.

The Vigil Mechanism Policy has been uploaded on the website of the Company under investor relations/ listing compliances tab at <https://www.indiapesticideslimited.com>.

Acknowledgement

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders

during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

By the order of the Board

For India Pesticides Limited

Anand Swarup Agarwal

Chairman and
Non- Executive Director
DIN:00777581
Address: SwarupBhawan,
Water Works Road, Aishbagh,
Lucknow -226004

Rajendra Singh Sharma

Wholetime Director
DIN:02487797
Address:-E-2866,RajajiPuram
Awass Vikas Colony
Lucknow -226017

Date: 25.05.2021

Place: Lucknow

Annexure - 1

FORM AOC-1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiarie

(Information in respect of each subsidiary to be presented with amounts in Rs.)

S. No.	Particulars	Subsidiary
1.	Name of the subsidiary	Shalvis Specialities Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not Applicable
4.	Share capital	80,00,000/-
5.	Reserves & surplus	(217147)-
6.	Total assets	78,26,524/-
7..	Total Liabilities	78,26,524/-
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit before taxation	(2,63,671)-
11.	Provision for taxation	(46,524)
12.	Profit after taxation	(2,17,147)-
13.	Proposed Dividend	Nil
14.	% of shareholding	100%

The following information shall be furnished at the end of the statement:-

- Names of subsidiaries which are yet to commence operations** – Nil
- Names of subsidiaries which have been liquidated or sold during the year**- Nil

Part "B": Associates and Joint Ventures – Not Applicable

Annexure - 2

Form No. MGT.9

Extract of Annual Return

as on the financial year ended on 31st March, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

i.	CIN:	U24112UP1984PLC006894
ii.	Registration Date:	13.12.1984
iii.	Name of the Company:	India Pesticides Limited.
iv.	Category / Sub-Category of the Company:	Company limited by Shares / Indian Non- Government Company
v.	Address of the Registered office and contact details:	35-A Civil Lines, Bareilly
vi.	Whether listed company:	No (Proposed Listed entity on BSE and NSE)
vii.	Name, Address and Contact details of Registrar and Transfer Agent:	KFin Technologies Private Limited (Formerly known as "KarvyFintech Private Limited") Address: Selenium Tower-B Plot 31 & 32, Gachibowli Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500032 Telangana, India Contact Details: +91 40 6716 2222 E-Mail- einward.ris@kfintech.com

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of Pesticides	2021	93.09

III. Particulars of Holding, Subsidiary and Associate Companies-

S. No.	Name And Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Shalvis Specialities Limited	U24290UP2021PLC140490	Wholly Owned Subsidiary	100	2(87)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year -01.04.2020				No. of Shares held at the end of the year 31.03.2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters*									
(1) Indian									
a. Individual/ HUF	0	127971	127971	40.20	64389283	0	64389283	57.60	17.40
b. Central Govt.									
c. State Govt. (s)									
d. Bodies Corp.	0	0	0	0	28035234	0	28035234	25.08	25.08
e. Banks/Fl									
f. Any Other.	0	0	0	0	0	0	0	0	0
Sub-total (A) (1)	0	127971	127971	40.20	92424517	0	92424517	82.68	42.48
(2) Foreign									
a. NRIs – Individuals									
b. Other – Individuals									
c. Bodies Corp.									
d. Banks / Fl									
e. Any Other....									
Sub-total (A)(2)									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	127971	127971	40.20	92424517	0	92424517	82.68	42.48
B. Public Shareholding									
(1) Institutions									
a. Mutual Funds									
b. Banks/Fl									
c. Central Govt									
d. State Govt(s)									
e. Venture Capital Funds									
f. Insurance Companies									
g. FIs									
h. Foreign Venture Capital Funds									
i. Others (specify)									
Sub-total (B)(1)	0	0	0	0	0	0	0	0	0
(2) Non-Institutions									
a. Bodies Corp.									
i) Indian									
ii) Overseas									
b. Individuals	0	0	0	00	0	0	0	0	0
i) Individual shareholders holding nominal share capital uptoRs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	190354	190354	59.8	19360613	0	19360613	17.32	-42.48
c. Others (specify)									
Sub-total (B)(2)	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B) = (B) (1) + (B)(2)	0	190354	190354	59.8	19360613	0	19360613	17.32	-42.48
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	318325	318325	100	111785130	0	111785130	100.00	0

*Promoters including promoter group shareholding.

i. Category-wise Share Holding

ii. Shareholding of Promoters & Promoters Group as on March 31, 2021:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Anand Swarup Agarwal (*PTR)	127971	40.20	0	44789850	40.07	0	0.13
2	ASA Family Trust(*PTR)	0	0	0	7717117	6.90	0	6.90
3	PSA Family Trust(**PG)	0	0	0	12422242	11.11	0	11.11
4	VSA Family Trust(**PG)	0	0	0	2200000	1.97	0	1.97
5	MSA Family Trust(**PG)	0	0	0	5695875	5.10	0	5.10
6	Mahendra Swarup Agarwal(**PG)	0	0	0	11069375	9.90	0	9.90
7	Virendra Swarup Agarwal (**PG)	0	0	0	4621750	4.13	0	4.13
8	Pramod Swarup Agarwal(**PG)	0	0	0	1220508	1.09	0	1.09
9	Vishal Swarup Agarwal(**PG)	0	0	0	985000	0.88	0	0.88
10	Vishwas Swarup Agarwal(**PG)	0	0	0	860000	0.77	0	0.77
11	Sanju Agarwal(**PG)	0	0	0	842800	0.75	0	0.75

*PTR: - Promoter

**PG: - Promoter Group

iii. Change in Promoters' & Promoters Group Shareholding (please specify, if there is no change):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Anand Swarup Agarwal				
	At the beginning of the year	127971	40.20		
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):				
				12669129	11.33
				31992750	28.62
	At the End of the year	0	0	44789850	40.07

iv. Change in Promoters' & Promoters Group Shareholding (please specify, if there is no change):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	ASA Family Trust				
	At the beginning of the year	0	0	0	0
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):				
				7717117	6.90
	At the End of the year	0	0	7717117	6.90

v. Change in Promoters' & Promoters Group Shareholding (please specify, if there is no change):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	PSA Family Trust				
	At the beginning of the year	0	0	0	0
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):		Transfer On 05.02.2021 (Purchase of shares)	12422242	11.11
	At the End of the year	0	0	12422242	11.11

vi. Change in Promoters' & Promoters Group Shareholding (please specify, if there is no change):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	MSA Family Trust				
	At the beginning of the year	0	0	0	0
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):		Transfer On 05.02.2021 (Purchase of shares)	5695875	5.10
	At the End of the year	0	0	5695875	5.10

vii. Change in Promoters' & Promoters Group Shareholding (please specify, if there is no change):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	VSA Family Trust				
	At the beginning of the year	0	0	0	0
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):		Transfer On 05.02.2021 (Purchase of shares)	2200000	1.97
	At the End of the year	0	0	2200000	1.97

viii. Change in Promoters' & Promoters Group Shareholding (please specify, if there is no change):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Pramod Swarup Agarwal				
	At the beginning of the year				
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):		On 28.12.2020 (Splitting of Shares)	1494500	1.34
			On 22.01.2021 Bonus Shares Allotted)	3736250	3.34
			Transfer On 05.02.2021 (Sale of shares)	4010242	(3.59)
	At the End of the year			1220508	1.09

ix. Change in Promoters' & Promoters Group Shareholding (please specify, if there is no change):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Mahendra Swarup Agarwal				
	At the beginning of the year				
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):		On 28.12.2020 (Splitting of Shares)	3337500	2.99
			On 22.01.2021 Bonus Shares Allotted)	8343750	7.46
			Transfer On 05.02.2021 (Sale of shares)	611875	(.55)
	At the End of the year			11069375	9.90

x. Change in Promoters' & Promoters Group Shareholding (please specify, if there is no change):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Virendra Swarup Agarwal				
	At the beginning of the year				
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):		On 28.12.2020 (Splitting of Shares)	1320500	1.18
			On 22.01.2021 Bonus Shares Allotted)	3301250	2.96
	At the End of the year			4621750	4.14

xi. Change in Promoters' & Promoters Group Shareholding (please specify, if there is no change):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	Sanju Agarwal				
	At the beginning of the year				
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):		On 28.12.2020 (Splitting of Shares)	1032000	0.92
			On 22.01.2021 (Bonus Shares Allotted)	2580000	2.31
			Transfer On 04.02.2021 (Sale of shares)	2769200	(2.48)
	At the End of the year			842800	0.75

xii. Change in Promoters' & Promoters Group Shareholding (please specify, if there is no change):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	Vishal Swarup Agarwal				
	At the beginning of the year				
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):		On 28.12.2020 (Splitting of Shares)	985000	0.88
			On 22.01.2021 (Bonus Shares Allotted)	2462500	2.20
			Transfer On 05.02.2021 (Sale of shares)	(2462500)	(2.20)
	At the End of the year			985000	0.88

xiii. Change in Promoters' & Promoters Group Shareholding (please specify, if there is no change):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	Vishwas Swarup Agarwal				
	At the beginning of the year				
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):		On 28.12.2020 (Splitting of Shares)	860000	0.77
			On 22.01.2021 (Bonus Shares Allotted)	2150000	1.92
			Transfer On 05.02.2021 (Sale of shares)	(2150000)	(1.92)
	At the End of the year			860000	0.77

xiv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):As per List Attached enclosed as Annexure :5

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):				
	At the End of the year				

xv. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	For Each of the Directors and KMP Anand SwarupAgarwal				
	At the beginning of the year	127971	40.20		
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):				
	On 28.12.2020 (Splitting of Shares)			12669129	11.33
	On 22.01.2021 (Bonus Shares Allotted)			31992750	28.62
	At the End of the year	0		44789850	40.07

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	236803431	65550000	-	269381159
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11566	10790164	-	10801730
Total (i+ii+iii)	157692725	122790164	-	280482889
Change in Indebtedness during the financial year				
• Addition	79705706	-		79705706
• Reduction		(57240164)	-	(57240164)
Net Change	79705706	(57240164)	-	22465542
Indebtedness at the end of the financial year				
i) Principal Amount	237398431	60000000	-	297398431
ii) Interest due but not paid		5550000	-	5550000
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	237398431	65550000	-	302948431

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Rajendra Singh Sharma	Ashok Kumar Gupta*	Mr. Kuruba Adeppa*	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.64	1.19	0.30	2.13
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	0	0		0
3	Sweat Equity	0	0		0
4	Commission	0	0		0
	-as % of profit				
	-others, specify..				
5.	Others, please specify	0	0		0
	Total (A)	0.64	1.19	0.30	2.13
	Ceiling as per the Act	In terms of provisions of Section 198 of the Companies Act, 2013.			

*Mr. Ashok Kumar Gupta has resigned from the board w.e.f. December 10, 2020.

*Mr. Kuruba Adeppa has Appointed on December 10, 2020 and resigned from the Board w.e.f. February 08, 2021.

B. Remuneration to other directors:

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
		(1)	(2)	(3)	(4)	(5)	(6)	
		Mr. Pranav Agarwal*	Ms. Shweta Agarwal*	Mr. Sanjay Khatau Asher**	Mr. Mohan Vasant Tanksale**	Dr. Madhu Dikshit**	Mr. Adesh Kumar Gupta**	
1	Independent Directors							
	• Fee for attending board committee meetings	0.06	0.24	0.15	0.25	0.40	0.30	1.40
	• Commission							
	• Others, please specify							
	Total (1)	0.06	0.24	0.15	0.25	0.40	0.30	1.40

*Mr. Pranav Agarwal has retired from the Board w.e.f. September 29, 2020.

Ms. Shweta Agarwal has resigned from the Board w.e.f. December 21, 2020.

**Mr. Sanjay K. Asher has been appointed on December 21, 2020 and resigned from the Board w.e.f. February 08, 2021.

**Mr. Mohan Vasant Tanksale has been appointed on December 21, 2020 on the Board as an Independent Director.

**Dr. Madhu Dikhit has been appointed on December 21, 2020 on the Board as an Independent Director.

**Mr. Adesh Kumar Gupta has been appointed as an Additional Director on January 23, 2021 on the Board and was regularized in extraordinary general meeting dated 25th January, 2021 as an Independent Director.

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
		(1)	(2)	(3)	
		Govind Singh Mehta*	Anand Swarup Agarwal	Rahul Arun Bagaria	
1	Other Non-Executive Directors				
	• Fee for attending board committee meetings	0.04	0.72	0.30	1.06
	• Commission				
	• Others, please specify				
	Total (2)	0.04	0.72	0.30	1.06
	Total (B) = (1 + 2)				2.46
	Total Managerial Remuneration				4.29
	Overall Ceiling as per the Act	In terms of provisions of Section 198 of the Companies Act, 2013. Ceiling as per the Act			

*Mr.Govind Singh Mehta has resigned from the Board w.e.f. December 10, 2020.

*Mr, Anand Swarup Agarwal has been appointed on October 06, 2020 on the Board as an Chairman and Non-Executive Director.

*Mr.Rahul Arun Bagaria has been appointed as an Additional Director on January 23, 2021 on the Board and was regularized in extraordinary general meeting dated 25th January, 2021 as an Independent Director.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CFO	Company Secretary	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.53	0.72	0.34	2.59
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	-as % of profit				
	-others, specify...				
5.	Others, please specify				
	Total (A)	1.53	0.72	0.34	2.59

VII. Penalties/Punishment/Compounding of offences: Nil

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers In Default					
Penalty					
Punishment					
Compounding					

By the order of the Board

For India Pesticides Limited

Anand Swarup Agarwal

Chairman and
 Non- Executive Director
 DIN:00777581
 Address: Swarup Bhawan,
 Water Works Road, Aishbagh,
 Lucknow -226004

Date: 25.05.2021
 Place: Lucknow

Rajendra Singh Sharma

Wholetime Director
 DIN:02487797
 Address:-E-2866,RajajiPuram
 Awas Vikas Colony
 Lucknow -226017

Annexure - 3

Format for the Annual Report on CSR Initiatives to be included in the Board Report by Qualifying Companies

1. Brief outline of the Company's CSR policy:

- i. Health care: supporting various medical initiatives aiming at reducing mortality rate of children, regular health checkups for poor including children in schools of neighbouring regions, promoting preventive health care, etc.
- ii. Skill Development and Women Empowerment and vocational training programmes for differently abled persons.
- iii. Promoting Education.
- iv. Promoting Sports through various events.
- v. Good Agricultural Practices.
- vi. Model Village/Habitation Development- Co Community Development.
- vii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Govt for socio economic development and relief and welfare of the weaker sections of the society and women.
- viii. Rural Development Projects.
- ix. Protection of flora and fauna.

2. The composition of the 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. Mohan Vasant Tanksale	Independent Director	1	1
2.	Mr. Anand Swarup Agarwal	Non-Executive Director	1	1
3.	Mr. Rajendra Singh Sharma	Wholetime 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: <https://www.indiapesticideslimited.com>
4. the details 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 (attach the report). **NA**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **NA**

S. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
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6. Average net profit of the company as per section 135(5): Rs. 685.91 Millions
7. (a) Two percent of average net profit of the company as per section 135(5) : **Rs. 13.72 Millions**
 - (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years. : **Nil**
 - (c) Amount required to be set off for the financial year, if any : **Nil**
 - (d) Total CSR obligation for the financial year (7a+7b-7c) : **Rs. 13.72 Millions**

8. (a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)					
	Total Amount transferred to Unspent CSR Account as per section 135(6)			Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date	Name of the fund	Amount	Date of transfer	
Rs. 8.73 Millions	Rs. 31.04 Millions	30.04.2021	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

Report for FY: 20-21												
(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1)	Health Care	Clause I of Schedule VII	Yes	UP	Lucknow/ Sandila	In Continuation	11249000.00	6279107.00	4969893.00	Yes		
2)	Education	Clause I of Schedule VII	Yes	UP	Lucknow/ Sandila	In Continuation	7500000.00	634764.00	6865236.00	Yes		
3)	Rural Devolpment	Clause III of Schedule VII	Yes	UP	Lucknow/ Sandila	In Continuation	7200000.00	204149.00	6995851.00	Yes		
4)	Sports	Clause VII of Schedule VII	Yes	UP	Lucknow/ Sandila	In Continuation	7500000.00	300000.00	7200000.00	Yes		
5)	Environmental	Clause IV of Schedule VII	Yes	UP	Lucknow/ Sandila	In Continuation	5065871.00	59500.00	5006371.00	Yes		
TOTAL							38514871.00	7477520.00	31037351.00			

(c.) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project (inRs.).	Mode of implementation – Direct (Yes No)	Mode of implementation – Through implementing agency:	
				State	District			Name	CSR Registration number
1)	Heratige Building	Clause IV of Schedule VII	Yes	UP	Lucknow/ Sandila	1251000.00	Yes		
TOTAL						1251000.00			

(d) Amount spent in Administrative Overheads: Not Applicable

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 8.73 Millions

(g) Excess amount for set off, if any: Not applicable

S. No.	Particulars	Amount (Rs.)
1.	Two percent of average net profit of the company as per section 135(5)	
2.	Total amount spent for the Financial Year	
3.	Excess amount spent for the financial year [(ii)-(i)]	
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9 (a) Details of Unspent CSR amount for the preceding three financial years

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1	18-19	19657450.45	1389286.92		0.00		0.00
2	19-20	6390149.23	4635704.00		0.00		0.00
3	20-21	4989751.00	8728520.00		0.00		0.00
TOTAL		31037350.68	14753510.92		0.00		0.00

(b) Details of CSR amount spent in the FY for ongoing projects of the preceding FY(s)

Report for FY: 2018-19								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year. (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project Completed / Ongoing
1	1	Health Care	In Continuation	In Continuation	7500000.00	776610.00	6723390.00	On Going Project
2	2	Education	In Continuation	In Continuation	2500000.00	68050.00	2431950.00	On Going Project
3	3	Rural Devolpment	In Continuation	In Continuation	5000000.00	184219.00	4815781.00	On Going Project
4	4	Sports	In Continuation	In Continuation	4000000.00	111296.00	3888704.00	On Going Project
5	5	Environmental	In Continuation	In Continuation	1989775.00	192150.00	1797625.00	On Going Project
6	6	Other Than On going Project	Kerala Disaster Relief	Kerala Disaster Relief	56962.00	56962.00	0.00	Completed During 2018-19
TOTAL					21046737	1389287	19657450	

Report for FY: 2019-20								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year. (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project Completed / Ongoing
1	1	Health Care	In Continuation	In Continuation	9223390.00	2533200.00	6690190.00	On Going Project
2	2	Education	In Continuation	In Continuation	4931950.00	778840.00	4153110.00	On Going Project
3	3	Rural Devolpment	In Continuation	In Continuation	7200000.00	177750.00	7022250.00	On Going Project
4	4	Sports	In Continuation	In Continuation	6504485.00	1105114.00	5399371.00	On Going Project
5	5	Environmental	In Continuation	In Continuation	2823479.00	40800.00	2782679.00	On Going Project
TOTAL					30683304.00	4635704.00	26047600.00	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). **Not Applicable**

S. No.	Particulars	
a.	Date of creation or acquisition of the capital asset(s)	
b.	Amount of CSR spent for creation or acquisition of capital asset.	
c.	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
d.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): The Company didn't find suitable areas for spending the amount for well being of society.

By the order of the Board

For India Pesticides Limited

Anand Swarup Agarwal

Chairman and
 Non- Executive Director
 DIN:00777581
 Address: Swarup Bhawan,
 Water Works Road, Aishbagh,
 Lucknow -226004

Rajendra Singh Sharma

Wholetime Director
 DIN:02487797
 Address:-E-2866,RajajiPuram
 Awas Vikas Colony
 Lucknow -226017

Date: 25.05.2021
 Place: Lucknow

Annexure - 4

Secretarial Audit Report

For the year ended 31st March, 2021

[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,
India Pesticides Limited
35-ACivil Lines, Bareilly -243001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **INDIA PESTICIDES LIMITED (CIN: U24112UP1984PLC006894)** (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 year ended on 31st March, 2021, 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 31st March, 2021 according to the provisions of:

I.

- The Companies Act, 2013 (the Act) and the rules made thereunder.
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable to the company);**
- The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, **(Not applicable during the year);**
- 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, as amended from time to time; **(Not applicable to the company);**
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, **(Not applicable to the company);**
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time. **(Not applicable to the company);**
- e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 **(Not applicable to the company);**
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the company);**
- g) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the company);**
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the company);** and

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, etc. mentioned above.

II.

- Insecticides Act, 1968
- Industrial Employment Standing Order Act, 1946

- Industrial Disputes Act, 1947
- Payment of Wages Act, 1936
- Minimum Wages Act, 1948
- Payment of Bonus Act, 1965
- Factories Act, 1948
- Industrial Employment (Standing Orders) Act, 1946
- Workmen's Compensation Act, 1923
- Employees' State Insurance Act, 1947
- Employees' Provident Fund & Miscellaneous Provisions Act, 1952
- Payment of Gratuity Act, 1972
- The Boilers Act, 1923
- The Standards of Weight & Measurement Act, 1985
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Goods and Services Tax Act, 2017
- The Pesticides Management Bill, 2020
- Drugs and Cosmetics Act, 1940
- The Petroleum Act, 1934
- The Explosives Act, 1884
- The environment Protection Act, 1986
- Air (Prevention and Control of Pollution) Act, 1981
- The Water (Prevention and Control of Pollution) Act, 1974
- Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
- The Public Liability Insurance Act, 1991
- Manufacture, Storage and Import of Hazardous Chemical Rules, 1989
- Uttar Pradesh Shops and Commercial Establishments Act, 1962
- The Foreign Trade (Regulation and Development) Act, 1992
- Consumer Protection Act, 2019
- The Bureau of Indian Standards Act, 2016
- The Legal Metrology Act, 2009
- Intellectual Property Laws

During the year under review the Company has filed periodical returns and has not received any show cause notice and has

generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We have relied on the representation made by the Company and its officers on systems and mechanism formed by the Company for compliance under the Act, Laws and Regulations to the Company.

We have also examined compliance with respect to Secretarial Standards issued by The Institute of Company Secretaries of India.

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. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and 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.

Majority decision is carried through while there has been no member dissenting from the decisions arrived.

We further report that:

The Board of Directors appointed Mr. Anand Swarup Agarwal as an Additional Director on 10th September, 2020 and was regularized as Chairman and Non-Executive Director at the Extraordinary General Meeting held on 6th October 2020 for a term of two years.

- Mr. Pranav Agarwal retired from the post of directorship of the Company w.e.f. 29th September, 2020.
- The Board of Directors appointed Mr. Ajeet Pandey as Company Secretary and Compliance Officer of the Company w.e.f. 1st October, 2020.
- The Board of Directors appointed Mr. Satya Prakash Gupta as Chief Financial Officer of the Company w.e.f. 1st November, 2020.
- Mr. Govind Singh Mehta and Mr. Ashok Kumar Gupta resigned from the post of directorship of the Company w.e.f. 10th December, 2020.
- Ms. Shweta Agarwal resigned from the post of directorship of the Company w.e.f. 21st December, 2020.
- The Board of Directors appointed Mr. Kuruba Adeppa as Whole Time Director of the Company on 10th December, 2020, subject to Shareholder's approval which was obtained on 21st December, 2020.
- The Authorised Share Capital of the Company was increased from Rs. 3,50,00,000/- divided into 3,50,000 equity shares of Rs. 100/- each to Rs. 15,00,00,000/- divided into 15,00,000 equity shares of Rs. 100/- each on 21st December, 2020.

- M/s R K Chari & Co., Chartered Accountants (Firm Registration No. 000481C), resigned from the post of Statutory Auditors of the Company on 14th July 2020. Thereafter, the company appointed M/s Lodha & Co., Chartered Accountants (Firm Registration No. 301051E) as Statutory Auditors at Extra Ordinary General Meeting held on 13th August, 2020 to hold office till the conclusion of the Annual General Meeting for the Financial year 2019-20. At the Annual General Meeting of the Company held on 21st December, 2020, pursuant to the provisions of the Act and the Rules made thereunder, M/s Lodha & Co., Chartered Accountants (Firm Registration No. 301051E), were re-appointed as Statutory Auditors of the Company for a period of 5 consecutive years from the conclusion of the 35th AGM till the conclusion of the 40th AGM to be held in the year 2025.
 - Mr. Sanjay Khatau Asher, Mr. Mohan Vasant Tanksale and Mrs. Madhu Dikshit appointed as Independent Directors of the Company w.e.f. 21st December, 2020 for a term of 5 consecutive years.
 - The Company has adopted a new set of Memorandum of Association and Articles of Association on 28th December, 2020 in order to align them with the requirements of the stock exchange where the security of the company is proposed to be listed.
 - The Authorised Share Capital of the Company was sub-divided from Rs. 15,00,00,000/- divided into 15,00,000 equity shares of Rs. 100/- each to Rs. 15,00,00,000/- divided into 15,00,00,000 equity share of Rs. 1 each on 28th December, 2020 consequently paid up capital of the company changed from 3,18,325 equity shares of Rs. 100/- each to 3,18,32,500 equity share of Rs. 1 each.
 - The Company has issued 7,95,81,250 Equity Shares of Rs. 1/- each amounting to Rs. 7,95,81,250/- to the Existing Shareholders of the Company as Bonus Shares in the ratio of 5 shares for every 2 shares subject to approval of shareholders obtained in extraordinary general meeting held on 28th December, 2020.
 - Shalvis Specialities Limited (CIN: U24290UP2021PLC140490) incorporated on 18th January 2021 is Wholly Owned Subsidiary of the Company.
 - The Company has allotted 7,95,81,250 Equity Shares of Rs. 1/- each amounting to Rs. 7,95,81,250/- to the Existing Shareholders of the Company as Bonus Shares in the ratio of 5 shares for every 2 shares held in the company on 22nd January 2021.
 - Mr. Rahul Arun Bagaria was appointed as Non-Executive Director of the Company w.e.f. 23rd January, 2021 for a term of 5 consecutive years, subject to shareholder approval which was received on 25th January 2021.
 - Mr. Adesh Kumar Gupta was appointed as Independent Director of the Company w.e.f. 23rd January, 2021 for a term of 5 consecutive years, subject to shareholders approval which was obtained on 25th January 2021.
 - Mr. Dheeraj Kumar Jain was appointed as Chief Executive Officer of the Company for a term of 5 consecutive years w.e.f. 23rd January, 2021.
 - The Board of Directors allotted 3,71,380 Equity shares of the Company having face Value of Rs. 1/- each at a premium of Rs. 32.70/-each aggregating to Rs. 1,25,15,506/- on a preferential allotment basis to Arun Bagaria and Madhu Bagaria (1,85,690 equity shares each) on 28th January, 2021. The Paid up capital of the company increased to Rs. 11,17,85,130 upon Preferential allotment.
 - Mr. Sanjay Khatau Asher and Mr. Kuruba Adeppa Resigned from the post of directorship of the Company w.e.f. 8th February 2021.
- We further report that** the Company has filed Draft Red Herring Prospectus (DRHP) with SEBI on 09.02.2021 for its Initial Public Offer (IPO) with issue size of Rs 800 Cr. and the Company has received in principle Approvals from both BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") dated March 10, 2021 and March 18, 2021 Respectively.
- 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 GSK & Associates
(Company Secretaries)
FRN: P2014UP036000
Khushboo Gupta
Partner
(M. No.: F7243)
(CP No.: 7886)**
- Date: 25.05.2021
Place: Kanpur
UDIN: F007243C000366965**

Annexure - 5

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name of the Shareholder	Shareholding at the beginning of the year @Rs.100/-		Cumulative Shareholding during the year @ Rs.1/-	
		No. of Shares	% of Total Shares held	No. of Shares	% of Total Shares held
1	Asha Agarwal	13203	4.15%	4621050	4.13%
2	Nupur Goyal	8800	2.76%	3080000	2.76%
3	Sugandha Swarup Arora	8800	2.76%	3080000	2.76%
4	Sneh Lata Agarwal	18918	5.94%	1891800	1.69%
5	Sudha Agarwal	17438	5.48%	1743800	1.56%
6	Shalini Pawan Agarwal	4500	1.41%	1492500	1.34%
7	Saurabh Swarup Agarwal	14400	4.52%	1440000	1.29%
8	Aparna Gupta	8800	2.76%	880000	0.79%
9	Kajaree Swarup Agarwal	1250	0.39%	437500	0.39%
10	Anurag Swarup Agarwal	2700	0.85%	220500	0.20%

Independent Auditor's Report

To,
The Members of
India Pesticides Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of India Pesticides Limited ("the Company"), which comprises of Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant 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 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards 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 (ICAI) 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 made 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Board's Report including Annexures

to the Board report and Corporate Governance report but does not include the standalone financial statements and our 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 during the course of our 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.

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is 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 financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards 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 is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are 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 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 are 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 control system 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.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 entity 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.

Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) To evaluate the effect of ant identified misstatements in the standalone financial statements.

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.

Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 and records.
 - (c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
 - (e) On the basis of the written representation received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021 from being appointed as a Directors in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the matters to be included in the Auditor's report in accordance with the 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:

- i. The Company do not have any pending litigations which would impact its financial position.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Lodha & Company**
Chartered Accountants
FRN – 301051E

R. P. Baradiya
Partner

Place: Mumbai
Date: May 25, 2021

Membership No. 44101
UDIN:- 21044101AAAAHD2034

“Annexure A” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of India Pesticides Limited of even date

- i. a. The Company has maintained proper records, showing full including quantitative details and situation of Property, Plant and Equipment.
- b. As explained to us, the Company has a phased program for physical verification of the Property, Plant and Equipment for all locations. In our opinion, the frequency of verification is reasonable, considering the size of the Company and nature of its Property, Plant and Equipment. Pursuant to the program of the physical verification of fixed assets, physical verification of the assets has been carried out during the year and no material discrepancies were noticed on such verification.
- 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 are held in the name of the Company.
- ii. The inventories have been physically verified by the management at reasonable intervals during the year, except for goods in transit. The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business. As per the information and explanations given to us, no material discrepancies were noticed on physical verification of inventories as compared to book records.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not issued guarantees, given loans or issued any security and accordingly, reporting requirements of paragraph 3(iv) of the Order, to that extent are not applicable to the Company. In respect of investments made, the Company has complied with the provisions of section 186 of the Act.
- v. According to the information and explanations given to us, no deposits have been accepted by the Company within the meaning of directives issued by RBI (Reserve Bank of India) and Section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to rules made by the central government for the maintenance of cost records under sub section 1 of section 148 of the Act in respect of company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, custom duty, cess, excise duty, service tax, goods and services tax, value added tax, and other material statutory dues during the year with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, goods and services tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess which have not been deposited on account of any dispute.
- viii. Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures.
- ix. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised. The Company has not raised any monies by way of Initial public offer or further public offer (Including debt instrument) during the year or in the recent past.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.

- xi. According to the information and explanations given to us and based on our examination of the books and records of the Company, the Company has paid / provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with related parties are in compliance with section 177 and 188 of the Act and all the details have been disclosed in the standalone financial statements as required by the applicable Accounting Standard (Refer Note 36 to the financial statements).
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year and has made compliance to provision of section 42 of the Companies Act, 2013 and amount raised have been used for the purposes for which the funds were raised.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Lodha & Company**
Chartered Accountants
FRN – 301051E

R. P. Baradiya
Partner

Place: Mumbai
Date: May 25, 2021

Membership No. 44101
UDIN:- 21044101AAAAHD2034

“Annexure B” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of India Pesticides Limited of even date:

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of the India Pesticides Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential component 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 (ICAI). 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.

Auditors Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting 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 control over financial reporting includes 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 entity are being made only in accordance with authorisations of management;
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity’s assets that could have a material effect on the financial statements and
- (4) also provide us reasonable assurance by the internal auditors through their internal audit reports given to the organization from time to time.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the best of our information and according to the explanations given to us, the Company has, broadly in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential Component 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.

For **Lodha & Company**

Chartered Accountants

FRN – 301051E

R. P. Baradiya

Partner

Place: Mumbai

Date: May 25, 2021

Membership No. 44101

UDIN:- 21044101AAAHD2034

Standalone Balance Sheet

as at 31st March 2021

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Note	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2A	1,199.92	950.01
Right of Use Assets	2B	43.54	42.57
Capital work-in-progress	2C	118.85	11.56
Intangible Assets	3	1.22	1.65
Intangible Assets under development		—	—
Financial Assets			
Investments	4	99.05	30.37
Other Financial Assets	5	28.49	48.84
Other Non-current Assets	6	11.53	20.62
Total Non current assets		1,502.60	1,105.62
Current Assets			
Inventories	7	700.79	385.73
Financial Assets			
Trade Receivables	8	2,142.20	1,831.74
Cash and Cash Equivalents	9	19.07	67.17
Other Balances with Banks	10	410.55	13.12
Other Financial Assets	11	1.16	6.75
Other Current Assets	12	394.43	246.88
Total Current Assets		3,668.20	2,551.39
Total Assets		5,170.80	3,657.01
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	13	111.79	31.83
Other Equity	14	3,783.16	2,536.40
Total Equity		3,894.95	2,568.23
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15	74.49	104.44
Other Financial Liabilities	16	1.13	1.10
Provisions	17	6.89	5.39
Deferred Tax Liabilities (Net)	18	81.03	73.05
Total Non Current Liabilities		163.54	183.97
Current Liabilities			
Financial liabilities			
Borrowings	19	225.08	135.45
Trade Payables	20		
Total outstanding dues of micro enterprises and small enterprises		47.17	16.85
Total outstanding dues of creditors other than micro enterprises and small enterprises		693.30	598.57
Other Financial Liabilities	21	55.85	82.36
Other Current Liabilities	22	53.57	62.53
Provisions	23	31.81	0.53
Current Tax Liabilities (Net)	24	5.53	8.51
Total Current Liabilities		1,112.31	904.81
Total Liabilities		1,275.85	1,088.78
Total Equity and Liabilities		5,170.80	3,657.01
Significant accounting policies and Key accounting estimates and judgements	1		
See accompanying notes to Standalone Financial Statements	2-43		

As per our report of even date attached

For **Lodha & Co.**
Chartered Accountants
ICAI Firm Registration No: 301051E

R.P. Baradiya
Partner

For and on behalf of Board of Directors of
India Pesticides Limited
A. S. Agarwal
Director
DIN: 00777581

D. K. Jain
Chief Executive Officer

R. S. Sharma
Director
DIN: 02487797

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Mumbai
Dated: 25.05.2021

Place : Lucknow
Dated: 25.05.2021

Standalone Statement of Profit and Loss

for the year ended 31st March 2021

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue from Operations	25	6,489.54	4,796.27
Other Income	26	64.23	101.00
Total Income (I)		6,553.77	4,897.27
EXPENSES			
Cost of Materials Consumed	27	3,300.90	2,566.04
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	29	(196.77)	(35.07)
Employee Benefits Expense	30	227.42	163.99
Finance Costs	31	34.33	52.18
Depreciation and Amortisation Expense	2 & 3	61.35	50.69
Other Expenses	32	1,326.89	1,165.74
Total Expenses (II)		4,754.12	3,963.57
Profit Before Tax (I-II)		1,799.65	933.70
Tax Expense			
(1) Current Tax		448.03	231.11
(2) Deferred Tax		8.27	(2.09)
(3) Current taxes relating to earlier years		(2.09)	(3.16)
Profit for the period		1,345.44	707.83
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
– Remeasurement of defined benefit plans		1.20	(2.86)
– Equity Instruments through OCI		2.30	–
– Income tax related to items that will not be reclassified to Profit and loss		0.28	0.72
Total Other comprehensive income/(loss) for the year (Net of Tax)		3.78	(2.14)
Total Comprehensive income for the Year		1,349.22	705.69
Earnings per Equity Share of ₹1 Each (Refer note 13(d), 13(e) and 13(f))	39		
Basic (in ₹)		12.07	6.35
Diluted (in ₹)		12.07	6.35
Significant accounting policies and Key accounting estimates and judgements	1		
See accompanying notes to Standalone Financial Statements	2-43		

As per our report of even date attached

For **Lodha & Co.**
Chartered Accountants
ICAI Firm Registration No: 301051E

For and on behalf of Board of Directors of
India Pesticides Limited

R.P. Baradiya
Partner

A. S. Agarwal
Director
DIN: 00777581

R. S. Sharma
Director
DIN: 02487797

D. K. Jain
Chief Executive Officer

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Mumbai
Dated: 25.05.2021

Place : Lucknow
Dated: 25.05.2021

Standalone Statement of Cash flow

as at 31st March 2021

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
A Cash flow from operating activities:		
Net profit before tax	1799.65	933.70
Adjustment to reconcile profit before tax to net cash flows		
Depreciation	61.35	50.67
Net unrealised foreign exchange loss/(gain)	9.12	(41.97)
Net gain on sale / fair valuation of investments through profit and loss	(20.18)	5.57
(Profit)/Loss on Sale of property, plant and equipment (net)	(0.03)	(0.19)
Dividend Income	(0.08)	(0.08)
Provision for Employee Benefits	4.38	4.32
Finance Lease	0.02	0.03
Interest received	(22.47)	(3.94)
Provision for Expected Credit Loss	20.46	3.47
Bad Debt	17.49	4.84
Interest expenses	28.27	52.18
Operating profit before working capital changes	1897.97	1008.59
Adjustment for		
Decrease/ (Increase) in other financial assets	25.95	(8.06)
Decrease/ (Increase) in non current assets	4.56	(3.42)
Decrease/ (Increase) in trade receivables	(345.21)	(14.31)
Decrease/(Increase) in other current assets	(147.55)	(89.02)
Decrease/(Increase) in Inventories	(315.06)	(30.46)
(Decrease)/Increase in other financial liabilities	10.72	10.88
(Decrease)/Increase in trade payables	126.52	64.85
(Decrease)/ Increase in other current liabilities	(8.96)	35.01
(Decrease)/ Increase in provisions	32.94	0.35
Cash generated from operations	1281.88	974.41
Direct taxes paid (net)	(448.93)	(222.91)
Net cash generated from / (used in) operating activities	832.96	751.50
B Cash generated from investing activities		
Purchase of property, plant and equipment, Intangible assets and Capital work in progress	(419.15)	(308.37)
Proceeds from sale of property, plant and equipment	0.11	0.04
Purchase of Investments	(79.41)	(21.06)
Sale proceeds of Investments	33.21	15.74
Increase in Term Deposits	(397.43)	(0.99)
Interest Income	22.47	3.94
Net cash flow from / (used in) from investing activities	(840.20)	(310.70)
C Cash generated from financing activities		
Proceeds from Long term Borrowings	8.20	2.40
Repayment of Long term Borrowings	(70.13)	(30.48)
Proceeds/(repayment) from short-term borrowings (net)	89.62	(302.27)
Dividend paid (including corporate dividend tax)	(35.02)	(7.66)
Interest paid (net)	(33.52)	(51.92)
Cash generated from / (used in) financing activities	(40.85)	(389.93)
D Net Increase/ (Decrease) in cash and cash equivalent (A+B+C)	(48.10)	50.87
Cash and Cash equivalents		
At the beginning of the year	67.17	16.30
At the end of the year	19.07	67.17

Standalone Statement of Cash flow

as at 31st March 2021

Notes:

Net Debt Reconciliation

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Opening Net Debt	280.39	610.58
Proceeds from Borrowings (net)	97.82	2.40
Repayment of Borrowings (net)	(70.13)	(332.75)
Interest Expense (net)	28.27	52.18
Interest Paid (net)	(33.52)	(51.92)
Discounting adjustment for borrowing cost	0.12	(0.10)
Closing Net Debt	302.95	280.39

The above cash flow statement has been prepared by using indirect method as per Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows.

As per our report of even date attached

For **Lodha & Co.**
Chartered Accountants
ICAI Firm Registration No: 301051E

For and on behalf of Board of Directors of
India Pesticides Limited

R.P. Baradiya
Partner

A. S. Agarwal
Director
DIN: 00777581

R. S. Sharma
Director
DIN: 02487797

D. K. Jain
Chief Executive Officer

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Mumbai
Dated: 25.05.2021

Place : Lucknow
Dated: 25.05.2021

Standalone Statement of Changes In Equity

for the year ended 31st March 2021

A. Equity Share Capital

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	No. of Shares	Amount
As at 31st March, 2019	318,325	31.83
Changes in equity share capital during the period	—	—
As at 31st March, 2020	318,325	31.83
Changes in equity share capital during the period	111,466,805	79.95
As at 31st March, 2021	111,785,130	111.79

B. Other Equity

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Reserves and Surplus		Retained Earnings	Remeasurement of net defined benefit plan	Total
	Securities Premium	General Reserve			
Balance as on 31st March, 2019	8.58	489.37	1,340.91	(0.50)	1,838.37
Profit/(loss) for the year	—	—	707.83	(2.14)	705.69
Other Comprehensive Income / (loss)	—	—	—	—	—
Total Comprehensive Income for the year	8.58	489.37	2,048.75	(2.64)	2,544.06
Dividends paid (incl. dividend distribution tax)	—	—	(7.66)	—	(7.66)
Transfer to General Reserves	—	100.00	(100.00)	—	—
Balance as on 31st March 2020	8.58	589.37	1,941.08	(2.64)	2,536.40
Profit/(loss) for the year	—	—	1,345.44	3.78	1,349.22
Other Comprehensive Income / (loss)	—	—	—	—	—
Total Comprehensive Income for the year	8.58	589.37	3,286.52	1.14	3,885.61
Dividends paid	—	—	(35.02)	—	(35.02)
Amounts utilized towards issue of fully paid up bonus shares to the extent available (Refer note 13(e))	(8.58)	(71.00)	—	—	(79.58)
Add: On Preferential Allotment (Refer note 13(f))	12.14	—	—	—	12.14
Balance as on 31st March 2021	12.14	518.37	3,251.50	1.14	3,783.16

As per our report of even date attached

For **Lodha & Co.**
Chartered Accountants
ICAI Firm Registration No: 301051E

For and on behalf of Board of Directors of
India Pesticides Limited

R.P. Baradiya
Partner

A. S. Agarwal
Director
DIN: 00777581

R. S. Sharma
Director
DIN: 02487797

D. K. Jain
Chief Executive Officer

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Mumbai
Dated: 25.05.2021

Place : Lucknow
Dated: 25.05.2021

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

Company Profile

India Pesticides Limited ("the Company") is a company incorporated on 13th December 1984 and having its registered office at Bareilly, Uttar Pradesh, India. The Company is engaged in 'Agro Chemicals' business which primarily includes manufacture, sale and distribution of insecticides, fungicides, herbicide and various other agrochemical products. The Company has its own manufacturing site for agrochemical production at Sandila and Dewa Road in Uttar Pradesh.

1 Significant Accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of Preparation

The Standalone financial statements of the Company are based on the principle of historical cost except for certain financial assets and liabilities and defined benefit plan that are measured at fair value, and are drawn up to comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

The accounting policies are applied consistently to all the years presented in the standalone financial statements.

The Standalone Financial statements have been prepared on an accrual basis under the historical cost convention except for the following that are measured at fair value as required by relevant Ind AS.

Certain financial assets measured at fair value (refer accounting policy regarding financial instruments)

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or noncurrent classification of assets and liabilities.

1.2 Application of Accounting Pronouncements

The Company has applied the Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules,

2019. Accordingly, the Company has adopted Ind AS 116, Leases with modified retrospective approach to reporting period commencing from 1st April, 2019.

1.3 Use of Estimates and Judgments

In preparing the Standalone Financial Statements, the Management has to make certain assumptions and estimates that may substantially impact the presentation of the Company's financial position and/ or results of operations.

The estimates and judgments used in the preparation of the Standalone Financial Statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Although the Company regularly assesses these estimates, actual results may differ from these estimates. Changes in estimates are recorded in the periods in which they become known.

1.4 Summary of Significant accounting policies

(a) Property, Plant & Equipment

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress.

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

Depreciation and Amortisation

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Leasehold improvements are amortized over the period of the lease.

The Estimated useful lives of the assets are as follows:

Asset Class	Useful Life
Factory Building	30 years
Plant & Machinery	20 years
R&D Equipment	20 years
Electrical Installations and Equipment	10 years
Furniture & Fixtures	10 years
Vehicles	8 years
Office Equipments	5 years
Computers	3 years

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

(b) Intangible Assets

Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related

expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortization:

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The estimated useful life of intangible assets is mentioned below:

Asset Class	Useful Life
Software	5 years
Know How	10 years

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

(c) Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

Sale of Products:

Revenue from sale of products is recognized when the control on the goods has been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Export Incentive:

Income from Export Incentives such as duty drawback and MEIS are recognised on an accrual basis to the extent the ultimate realisation is reasonably certain.

(d) Other Income

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established. It is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to the asset's gross carrying amount on initial recognition. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument.

(e) Inventories

Inventories encompass goods consumed in production (raw materials, packing materials and stores and spare parts), goods in the production process for sale (work-in-progress) and goods held for sale in the ordinary course of business (finished goods and stock-in-trade). Inventories are recognised at the lower of their cost of acquisition calculated by the weighted average method and at their net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses necessary to make the sale.

(f) Financial Instruments

(i) Financial Assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are accounted for at amortised cost using the effective interest method. This category comprises trade accounts receivable, loans, cash and cash equivalents, bank balances and other financial assets. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in Other Income using the effective interest rate method."

- fair value through profit and loss (FVTPL)

Assets shall be measured at FVTPL unless it is measured at amortised cost or at FVOCI. A gain or loss on a debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in the Statement of Profit and Loss and presented within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in Other Income."

- fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The movements in carrying amount are taken through

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Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from equity to the Statement of Profit and Loss and recognised in other gains/ (losses). Interest income from these financial assets is included in Other Income using the effective interest rate method.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Derecognition

Financial assets are derecognised when contractual rights to receive cash flows from the financial assets expire or the financial assets are transferred together with all material risks and benefits.

(ii) Financial Liabilities

Financial liabilities are initially recognised at fair value if the Company has a contractual obligation to transfer cash or other financial assets to another party. Borrowings and payables are recognised net of directly attributable transaction costs. In subsequent periods, such liabilities are measured at amortised cost using the effective interest method.

Derecognition

Financial liabilities are derecognised when the contractual obligation is discharged or cancelled, or has expired.

(g) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The Company applies Expected Credit Loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost. The Company follows 'simplified approach' permitted by Ind AS 109 - Financial Instruments for recognition of impairment loss on trade receivables and lease receivables based on expected lifetime losses at each reporting date right from its initial recognition. If the reasons for previously recognised impairment losses no longer apply, the impairment losses are reversed provided that this does not cause the carrying amounts to exceed the amortised cost of acquisition.

(h) Fair Value Measurement

The Company measures certain financial instruments at fair value at each reporting date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)"

When quoted price in active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

If there is no quoted price in an active market, then the Company uses a valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

(i) Trade Receivables and Loans

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

(j) Investments

Financial assets are recognised and measured in accordance with Ind AS 109 - Financial Instruments. Accordingly, the Company recognises financial asset only when it has a contractual right to receive cash or other financial assets from another entity. 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 (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. Subsequent to initial recognition, financial assets are measured at amortised cost, fair value through other comprehensive income (FVOCI) or FVTPL. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Investment in Equity Instruments are classified as FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investment in equity instruments which are not held for trading."

(k) Foreign Currency Transactions

The Standalone Financial Statements are presented in Indian Rupee, which is the Company's functional and presentation currency. A company's functional currency is that of the primary economic environment in which the company operates.

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains/ losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit and Loss.

Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

Non – Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(l) Income tax

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current Tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred Tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in Standalone Financial Statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

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Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

(m) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised 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 recognised as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes.

Contingent assets are not disclosed in the Standalone Financial Statements unless an inflow of economic benefits is probable.

(n) Cash & Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(o) Provision for Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-Employment Benefits:

I. Defined Contribution plans:

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees.

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

Recognition and measurement of defined contribution plans:

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

II. Defined benefit plans:

i) Provident fund scheme:

The Company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

ii) Gratuity scheme:

The Company has a Defined Benefit Plan namely Gratuity covering its employees. The Gratuity scheme is funded through Group Gratuity-cum-Life Assurance Scheme which is administered by LIC. The present value of provisions for defined benefit plans and the resulting expense are calculated in accordance with Ind AS 19 - Employee Benefits by the Projected Unit Credit Method. The future benefit obligations are valued by an independent actuary at the year-end and spread over the entire employment period on the basis of specific assumptions regarding beneficiary structure and the economic environment. This includes the determination of the discount rate, salary escalation, mortality rate etc. which affects the valuation. In determining the appropriate discount rate at each balance sheet date, the Management considers the interest rates which relates to the benchmark rate available for Government Securities and that have terms to maturity approximating the terms of the related defined benefit obligation.

Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the balance sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

Other Long Term Employee Benefits:

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date. Expenses related to other long term employee benefits are recognized in the Statement of Profit and loss (including actuarial gain and loss).

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for the year ended 31st March 2021

(p) Lease accounting

Assets taken on lease:

The Company mainly has lease arrangements for land.

The Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised 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. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term i.e. between 74 to 90 years

If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

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 interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonable certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the lineother expenses" in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Short-term leases and leases of low-value assets:

The Company has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense in the statement of profit and loss.

(q) Impairment of Non-financial Assets

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any indication of such impairment exists, the recoverable amount of such assets / cash generating unit is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised.

The recoverable amount is the higher of the fair value less cost to sell and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

(r) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

(s) Government Grants / Subsidies:

Government grants / subsidies are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized in Statement of Profit and Loss.

(t) Segment reporting

The Company identifies operating segments based on the dominant source, nature of risks and returns and the internal organisation. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Board of Directors (who are Company's chief operating decision makers) in deciding how to allocate resources and in assessing performance.

(u) Dividends Payable

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

(v) Earnings Per Share

Basic earnings per share are calculated by dividing the Profit or Loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the Profit or Loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

The weighted average number of equity shares outstanding during the period is adjusted for bonus issue and share split.

(w) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

(x) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(y) Rounding Of Amounts

All amounts disclosed in the Standalone Financial Statements and notes have been rounded off to the nearest million, unless otherwise stated.

(z) Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

(aa) Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

(a) Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(b) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

(c) Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

(d) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet

cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

(e) Right-of-use assets and lease liability

The Company has exercised judgement in determining the lease term as the noncancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

2A Property, Plant and Equipment

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Leasehold Land	Factory Building	Plant & Equipment	R&D Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross Carrying Amount									
Balance as at 31st March, 2019	40.64	189.82	471.17	1.17	7.56	22.95	1.25	1.85	736.41
Additions during the year	–	72.03	265.15	–	1.35	3.68	0.44	0.67	343.32
Disposals/ Reclassifications during the year	40.64	–	–	–	–	0.62	–	–	41.26
Balance as at 31st March, 2020	–	261.85	736.32	1.17	8.91	26.00	1.69	2.52	1,038.47
Additions during the year	–	97.00	200.90	–	0.94	10.17	1.11	0.76	310.88
Disposals/ Reclassifications during the year	–	–	–	–	–	0.34	–	–	0.34
Balance as at 31st March, 2021	–	358.85	937.22	1.17	9.85	35.83	2.80	3.28	1,349.01
Accumulated Depreciation									
Balance as at 31st March, 2019	–	5.84	28.21	0.06	0.72	3.15	0.29	0.54	38.81
Depreciation expense for the year	–	11.82	32.05	0.06	0.91	3.95	0.32	1.12	50.23
Eliminated on disposal of asset/reclassifications	–	–	–	–	–	0.58	–	–	0.58
Balance as at 31st March, 2020	–	17.66	60.26	0.11	1.63	6.52	0.61	1.66	88.45
Depreciation expense for the year	–	9.08	45.34	0.06	1.02	4.39	0.41	0.59	60.89
Eliminated on disposal of asset/reclassifications	–	–	–	–	–	0.25	–	–	0.25
Balance as at 31st March, 2021	–	26.74	105.60	0.17	2.65	10.66	1.02	2.25	149.09
Net Carrying amount									
Balance as at 31st March, 2019	40.64	183.98	442.95	1.11	6.84	19.80	0.96	1.31	697.60
Balance as at 31st March, 2020	–	244.19	676.06	1.06	7.28	19.49	1.08	0.86	950.01
Balance as at 31st March, 2021	–	332.11	831.62	1.00	7.20	25.17	1.78	1.03	1,199.92

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for the year ended 31st March 2021

2B Right of Use Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Opening Balance	42.57	–	–
Reclassified on account of adoption of Ind AS 116	–	40.64	–
Additions	0.99	1.94	–
Deletions	–	–	–
Depreciation	0.02	0.02	–
Closing Balance	43.54	42.57	–

Note: Refer Note 33 for detailed disclosures

2C Capital work-in-progress

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Plant & Machinery	Buildings	Total
Balance as at 31st March, 2020	1.14	10.43	11.57
Balance as at 31st March, 2021	102.84	16.01	118.85

Note: Capital expenditures contracted for but not recognised in the financial statements is ₹ 22.41 mn as at 31st March, 2021.

Refer Note 15 and 19 for details of security charge on Property, plant and equipment, Right of use of assets and Capital work-in-progress.

3 Intangible Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Software	Know How	Total
Gross Carrying Amount			
Balance as at 31st March, 2019	0.29	2.12	2.42
Additions during the year	0.10	–	0.10
Deductions during the year	–	–	–
Balance as at 31st March, 2020	0.40	2.12	2.52
Additions during the year	–	–	–
Deductions during the year	–	–	–
Balance as at 31st March, 2021	0.40	2.12	2.52
Accumulated amortization			
Balance as at 31st March, 2019	0.07	0.36	0.43
Amortization expense for the year	0.09	0.35	0.44
Deductions for the year	–	–	–
Balance as at 31st March, 2020	0.16	0.70	0.86
Amortization expense for the year	0.08	0.36	0.44
Deductions for the year	–	–	–
Balance as at 31st March, 2021	0.24	1.06	1.30
Net Carrying amount			
Balance as at 31st March, 2019	0.22	1.76	1.99
Balance as at 31st March, 2020	0.24	1.41	1.65
Balance as at 31st March, 2021	0.16	1.06	1.22

Notes: The amortization expense of intangible assets has been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss.

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

4 Investments

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(A) INVESTMENTS MEASURED AT AMORTISED COST		
Shalvis Specialities Ltd 8,00,000 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of Rs.10 each	8.00	—
TOTAL	8.00	—
In Unquoted, fully paid up Equity Shares of Subsidiary		
India Infoline Finance Ltd 4,000 @ 9.5% (31st March, 2020 : 4,000 @ 9.5 %, 31st March, 2019 : 4,000 @ 9.5 %) non-convertible debentures of ₹ 1000 each	4.86	4.44
TOTAL	4.86	4.44
In Unquoted Government Securities		
National Saving Certificate	0.04	0.04
TOTAL	0.04	0.04
(B) INVESTMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)		
In Unquoted, fully paid up Equity Shares of Other Company		
Swarup Chemicals Pvt Limited 3900 (31st March, 2020 : 3900, 31st March, 2019 : 3900) equity shares of ₹10 each	2.30	—
TOTAL	2.30	—
(C) INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS (FVTPL)		
In Quoted, fully paid up Equity Shares of Other Companies		
Punjab National Bank 50 (31st March, 2020 : 50, 31st March, 2019 : 50) equity shares of ₹2 each	0.00	0.00
Triveni Engineering Ltd Nil (31st March, 2020 : 666, 31st March, 2019 : 666) equity shares of ₹10 each	—	0.02
Coromandal International Ltd 125 (31st March, 2020 : 125, 31st March, 2019 : 125) equity shares of Re.1 each	0.10	0.07
Suditi Industries Ltd 11,739 (31st March, 2020 : 8899, 31st March, 2019 : 4632) equity shares of Re.10 each	0.12	0.07
Vedanta Ltd 3,086 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of Re.1 each	0.71	—
Vinati Organics Ltd Nil (31st March, 2020 : Nil, 31st March, 2019 : 159) equity shares of ₹2 each	—	—
ALA Engineering Ltd. Nil (31st March, 2020 : Nil, 31st March, 2019 : 191) equity shares of ₹2 each	—	—
Axis Bank Ltd Nil (31st March, 2020 : Nil, 31st March, 2019 : 563) equity shares of ₹2 each	—	—
Canfin Homes Ltd Nil (31st March, 2020 : 497, 31st March, 2019 : 691) equity shares of ₹2 each	—	0.14
DFM Foods Ltd Nil (31st March, 2020 : 1989, 31st March, 2019 : 1989) equity shares of ₹2 each	—	0.35
HDFC Bank Ltd Nil (31st March, 2020 : Nil, 31st March, 2019 : 254) equity shares of ₹2 each	—	—

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

4 Investments (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
IFB Industries Ltd Nil (31st March, 2020 : 403, 31st March, 2019 : 476) equity shares of ₹10 each	—	0.11
JB Chemicals & Pharmaceuticals Ltd Nil (31st March, 2020 : Nil, 31st March, 2019 : 921) equity shares of ₹2 each	—	—
K M Sugar Mills Ltd 1,36,325 (31st March, 2020 : 1,25,619, 31st March, 2019 : 60989) equity shares of ₹2 each	1.62	0.80
Magma Fincorp Ltd Nil (31st March, 2020 : 5352, 31st March, 2019 : 3767) equity shares of ₹2 each	—	0.09
Majesco Ltd Nil (31st March, 2020 : 1093, 31st March, 2019 : 740) equity shares of ₹5 each	—	0.28
Mayur Uniquoters Limited Nil (31st March, 2020 : Nil, 31st March, 2019 : 751) equity shares of ₹5 each	—	—
Nesco Ltd Nil (31st March, 2020 : 501, 31st March, 2019 : 501) equity shares of ₹2 each	—	0.24
Orient Electric Limited Nil (31st March, 2020 : 1261, 31st March, 2019 : 1764) equity shares of Re.1 each	—	0.25
PI Industries Ltd 151 (31st March, 2020 : 188, 31st March, 2019 : 237) equity shares of Re.1 each	0.34	0.22
United Breweries Ltd Nil (31st March, 2020 : Nil, 31st March, 2019 : 113) equity shares of Re.1 each	—	—
Zensar Technologies Ltd Nil (31st March, 2020 : Nil, 31st March, 2019 : 1297) equity shares of ₹2 each	—	—
Alkyl Amines Chemicals Ltd Nil (31st March, 2020 : 174, 31st March, 2019 : Nil) equity shares of ₹5 each	—	0.21
Bata India Ltd Nil (31st March, 2020 : 198, 31st March, 2019 : Nil) equity shares of ₹5 each	—	0.24
Borosil Limited Nil (31st March, 2020 : 1289, 31st March, 2019 : Nil) equity shares of Re.1 each	—	0.05
ICICI Bank Ltd. 616 (31st March, 2020 : 624, 31st March, 2019 : Nil) equity shares of ₹2 each	0.36	0.20
IIFL Wealth Management Ltd. Nil (31st March, 2020 : 205, 31st March, 2019 : Nil) equity shares of ₹2 each	—	0.20
Kotak Mahindra Bank Ltd Nil (31st March, 2020 : 167, 31st March, 2019 : Nil) equity shares of ₹5 each	—	0.22

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

4 Investments (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Multi Commodity Exchange of India Ltd. Nil (31st March, 2020 : 216, 31st March, 2019 : Nil) equity shares of ₹10 each	—	0.24
Muthoot Finance Ltd. Nil (31st March, 2020 : 316, 31st March, 2019 : Nil) equity shares of ₹10 each	—	0.19
Natco Pharma Ltd. Nil (31st March, 2020 : 446, 31st March, 2019 : Nil) equity shares of ₹2 each	—	0.22
Navin Fluorine International Ltd. 124 (31st March, 2020 : 121, 31st March, 2019 : Nil) equity shares of ₹2 each	0.34	0.15
Nocil Ltd Nil (31st March, 2020 : 2341, 31st March, 2019 : Nil) equity shares of ₹10 each	—	0.15
Rites Ltd. Nil (31st March, 2020 : 807, 31st March, 2019 : Nil) equity shares of ₹10 each	—	0.20
Tube Investments of India Ltd. Nil (31st March, 2020 : 676, 31st March, 2019 : Nil) equity shares of Re.1 each	—	0.18
Sam Industries Ltd 2200 (31st March, 2020 : 2200, 31st March, 2019 : 2200) equity shares of ₹10 each	0.03	0.03
Modipon Ltd 100 (31st March, 2020 : 100, 31st March, 2019 : 100) equity shares of ₹10 each	0.00	0.00
Apollo Hospitals Enterprises Ltd 228 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of ₹10 each	0.66	—
Bank of Baroda 5686 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of ₹10 each	0.42	—
Bharti Airtel Ltd 696 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of ₹10 each	0.41	—
Bharat Petroleum Corporation Ltd 1299 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of ₹10 each	0.56	—
Dr Reddy Laboratories 76 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of ₹10 each	0.34	—
Gujarat Narmada Valley Fertilizers & Chemicals 1657 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of ₹10 each	0.50	—
HCL Technologies Ltd 466 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of ₹10 each	0.46	—
Indian Railway Catering & Tourism 281 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of ₹10 each	0.49	—

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

4 Investments (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Infosys Ltd 340 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of ₹10 each	0.47	—
Karnataka Bank Ltd 6825 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of ₹10 each	0.42	—
Polycab India Limited 377 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of ₹10 each	0.52	—
Reliance Industries Ltd - Right Issue 300 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of ₹10 each	0.33	—
State Bank India 1176 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of ₹10 each	0.43	—
Sun TV Network 911 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of ₹10 each	0.43	—
Ultramarine & Pigments Ltd 1248 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of ₹10 each	0.36	—
Infrastructure Development Finance Co. Ltd. (Equity) 10,586 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of ₹10 each	0.50	—
TOTAL	10.92	5.14
In Unquoted, fully paid up Equity Shares of Other Companies		
1 Kalyanpur Cements Ltd 16500 (31st March, 2020 : 16500, 31st March, 2019 : 16500) equity shares of ₹10 each	—	—
2 Eggro Paper Moulds Ltd 3300 (31st March, 2020 : 3300, 31st March, 2019 : 3300) equity shares of ₹10 each	—	—
3 United Health Care Ltd 100 (31st March, 2020 : 100, 31st March, 2019 : 100) equity shares of ₹10 each	—	—
4 XLO Machine Tool Ltd 200 (31st March, 2020 : 200, 31st March, 2019 : 200) equity shares of ₹10 each	—	—
5 Stallion Shox Ltd 100 (31st March, 2020 : 100, 31st March, 2019 : 100) equity shares of ₹10 each	—	—
6 Swarup Publication P Ltd 1900 (31st March, 2020 : 1900, 31st March, 2019 : 1900) equity shares of ₹10 each	—	—
7 Indo fil Limited 21 (31st March, 2020 : 21, 31st March, 2019 : 21) equity shares of ₹10 each	—	—
TOTAL	—	—
In quoted, fully paid up Mutual Funds		
1 Master Share UTI 100 (31st March, 2020 : 100, 31st March, 2019 : 100) equity shares of ₹10 each	0.00	0.00

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

4 Investments (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
2 BOI AXA Large & Mid Cap Equity Fund 2,40,090.91 (31st March, 2020 : 3,52,099.199, 31st March, 2019 : 2,15,492.045) units.	10.51	9.59
3 BOI AXA Equity Debt Rebalancer Fund Nil (31st March, 2020 : Nil, 31st March, 2019 : 68,524.9875) units.	—	—
4 ICICI Prudential Regular Savings Plan Growth 34,641.616 (31st March, 2020 : 34,641.616, 31st March, 2019 : 34,641.616) units.	0.82	0.75
5 Birla Sun Life Medium Term Plan (Growth) Nil (31st March, 2020 : Nil, 31st March, 2019 : 1,06,152.585) units.	—	—
6 BOI AXA Midcap Tax Fund 1,50,000 (31st March, 2020 : 1,50,000, 31st March, 2019 : 1,50,000) units.	1.98	1.13
7 BOI AXA Conservative Hybrid Fund Nil (31st March, 2020 : Nil, 31st March, 2019 : 2,54,691.182) units.	—	—
8 BOI AXA Small Cap Fund Nil (31st March, 2020 : 2,00,000, 31st March, 2019 : 2,00,000) units.	—	1.77
9 SBI Overnight Fund (G) Nil (31st March, 2020 : 126.9841, 31st March, 2019 : 2,54,691.182) units.	—	0.49
10 ICICI Prudential Balanced Advantage Fund 68,810.472 (31st March, 2020 : 68,810.472, 31st March, 2019 : Nil) units.	3.04	2.10
11 DSP Corporate Bond Fund Nil (31st March, 2020 : 1,30,472.319, 31st March, 2019 : Nil) units.	—	1.54
12 DSP Dynamic Asset Allocation Fund 255,137.282 (31st March, 2020 : 1,24,664.963, 31st March, 2019 : Nil) units.	—	1.77
13 BOI AXA Mid & Small Cap Equity & Debt Fund 1,57,472.441 (31st March, 2020 : 1,57,472.441, 31st March, 2019 : Nil) units.	2.72	1.61
14 Axis Special Situations Fund 5,00,087.396 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	5.17	—
15 Axis Growth Opportunities Fund 1,57,621.375 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	2.51	—
16 BOI AXA Flexi Cap Fund 4,69,994.501 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	6.97	—
17 DSP Mid Cap Fund 64,785.317 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	4.94	—
18 Edelweiss Greater China Equity Off Shore Fund 1,02,479.093 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	5.37	—
19 HDFC Dividend Yield Fund 4,62,554.354 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	5.06	—
20 Mirae Asset Mid Cap Fund 1,50,350.334 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	2.42	—
21 PGIM India Emerging Markets Equity fund 1,28,462.231 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	2.25	—
22 PGIM India Flexi Cap Fund 60,824.209 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	1.24	—
23 PGIM India Midcap Opportunities Fund 40,754.402 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	1.28	—
24 SBI Savings Fund 4,31,859.760 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	14.16	—
25 PGIM India Arbitrage Fund 1,71,340.499 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	2.50	—
TOTAL	72.94	20.75
TOTAL NON CURRENT INVESTMENT	99.05	30.37

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

4 Investments (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Aggregate book value of:		
Quoted investments	74.98	31.89
Unquoted investments	12.92	4.92
Aggregate market value of:		
Quoted investments	83.85	25.89
Unquoted investments	15.20	4.48
Aggregate amount of impairment in value of Investments	0.89	0.89

5 Other Financial Assets (non-current)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured and Considered Good		
Sundry Deposits	20.00	16.37
Term Deposits*	8.49	32.47
Total	28.49	48.84

*on lien against margin money, against bank guarantee and other commitments

6 Other Non-current Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Others		
Advance to Gratuity Trust	2.07	6.61
Capital Advances	9.46	14.01
Total	11.53	20.62

Note: Capital expenditures contracted for but not recognised in the financial statements is ₹ 22.41 mn as at 31st March, 2021.

7 Inventories

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Raw Materials	235.84	145.78
Work-in-Progress	14.04	28.08
Finished Goods	393.66	182.85
Packing Materials	44.79	23.47
Stores, Spares and Consumables	12.46	5.55
Total	700.79	385.73

Refer Note 19 for details of security charge on Inventories.

8 Trade Receivables

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good	2,174.65	1,843.73
Credit Impaired	—	—
Less: Allowance for Expected Credit Loss	32.45	11.99
Total	2,142.20	1,831.74

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

8 Trade Receivables (Contd..)

- i) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
- ii) Trade receivables are non interest bearing and generally on terms of 30 to 180 days.
- iii) Refer Note 19 for details of security charge on Trade receivables.

9 Cash and Cash Equivalents

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash and Cash Equivalents		
Cash on hand	1.98	4.48
Balances with Banks		
In Current Accounts	17.09	55.19
In Cash Credit Accounts	—	7.50
Total	19.07	67.17

10 Other Balances with Banks

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balances with Banks		
Term Deposits	410.55	13.12
Total	410.55	13.12

*out of the above Term Deposit of ₹ 199.45 mn is on lien against margin money, against bank guarantee and other commitments as at March 2021 (₹ 13.12 mn for March 2020)

Bank deposits earns interest at fixed rates. Short-term deposits are generally made for varying periods between three months to twelve months, depending on the cash requirements of the Company, and earn interest at the respective deposit rates.

11 Other Financial Assets (current)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured and Considered Good		
Other Receivables	0.89	0.31
Interest Subsidy Receivable	0.27	6.44
Total	1.16	6.75

12 Other Current Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance with Government Authorities	185.69	200.39
Prepaid Expenses	2.77	2.24
Others		
Security Deposits	6.59	3.76
Advances to Employees	9.35	9.23
Advances to Suppliers*	190.03	31.27
Total	394.43	246.89

*Includes related party balance of ₹34 mn.

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

13 Equity Share Capital

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Authorised :			
150,000,000 (31st March, 2020 : 350,000, 31st March, 2019 : 350,000) Equity Shares of Re. 1 each (31st March, 2020 : ₹ 100, 31st March, 2019 : ₹ 100) (Refer note 13(d)).	150.00	35.00	35.00
	150.00	35.00	35.00
Issued, Subscribed and Paid up :			
111,785,130 (31st March, 2020 : 318,325, 31st March, 2019 : 318,325) Equity Shares of Re. 1 (31st March, 2020 : ₹ 100, 31st March, 2019 : ₹ 100) (Refer note 13(d), 13(e) and 13(f)).	111.79	31.83	31.83
	111.79	31.83	31.83

a) Reconciliation of number of shares

(All amounts in Rupees Millions, unless otherwise stated)

Equity Shares	As at 31st March, 2021		As at 31st March, 2020	
	Number	(₹ in mn)	Number	(₹ in mn)
Shares outstanding at the beginning of the year	318,325	31.83	318,325	31.83
Add: Splitting of equity shares to Re.1 from ₹100 (Face Value) (Refer note 13(d) below).	31,514,175	—		
Add: Shares Issued during the year	—	—	—	—
Bonus Shares (Refer note (e) below)	79,581,250	79.58		
Preferential allotment of Shares (Refer note (f) below)	371,380	0.37		
Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	111,785,130	111.79	318,325	31.83

b) Details of shareholders holding more than 5% of shares:

(All amounts in Rupees Millions, unless otherwise stated)

Name of Shareholders	As at 31st March, 2021		As at 31st March, 2020	
	% of Holding	No. of Shares held	% of Holding	No. of Shares held
Equity Shares of Re.1 (31st March, 2020 : ₹ 100, 31st March, 2019 : ₹ 100) each held by: (Refer note 13(d) and 13(e))				
1. Anand Swarup Agarwal	40.07%	44,789,850	40.20%	127,971
2. Sudha Agarwal	—	—	5.48%	17,438
3. Sneha Lata Agarwal	—	—	5.94%	18,918
4. Mahendra Swarup Agarwal	9.90%	11,069,375	10.48%	33,375
5. ASA Family Trust	6.90%	7,717,117	—	—
6. PSA Family Trust	11.11%	12,422,242	—	—
7. MSA Family Trust	5.10%	5,695,875	—	—

As per the records of the Company, including its registers of Shareholders/Members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of equity shares.

c) Rights, preferences and restrictions :

The company has only one class of equity shares having a par value of Re. 1 Per Share (March 31, 2020 - ₹ 100 per share, March 31, 2019 - ₹ 100 per share). Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

The distribution will be in proportion to the no. of equity shares held by shareholder.

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

13 Equity Share Capital (Contd..)

d) Split shares

- (i) As per recommendation of the Board of Directors dated 10th December, 2020 and approval of the shareholders dated 21st December, 2020, the Company has increased its existing authorised share capital to Rs. 15,00,00,000 consisting of 15,00,000 equity shares of face value of Rs.100 each.
- (ii) Subsequently, as per recommendation of the Board of Directors dated 21st December, 2020 and approval of the shareholders dated 28th December, 2020, the existing equity shares were split into 15,00,00,000 equity shares of face value of Re.1 each.
- (iii) Pursuant to the above resolution the existing issued, paid-up and subscribed paid up capital of the Company stands sub-divided to 31,832,500 equity shares of Re. 1 each.

e) Bonus Shares

As per recommendation of the Board of Directors dated 21st December, 2020 and approval of the shareholders dated 28th December, 2020, the Company has issued 7,95,81,250 bonus equity shares of face value of ₹ 1/- each in ratio of 2.5:1 (i.e. 5 (Five) Bonus Shares for every 2 (Two) Equity Shares.

f) Preferential allotment

As per recommendation of the Board of Directors dated 23rd January, 2021 and approval of the shareholders dated 25th January, 2021 in Extraordinary General Meeting, the Company has issued 371,380 equity shares of face value of Re. 1/- each on preferential basis at an issue price of ₹ 33.70 (including a premium of ₹32.70).

Consequent to the above and note (d), ('e) and (f) the issued, subscribed and paid-up share capital has increased to ₹ 111.79 mn comprising of 111,785,130 equity shares of face value of Re.1/- each.

- g) No class of shares have been bought back by the Company during the period of five years immediately preceding the current period/ year end.
- h) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current period/ year end except as disclosed in Note (e) above.

14 Other Equity

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Securities Premium		
As per Opening Balance	8.58	8.58
Less: amounts utilized towards issue of fully paid up bonus shares to the extent available (Refer note 13(e))	8.58	
Add: On Preferential Allotment (Refer note 13(f))	12.14	
Closing Balance	12.14	8.58
General Reserve		
As per last Balance Sheet	589.37	489.37
Less : amounts utilized towards issue of fully paid up bonus shares ((Refer note 13(e))	71.00	—
Add : Transferred from Surplus	—	100.00
Closing Balance	518.37	589.37
Retained Earnings		
As per last Balance Sheet	1,938.44	1,340.41
Add: Net Profit after Tax transferred from the Statement of Profit and Loss	1,345.44	707.83
Less: Other Comprehensive income (net of tax)	—3.78	2.14
Less : Appropriations		
Transfer to General Reserve	—	100.00
Dividend distributed during the year (refer note below)	35.02	6.37
Corporate Dividend Tax on final dividend for previous year	—	1.30
Closing Balance	3,252.64	1,938.44
Total	3,783.16	2,536.40

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

Nature and purpose of reserves

- a) **Securities premium** - Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.
- b) **General reserve** - General reserve was created through an annual transfer of net income in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year.

Note

(All amounts in Rupees Millions, unless otherwise stated)

Dividend on Equity shares paid during the year	Year ended 31st March 2021	Year ended 31st March 2020
Final Dividend ₹ 110 (March 31, 2020 : ₹20, March 31, 2020 : ₹20) per equity share of ₹100 each (Refer note below)	35.02	6.37
Dividend distribution tax on final dividend	—	1.30

Note:

- (i) The Board of Directors at its meeting held on 11th November, 2020 have recommended a payment of final dividend of ₹110 per equity share of face value of ₹100 each for the financial year ended 31st March, 2020. The same amounts to ₹ 35.02 Mn. The above was approved at the Annual General Meeting of the Company held on 21st December, 2020.
- (ii) The Board of Directors at its meeting held on 25th May, 2021 have recommended a payment of final dividend of ₹ 0.32 per equity share of face value of Re.1 each for the financial year ended 31st March, 2021. The above is subject to the approval of the shareholders in the Annual General Meeting of the Company and hence not been recognised as a liability.

15 Borrowings (Non-Current)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured Term Loan:		
From Banks	12.32	22.24
Unsecured Term Loan:		
From Others	65.55	97.86
From Related parties	—	24.93
Less: Current maturities of Long term Debt	3.38	40.59
Total	74.49	104.44

i) Detail of Securities and Terms of repayment

- a) Out of total Secured Term Loan from Bank, outstanding of ₹ NIL as on 31st March 2021 (₹12.98 Mn as on 31st March 2020 and ₹ 46.96 Mn as on 31st March, 2019) is secured by mortgage of Plant & Equipment and immovable properties located at Sandila Unit and carried Interest Rate @ 9% to 10%.
- b) Secured Term Loan from Banks comprise of multiple Vehicle Loans which are each repayable in balance 12 to 60 monthly instalments from the date of balance sheet. Interest rate for these loans ranges between 7.95 % to 10.00%.
- c) Loans from Others comprise of Inter corporate loans which are not due for repayment in the next 12 months from the date of the Balance Sheet. Interest on these loans are payable at rates ranging between 9% to 12% per annum.
- d) Loans from Related Parties were due for repayment in the next 12 months from the date of the Balance Sheet along with interest @ 12 % per annum. The loan is repaid as on 31st March 2021.

ii) Refer Note 41 for maturity analysis.

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

16 Other Financial Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured		
Lease Liability	1.13	1.10
Total	1.13	1.10

17 Provisions

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Employee Benefits		
Provision for Compensated Absences	6.89	5.39
Total	6.89	5.39

18 Deferred Tax Liabilities (Net)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred Tax Liabilities		
Arising on account of:		
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	85.81	73.28
Increase in borrowing cost pursuant to application of effective interest rate method	0.06	2.56
Provision for Employee Defined Benefit obligations	0.49	2.49
Provision for Compensated Absences	0.10	0.01
Deferred Tax Assets		
Arising on account of:		
Lease liability amortisation	(0.06)	(0.03)
Allowances for Doubtful debt and Advances	(8.17)	(3.70)
Difference in carrying value and Tax base of investments measured at FVTPL and Amortised Cost	2.80	(1.56)
Total	81.03	73.05

19 Borrowings (Current)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured		
From Banks	225.08	135.45
Total	225.08	135.45

- i) Working capital loans are secured by first charge by way of hypothecation on the current assets of the Company namely inventories of raw materials, finished and work in progress, stores spares and consumables and packing materials, book debts and all other movable assets both present and future, and additionally secured by way of second charge on :
- The immovable properties situated at Plot No. E-17 to E-23, UPSIDC, Deva Road, Lucknow.
 - Land & building situated at Khasra No. 691, Village Uttar Dhauna, Tiwariganj, Chinhat, Faizabad Road, Lucknow owned by M/s Ram Swarup Cold Storage & Allied Ind. Lucknow.
 - Hypothecation of Plant & Machinery at UPSIDC, Deva Road, Lucknow in favour of the banks.
 - Leasehold Industrial plot at K4 & K5 at UPSIDC, Sandila, UP.
- ii) Refer Note 41 for maturity analysis.

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

20 Trade Payables

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Dues to MSME	47.17	16.85
(b) Dues to Other than MSME	693.30	598.57
Total	740.47	615.42

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-120 days terms.

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	47.17	16.85
Interest	0.37	0.66
Total	47.54	17.51
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the 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 the year) but without adding the interest specified under the MSMED Act.	—	—
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.37	0.66
(e) The amount of further interest remaining 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 of a deductible expenditure under section 23 of the MSMED Act.	—	—

21 Other Financial Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current maturities of Long-term debts / borrowings		
Term Loans		
Secured		
From Banks (Refer note no 18)	3.38	15.57
Unsecured		
From Related Parties	—	24.93
Trade and Security Deposits from Customers	52.44	41.83
Lease Liability	0.03	0.03
Total	55.85	82.36

22 Other Current Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Other Advances		
Advance from Customers	47.52	52.36
Others		
Statutory Liabilities	6.05	10.18
Total	53.57	62.54

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

23 Provisions

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Employee Benefits		
Provision for Compensated Absences	0.77	0.53
Provision for Corporate Social Responsibility*	31.04	—
Total	31.81	0.53

* In accordance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 notified by Ministry of Corporate Affairs on January 22, 2021, the Company has created provision for the cumulative unspent amount as on March 31, 2021.

24 Current Tax Liabilities (Net)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Tax Payable	5.53	8.51
(Net of Advance Tax & TDS 442.51 mn as at 31st March, 2021, 222.91 mn as at 31st March, 2020 and 173.1 mn as at 31 March, 2019)		
Total	5.53	8.51

25 Revenue from Operations

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
(i) Sales of products		
Home Market (Net of Returns)	2,746.01	1,800.34
Exports	3,680.33	2,979.24
	6,426.34	4,779.58
(ii) Other Operating Revenues		
Export Incentives	63.20	16.69
Total	6,489.54	4,796.27

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue as per contracted price	6,426.34	4,779.58
Less: Discounts	—	—
Revenue from contract with customers	6,426.34	4,779.58

Effective 1st April 2018 the Company has adopted IND AS 115 Revenue from Contracts with customers". The effect on adoption of IND AS 115 does not have any material impact on the financial statements of the Company.

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

26 Other Income

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest Income from financial assets at amortised cost		
On bank deposits	19.65	2.82
Other Interest	2.82	1.13
Dividend Income	0.08	0.08
Other non-operating Income (Net of expenses directly attributable to such income)		
Fair value of Investment through Amortised cost	0.42	0.39
Fair value of Investments at fair value through profit and loss	18.52	–
Miscellaneous income	0.86	0.96
Other gains and losses		
Net Gain on foreign currency transactions & translation	20.61	95.43
Profit from Sale of Investments	1.24	–
Profit on Sale of Property, Plant & Equipment	0.03	0.19
Total	64.23	101.00

27 Cost of Materials Consumed

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Raw materials		
Opening stock	145.78	154.26
Add : Purchases of Raw Material	3,210.27	2,380.10
Less: Closing stock	235.84	145.78
TOTAL	3,120.21	2,388.58
Packing Materials Consumed		
Opening Stock	23.47	20.07
Add:Purchases of Packing Material	202.01	180.88
Less: Closing Stock	44.79	23.47
TOTAL	180.69	177.48
Total	3,300.90	2,566.06

28 Intentionally left blank

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

29 Changes in inventories of finished goods, Stock-in-trade and work-in-progress

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Inventories at the beginning of the year		
Finished Goods	182.85	160.15
Work in Progress	28.08	15.71
(a)	210.93	175.86
Inventories at the end of the year		
Finished goods	393.66	182.85
Work in Progress	14.04	28.08
(b)	407.70	210.93
Net (Increase)/Decrease in Inventories (a) -(b)	(196.77)	(35.07)

30 Employee Benefits Expense

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Salaries, wages and benefits	199.12	142.33
Contribution to provident and other funds	20.67	16.48
Staff welfare expenses	7.63	5.19
Total	227.42	164.00

31 Finance Costs

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest expense		
– Cash credit facilities / buyers' credit	8.97	24.23
– Term Loans from Banks (Net of subsidy ₹ NIL for March 31, 2021 and 31 March 2020 ; 50 million for 31 March 2019)	1.38	4.28
– On Other Loans	8.51	11.40
– Others	6.06	5.93
Other Borrowing Costs	9.41	6.34
Total	34.33	52.18

2 & 3 Depreciation and Amortisation Expense

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Depreciation on Property, Plant & equipment	60.89	50.23
Depreciation on Right of Use	0.02	0.02
Amortisation of Intangible Assets	0.44	0.44
Total	61.35	50.69

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

32 Other Expenses

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Consumption of stores, spares and consumables	271.54	440.76
Power and Fuel	282.87	223.70
Labour Charges	180.24	90.58
Pollution Control Expenses	27.77	10.64
Freight and handling Charges	254.86	176.88
Advertisement and Sales Promotion Expenses	16.77	9.40
Legal and Professional expenses	84.13	77.15
Travelling & Conveyance	32.35	36.96
Rent Expenses	9.18	7.75
Repairs & Maintenance		
– Building	5.81	1.66
– Others	9.20	7.36
– Machinery	31.60	23.19
Rates, Fees and Taxes	6.24	8.25
Testing and Sampling Charges	3.63	7.50
Insurance	7.90	6.80
Printing, Stationery and Communication Expenses	7.89	6.66
Corporate Social Responsibility Expenses and Other Donations*	39.82	4.71
Payment to Auditors		
– Statutory Audit Fees	2.00	2.00
– In other Capacity		
For Tax Audit	0.40	–
For Certifications of Draft Red Herring Prospectus	4.00	
For other matters	–	–
Bad Debts	17.49	4.84
Provision for Doubtful Debts	20.46	3.47
Loss from Sale of Investments	–	0.15
Fair value of Investments at fair value through profit and loss	–	5.80
Miscellaneous Expenses	10.74	9.51
Total	1,326.89	1,165.72

*Note : Corporate Social Responsibility Expenses

(All amounts in Rupees Millions, unless otherwise stated)

A	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
	Gross Amount Required to be spent by the Company :	13.72	11.03

(All amounts in Rupees Millions, unless otherwise stated)

B	Amount spent during the year / period on:	Year ended 31st March, 2021	Year ended 31st March, 2020
i	Construction / Acquisition of any assets	–	–
ii	Purpose other than above	8.73	4.64

(All amounts in Rupees Millions, unless otherwise stated)

C	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
	Related party transactions in relation to Corporate Social Responsibility:	–	–

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

32 Other Expenses (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

D	Provision movement during the year/ Period:	Year ended 31st March, 2021	Year ended 31st March, 2020
	Opening provision	—	—
	Addition during the year / Period	31.04	—
	Utilised during the year /Period	—	—
	Closing provision	31.04	—

33 Leases

Following are the changes in the carrying value of right of use assets (Land)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	42.57	—
Reclassified on account of adoption of Ind AS 116	—	40.64
Additions	0.99	1.94
Deletions	—	—
Depreciation	0.02	0.02
Closing Balance	43.54	42.57

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. Rent expense recorded for short-term leases was ₹ 9.18 mn for the year ended March 31, 2021 (₹ 7.75 Mn for the year ended March 31, 2020). The Company's lease asset classes primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. 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 of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense in the statement of profit and loss.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include the options when it is reasonably certain that they will be exercised.

The lease liability is initially measure at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Transition

Effective from 1st April, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at end of the year ended 31st March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies.

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

33 Leases (Contd..)

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset as at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

b The Impact of adoption of Ind AS 116 on Statement of Profit and Loss for the year ended March 31, 2020 is not significant.

34 Contingent Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Claims against the Company not acknowledged as debts	As at 31st March, 2021	As at 31st March, 2020
Tax matters in dispute under appeal	–	6.31

35 Assets and liabilities relating to Employee Benefits

See accounting policy in Note 1.(o)

For details about the related employee benefit expenses, refer Note 30

A. Defined Contribution Plan:

The Company's defined contribution plans are superannuation, employees state insurance scheme and provident fund administered by Government since the Company has no further obligation beyond making the contributions.

The expenses recognised during the year towards defined contribution plans are as detailed below:

(All amounts in Rupees Millions, unless otherwise stated)

	Year ended 31st March, 2021	Year ended 31st March, 2020
Provident Fund and other Funds	13.73	11.17
Total (included in Note 30 - 'Contribution to provident and other funds')	13.73	11.17

B. Defined Benefit Obligation:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972/ Company policy. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity.

The amount of gratuity payable on retirement/ termination is the employee's last drawn salary per month computed proportionately as per the Payment of Gratuity Act, 1972/ Company policy multiplied for the number of years of service.

The plan asset for the funded gratuity plan is invested in insurer managed fund administered by Life Insurance Corporation of India ('LIC'), independently as per the investment pattern stipulated for Pension and Group Schemes fund as per the regulations framed by Insurance and Regulatory and Development Authority of India i.e., 100% of plan assets are invested in insurer managed fund. Quoted price of the same is not available in active market.

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and recognise the same when the Code becomes effective.

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

35 Assets and liabilities relating to Employee Benefits (Contd..)

The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

Actuarial study analysis	Gratuity		Leave Encashment	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Principal actuarial assumptions				
Discount rate	6.50%	6.65%	6.50%	6.65%
Range of compensation increase	7.00%	7.00%	7.00%	7.00%
Withdrawal Rate:				
- Younger ages	10.00%	10.00%	10.00%	10.00%
- Older ages	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets	—	—	—	—
Plan duration	—	—	—	—

(All amounts in Rupees Millions, unless otherwise stated)

Actuarial study analysis	Gratuity		Leave Encashment	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Components of income statement charge				
Current service cost	4.66	3.12	1.72	1.96
Interest cost	2.28	2.08	—	—
Recognition of past service cost	—	—	—	—
Immediate recognition of (gain)/losses	—	—	—	—
Settlement/curtailment/termination loss	—	—	—	—
Total charged to statement of profit or loss	6.94	5.20	1.72	1.96
Total charged to Retained Earnings	—	—	—	—
Movements in net liability/(asset)				
Net liability at the beginning of the year	36.06	28.00	5.92	3.96
Employer contributions	—	—	—	—
Total expense recognised in the statement of profit or loss	6.94	5.20	1.72	1.96
Total expense recognised in the Retained Earnings	—	—	—	—
Total amount recognised in OCI	(1.20)	2.86	—	—
Net liability at the end of the year	41.80	36.06	7.64	5.92
Reconciliation of benefit obligations				
Obligation at start of the year	15.79	7.73	5.92	3.96
Current service cost	4.66	3.12	1.72	1.96
Interest cost	2.28	2.08	—	—
Benefits paid directly by the Group	—	—	—	—
Extra payments or expenses/(income)	—	—	—	—
Obligation of past service cost	—	—	—	—
Actuarial gain/loss	(1.20)	2.86	—	—
Defined benefits obligations at the end of the year	21.53	15.79	7.64	5.92
Re-measurements of defined benefit plans				
Actuarial gain/(loss) due to changes in demographic assumptions	—	0.01	—	—
Actuarial gain/(loss) due to changes in financial assumptions	0.47	(2.39)	—	—
Actuarial gain/(loss) on account of experience adjustments	(1.66)	(0.48)	—	—
Total actuarial gain/(loss) recognised in OCI	(1.19)	(2.86)	—	—
Total actuarial gain/(loss) recognised in Statement of profit or loss	(1.19)	(2.86)	—	—

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

35 Assets and liabilities relating to Employee Benefits (Contd..)

C. Sensitivity analysis of significant assumptions

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sensitivity of DBO, Service Cost, and P&L Account	Gratuity			
	Year ended 31st March, 2021		Year ended 31st March, 2020	
	% increase in DBO	Liability	% increase in DBO	Liability
Discount rate				
+ 0.5% discount rate	-3.64%	40.28	-3.58%	34.76
- 0.5% discount rate	3.89%	43.42	3.82%	37.43
Salary increase				
+ 0.5% salary growth	3.77%	43.37	3.74%	37.40
+ 0.5% salary growth	-3.60%	40.29	-3.57%	34.77
Withdrawal rate				
+ 0.5% salary growth	-0.23%	41.70	-0.18%	35.99
- 0.5% salary growth	0.24%	41.90	0.19%	36.12

Sensitivity of DBO, Service Cost, and P&L Account	Leave Encashment	
	Year ended 31st March, 2021	Year ended 31st March, 2020
Discount rate		
+ 0.5% discount rate	7.31	5.67
- 0.5% discount rate	7.99	6.19
Salary increase		
+ 0.5% salary growth	7.99	6.19
+ 0.5% salary growth	7.31	5.67
Withdrawal rate		
+ 1.1 % salary growth	7.63	5.92
- 1.1 % salary growth	7.65	5.93

Note:

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors as supply and demand in the employment market.

36 Related party disclosures as per Ind AS 24

1) Related parties with whom transactions have taken place during the year and its relationship:

Name of the related parties	Designation / Relationship
Anand Swarup Agarwal (w.e.f 6th October, 2020)	Chairman and Non Executive Director
Satya Prakash Gupta (w.e.f 1st November 2020)	Chief Financial Officer
Dheeraj Kumar Jain (w.e.f 23rd January 2021)	Chief Executive Officer
Ajeet Pandey (w.e.f 1st October 2020)	Company Secretary
Ajai Kumar Sinha (w.e.f 1st February 2021)	General Manager
B.T. Hanumantha Reddy	General Manager
Rajendra Singh Sharma	Whole-time Director
Rahul Arun Bagaria (w.e.f 23rd January 2021)	Non Executive Director

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

36 Related party disclosures as per Ind AS 24 (Contd..)

1) Related parties with whom transactions have taken place during the year and its relationship: (Contd..)

Name of the related parties	Designation / Relationship
Adesh Kumar Gupta (w.e.f 23rd January 2021)	Independent Director
Mohan Vasant Tanksale (w.e.f 21st December 2020)	Independent Director
Madhu Dikshit (w.e.f 21st December 2020)	Independent Director
Shalvis Specialities Ltd (w.e.f 18th January 2021)	Wholly Owned Subsidiary
Swarup Publications Pvt Limited (w.e.f 6th October, 2020)	Entity in which a director or manager or his relative is a member or director
Swarup chemicals Pvt Limited (w.e.f 6th October, 2020)	Entity in which a director or manager or his relative is a member or director
Sanju Agarwal	Relative of director
Vishwas Swarup Agarwal	Relative of director
Komal Swarup Agarwal	Relative of director
Vishal Swarup Agarwal	Relative of director
Kajaree Swarup Agarwal	Relative of director
Mahendra Swarup Agarwal	Relative of director
Sudha Agarwal	Relative of director
Pramod Swarup Agarwal	Relative of director
Virendra Swarup Agarwal	Relative of director
Madhu Arun Bagaria (w.e.f 23rd January 2021)	Relative of director
Arun Kishanlal Bagaria (w.e.f 23rd January 2021)	Relative of director
Ashok Kumar Gupta (Resigned w.e.f 10th December 2020)	Whole-time Director
Pranav Agarwal (Resigned w.e.f 29th September 2020)	Independent Director
Shweta Agarwal (Resigned w.e.f 21st December 2020)	Independent Director
G S Mehta (Resigned w.e.f 10th December 2020)	Non Executive Director
Sanjay Khatau Asher (21st December 2020 - 8th February 2021)	Independent Director
Kuruba Adeppa (10th December 2020 - 8th February 2021)	Whole-time Director

2 Transactions during the year

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Remuneration		
Rajendra Singh Sharma	0.64	0.60
Ashok Kumar Gupta	1.19	1.47
Ajeet Pandey	0.34	—
Satya Prakash Gupta	0.72	—
Dheeraj Kumar Jain	1.53	—
Ajai Kumar Sinha	0.16	—
Kuruba Adeppa	0.30	—
B.T. Hanumantha Reddy	1.82	—
Director Sitting fees		
G S Mehta	0.04	0.08
Pranav Agarwal	0.06	0.04
Shweta Agarwal	0.24	0.04
Anand Swarup Agarwal	0.72	—
Adesh Kumar Gupta	0.30	—
Mohan Vasant Tanksale	0.25	—
Rahul Arun Bagaria	0.30	—
Madhu Dikshit	0.40	—
Sanjay Khatau Asher	0.15	—

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

36 Related party disclosures as per Ind AS 24 (Contd..)

2 Transactions during the year (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Professional Fees		
Sanju Agarwal	0.90	0.70
Vishal Swarup Agarwal	12.00	12.00
Vishwas Swarup Agarwal	12.00	12.00
Anand Swarup Agarwal	6.00	12.00
Mahendra Swarup Agarwal	0.60	0.60
Virendra Swarup Agarwal	0.60	0.60
Pramod Swarup Agarwal	0.60	0.60
Sudha Agarwal	0.30	0.30
Komal Swarup Agarwal	0.90	—
Kajaree Swarup Agarwal	0.90	—
Interest Income		
Swarup Chemicals Pvt Limited	1.01	—
Expenses (net)		
Swarup Chemicals Pvt Limited	8.68	—
Swarup Publications Pvt Limited	1.75	—
Vishal Swarup Agarwal	0.54	0.54
Reimbursement of Expenses made on behalf of the Company		
Vishal Swarup Agarwal	1.20	1.20
Reimbursement of Expenses made on behalf of the related party		
Shalvis Specialities Ltd	0.23	—
Interest Expense on Unsecured Loan		
Mahendra Swarup Agarwal	0.42	1.27
Pramod Swarup Agarwal	0.28	0.83
Sudha Agarwal	0.20	0.60
Equity Investment		
Shalvis Specialities Ltd	8.00	—
Issue of shares		
Madhu Arun Bagaria	6.26	—
Arun Kishanlal Bagaria	6.26	—
TOTAL	78.79	45.47

3 Outstanding balances as at the year end

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured Loans		
Mahendra Swarup Agarwal	—	11.69
Pramod Swarup Agarwal	—	7.70
Sudha Agarwal	—	5.54
Advances		
Swarup Chemicals Pvt Limited	34.00	—

4 Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

There have been no guarantees provided or received for any related party receivables or payables.

No balances in respect of the related parties has been provided for written off / written back."

5 Related party relationship is as identified by the management and relied upon by the auditors.

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

37 Financial instruments

The details of significant accounting policies, including criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed below and Note 1.

A Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values of financial instruments:

- The fair value of the long-term borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company (since the date of inception of the loans).
- Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

Financial Assets and Liabilities

The accounting classification of each category of financial instruments, and their carrying amounts are set out as below:

a. Financial Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Instruments carried at fair value			Instruments carried at amortized cost	Total Fair Value	Total Carrying Value
	FVOCI (Equity instruments)	FVOCI (Other instruments)	FVTPL			
As at 31st March, 2020						
(i) Investments	–	–	25.89	4.48	30.37	30.37
(ii) Other financial assets	–	–	–	55.59	55.59	55.59
(iii) Trade receivables	–	–	–	1,831.74	1,831.74	1,831.74
(iv) Cash and cash equivalents	–	–	–	67.17	67.17	67.17
(v) Other Balances with Banks	–	–	–	13.12	13.12	13.12
Total	–	–	25.89	1,972.10	1,997.99	1,997.99
As at 31st March, 2021						
(i) Investments	2.30	–	83.84	12.90	99.05	99.05
(ii) Other financial assets	–	–	–	29.64	29.64	29.64
(iii) Trade receivables	–	–	–	2,142.20	2,142.20	2,142.20
(iv) Cash and cash equivalents	–	–	–	19.07	19.07	19.07
(v) Other Balances with Banks	–	–	–	410.55	410.55	410.55
Total	2.30	–	83.84	–	2,614.36	2,700.51

b. Financial Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Fair value through profit & loss	At amortized cost*	Total carrying amount	Total Fair Value
As at 31st March, 2020				
(i) Borrowings	–	239.89	239.89	239.89
(ii) Other financial liabilities	–	83.45	83.45	83.45
(ii) Trade payables	–	615.42	615.42	615.42
Total	–	938.76	938.76	938.76
As at 31st March, 2021				
(i) Borrowings	–	299.57	299.57	299.57
(ii) Other financial liabilities	–	56.99	56.99	56.99
(ii) Trade payables	–	740.47	740.47	740.47
Total	–	1,097.03	1,097.03	1,097.03

*The carrying value and fair value approximation, if any.

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

c. Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The categories used are as follows:

- Level 1: It includes financial instruments measured using quoted prices and the mutual funds are measured using the closing Net Asset Value (NAV).
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The below table summarises the categories of financial assets and liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019 measured at fair value:

(All amounts in Rupees Millions, unless otherwise stated)

As at 31st March, 2020	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value				
Investments in Equity Shares	5.14	–	–	5.14
Investment in Mutual Funds	20.75	–	–	20.75

(All amounts in Rupees Millions, unless otherwise stated)

As at 31st March, 2021	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value				
Investments in Equity Shares	10.92	–	2.30	13.22
Investment in Mutual Funds	72.93	–	–	72.93

38 Segment Reporting

The Board of Directors are identified as Chief Operating Decision Maker of the Company. They are responsible for allocating resources and assessing the performance of the operating segments. Accordingly, they have determined Agro Chemicals” as its only operating Segment.

Thus the segment revenue, interest revenue, interest expense, depreciation and amortisation, segment assets and segment liabilities are all as reflected in the Financial Statements.

Geographical Information

a. Revenue from external customers

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
attributed to the Company's country of domicile, India	2,746.01	1,800.34
attributed to all foreign countries	3,680.33	2,979.24
Total	6,426.34	4,779.58

b. Revenues from transactions with customers (including customers of the same group) exceeding 10% of the Company's sales in current as well as previous year.

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
	2,830.50	1,403.94

c. Non-current assets (excluding Deferred/ Current Tax and Financial Assets)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
located in the Company's country of domicile, India	1,363.54	1,005.79
located in all foreign countries	–	–
Total	1,363.54	1,005.79

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

39 Income tax

This note provides an analysis of the group's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
(i) Tax expense recognised in the standalone statement of profit and loss		
Current Tax on profits for the year	448.03	231.11
Adjustments for current tax of prior periods	2.09	(3.16)
Total Current Tax Expense	450.12	227.95
Deferred Tax charge/ (credit) P&L	8.27	(2.09)
(Decrease) increase in deferred tax liabilities	–	–
Total Deferred Tax Expense	8.27	(2.09)
Income tax expense recognised in the standalone statement of profit and loss	458.39	225.86
(ii) Tax expense recognised in OCI		
Deferred Tax:		
Deferred Tax expense on Remeasurement of defined benefit plans	0.28	0.72
Income tax expense recognised in the standalone statement of profit and loss	0.28	0.72

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Enacted income tax rate in India applicable to the Company (in %)	25.17	25.17
Profit/ (Loss) before income tax expense	1,799.65	933.70
Current tax expense on Profit/ (loss) before tax expenses at enacted income tax rate in India	452.94	234.99
Tax effects of :		
Tax effect on non-deductible expenses	10.02	1.12
Effect of Income which is taxed at special rates	(5.66)	(0.05)
Effect of Income that is exempted from tax	–	(0.02)
Effect of Government grants offered to income tax on receipt basis	(1.55)	1.62
Effects of Adjustments for current tax of prior periods	2.09	(3.16)
Effect of change in tax rate	–	(9.85)
Other items	0.56	1.05
Total Income tax expense	458.39	225.70

The Company elected to exercise the option of lower tax rate permitted under section 115BAA of the Income-tax Act, 1961 inserted vide Taxation Laws (Amendment) Act, 2019.

The Company, accordingly has recognized Provision for Income Tax.

The details of Income tax Assets / Liabilities are as follows:-

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Income Tax Assets	1,391.74	940.72
Current Income Tax Liabilities	1,397.27	949.23
Net Current Income Tax Liabilities at the end of the year	5.53	8.51

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

39 Income tax (Contd..)

The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:

As at 31st March, 2021

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Balance sheet 01st April 2020	Profit and loss For the Year	OCI For the Year	Balance sheet 31st March, 2021
Deferred Tax Liabilities				
Arising on account of:				
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	73.28	12.53	—	85.81
Increase in borrowing cost pursuant to application of effective interest rate method	2.56	(2.50)	—	0.06
Provision for Employee Defined Benefit obligations	2.49	(2.27)	0.28	0.49
Provision for Compensated Absences	0.01	0.09	—	0.10
Deferred Tax Assets				
Arising on account of:				
Lease liability amortisation	(0.03)	(0.03)	—	(0.06)
Allowances for Doubtful debt and Advances	(3.70)	(4.46)	—	(8.17)
Difference in carrying value and Tax base of investments measured at FVTPL	(1.56)	4.36	—	2.80
Total	73.05	7.72	0.28	81.03

As at 31st March, 2020

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Balance sheet 01st April 2019	Profit and loss 2019-2020	OCI 2019-2020	Balance sheet 31st March, 2020
Deferred Tax Liabilities				
Arising on account of:				
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	72.64	0.64	—	73.28
Increase in borrowing cost pursuant to application of effective interest rate method	2.60	(0.04)	—	2.56
Provision for Employee Defined Benefit obligations	3.17	(1.40)	0.72	2.49
Provision for Compensated Absences	0.42	(0.41)	—	0.01
Deferred Tax Assets				
Arising on account of:				
Lease liability amortisation	—	(0.03)	—	(0.03)
Allowances for Doubtful debt and Advances	(2.83)	(0.87)	—	(3.70)
Difference in carrying value and Tax base of investments measured at FVTPL	(0.14)	(1.42)	—	(1.56)
Total	75.86	(3.53)	0.72	73.05

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

40 Earnings per share (EPS)

- (a) Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

i Profit attributable to Equity holders of Company

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Profit attributable to equity share holders of the Company for basic and diluted earnings per share	1,345.44	707.83

ii Weighted average number of ordinary shares

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Equity shares outstanding as at year end	111,785,130	318,325
Equity shares post split and bonus (Refer note 13(d), 13(e) and 13(f))		
Weighted average number of shares as at year end for basic earnings per shares	111,476,834	111,413,750
Weighted average number of shares as at year end for diluted earnings per shares	111,476,834	111,413,750
Basic earnings per share (in ₹)	12.07	6.35
Diluted earnings per share (in ₹)	12.07	6.35

41 Financial risk management

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 analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board has been monitoring the risks that the Company is exposed to due to outbreak of COVID 19 closely. The Board has taken all necessary actions to mitigate the risks identified basis the information and situation present."

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk; and
- Interest rate risk

(A) Credit risk

Credit risk arises from the possibility that the value of receivables or other financial assets of the Company may be impaired because counterparties cannot meet their payment or other performance obligations.

To manage credit risks from trade receivables other than Related Party, the credit managers from Order to Cash department of the Company regularly analyse customer's receivables, overdue and payment behaviours. Some of these receivables are collateralised and the same is used according to conditions. These could include advance payments, security deposits, post-dated cheques etc. Credit limits for this trade receivables are evaluated and set in line with Company's internal guidelines.

There is no significant concentration of default risk.

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

41 Financial risk management (Contd..)

Credit risks from financial transactions are managed independently by Finance department. For banks and financial institutions, the Company has policies and operating guidelines in place to ensure that financial instrument transactions are only entered into with high quality banks and financial institutions. The Company had no other financial instrument that represents a significant concentration of credit risk.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due.

Where recoveries are made, these are recognized in statement of profit & loss.

Credit risk is managed at Company level.

For other financial assets, the Company assesses and manages credit risk based on internal control and credit management system.

The finance function consists of a separate team who assess and maintain an internal credit management system. Internal credit control and management is performed on a Company basis for each class of financial instruments with different characteristics."

The Company considers whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers available reasonable and supportive forward-looking information.

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) are also considered as part of the internal credit management system.

A default on a financial asset is when the counterparty fails to make payments as per contract. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

Based on the historical data, no additional provision has been considered necessary in respect of trade receivables more than 3 months, since the management has taken suitable measures to recover the said dues and is hopeful of recovery in due course of time.

Ageing of account receivables :

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
0-3 months	1,197.17	880.09
More than 3 months	977.48	963.64
Total	2,174.65	1,843.73

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

41 Financial risk management (Contd..)

Reconciliation of loss allowance - Trade Receivables

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at	As at
	31st March, 2021	31st March, 2020
Opening balance	11.99	8.52
Allowance made during the year	20.46	3.47
Closing balance	32.45	11.99

The Company maintains exposure in cash and cash equivalents, deposits with banks, investments, and other financial assets. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience.

Credit limits and concentration of exposures are actively monitored by the Management of the Company.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Additionally, considering the COVID 19 situation, the Company has also assessed the performance and recoverability of trade receivables. The Company believes that the current value of trade receivables reflects the fair value/ recoverable values.

(B) 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 asset.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Due to the dynamic nature of underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecast of Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

all non-derivative financial liabilities, and the amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Maturity analysis of significant financial liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Contractual cash flows					
	As at 31st March, 2021			As at 31st March, 2020		
	Carrying amount	Upto 1 year	More than 1 year	Carrying amount	Upto 1 year	More than 1 year
Non-derivative financial liabilities						
Term Loans	77.87	3.38	74.49	145.03	40.59	104.44
Short Term Borrowings	225.08	225.08	—	135.45	135.45	—
Trade and Other Payables	740.47	740.47	—	615.42	615.42	—
Other Financial Liabilities	53.60	0.03	53.57	42.96	0.03	42.93
Other Current Liabilities	53.57	53.57	—	62.54	62.54	—

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

41 Financial risk management (Contd..)

(C) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and market value of its investments. Thus the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Foreign Currency Risk

Foreign currency opportunities and risks for the Company result from changes in exchange rates and the related changes in the value of financial instruments (including receivables and payables) in the functional currency (INR).

The Company is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to US Dollar(USD).

The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks.

Exposure to currency risk

The currency profile of financial assets and financial liabilities are as below:

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021				As at 31st March, 2020			
	INR ₹ in mn	EURO ₹ in mn	USD ₹ in mn	AUD ₹ in mn	INR ₹ in mn	EURO ₹ in mn	USD ₹ in mn	AUD ₹ in mn
Financial Assets								
Trade Receivables	1,481.55	154.93	467.32	38.41	1,289.17	79.91	462.65	–
Total	1,481.55	154.93	467.32	38.41	1,289.17	79.91	462.65	–
Financial Liabilities								
Trade payables	604.62	–	135.86	–	528.14	–	87.28	–
Total	604.62	–	135.86	–	528.14	–	87.28	–

The following significant exchange rates have been applied during the year.

(All amounts in Rupees Millions, unless otherwise stated)

Currency	31st March, 2021	31st March, 2020
USD	73.50	75.39
EURO	86.10	83.05
AUD	55.57	–

Sensitivity analysis

The following table details the Company's sensitivity to a 25 basis points increase and decrease in the Rupee against the relevant foreign currencies is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 0.25% change in foreign currency rate. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

41 Financial risk management (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
USD	0.83	(0.83)	0.94	(0.94)
EURO	0.39	(0.39)	0.20	(0.20)
AUD	0.10	(0.10)	–	–

(D) Cash flow and fair value interest rate risk

– Interest rate risk management:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's approach to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation. Moreover, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

The Company is also exposed to interest rate risk on its financial assets that includes fixed deposits, since the same are generally for short duration, the Company believes it has manageable risk and achieving satisfactory returns. The Company also has long - term fixed interest bearing assets. However the Company has in place an effective system to manage risk and maximise return.

– Interest rate risk exposure:

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fixed-rate instruments		
Financial assets	–	–
Financial liabilities	77.87	132.05
Variable-rate instruments		
Financial assets	–	–
Financial liabilities	225.08	148.43
Total	302.95	280.48

– Interest rate sensitivity

Interest rate sensitivity

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. In cases where the related interest rate risk is capitalised to fixed assets, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets.

Price Risk

The Company's exposure to price risk arises from investment in mutual funds and classified in the balance sheet as fair value through profit and loss. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

Significant accounting policies and explanatory notes to Standalone Financial Statements

for the year ended 31st March 2021

41 Financial risk management (Contd..)

(E) Risk due to outbreak of COVID 19 pandemic

The outbreak of COVID 19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Company's plants, warehouses and offices were shut post announcement of nationwide lockdown. However, since manufacturing of pesticides was determined to be an essential industry, we were allowed to resume operations in a phased manner after second week of April 2020 and both of our facilities restarted operations, subject to certain adjustments in working patterns, social distancing measures and additional safety measures. The Company has considered external and internal information in assessing the impact of COVID 19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

42 Capital management

(a) Risk management

The Company's objectives when managing capital are to:

1. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, reduce debt or sell assets."

The gearing ratios were as follows:

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Net debt (Total Debt - Cash & cash equivalent - Other Bank Balances other than on lien)	72.78	213.22
Total equity	3,894.95	2,568.23
Net debt to equity ratio	0.02	0.08

Note 43

Part A: Statement of Restatement Adjustments to Audited Financial Statements

Reconciliation between audited profit and restated profit (All amounts in Rupees Millions, unless otherwise stated)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit after tax (as per audited financial statements)	1,345.44	707.83	444.97
Adjustment for conversion from IGAAP to Ind AS/ Proforma Ind AS *	—	—	(5.76)
Restated profit after tax	1,345.44	707.83	439.21

Significant accounting policies and explanatory notes to Standalone Financial Statements for the year ended 31st March 2021

Note 43 (Contd..)

Reconciliation between total audited equity and total restated equity (All amounts in Rupees Millions, unless otherwise stated)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Total Equity as per audited financial statements	3,894.95	2,568.23	1,858.01	1,420.89
Adjustment for conversion from IGAAP to Ind AS/ Proforma Ind AS*	–	–	12.19	18.26
Total Equity as Restated Unconsolidated Summary Statement of Assets and Liabilities	3,894.95	2,568.23	1,870.20	1,439.15

* Adjustment for conversion from IGAAP to Ind AS

The audited financial statements of the Company as at and for the year ended March 31, 2019 were prepared in accordance with accounting principals generally accepted in India including the Companies Accounting Standards Rules, 2006 (as amended) specified under Section 133 of the Act, Companies (Accounts) Rules, 2014 (as amended). The same have been converted into Ind AS to confirm with the accounting policies generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, Read with the Companies (Indian Accounting Standards) Rule, 2015, as amended. For further details refer note no 43 for Ind AS Adjustments of total Comprehensive income for the year ended March 31, 2019 and for Equity as at March 31, 2019 and April 01, 2018.

Part B: Material Regrouping

Appropriate regroupings have been made in the Restated Unconsolidated Summary Statement of Assets and Liabilities, Restated Unconsolidated Summary Statement of Profit and Loss and Restated Unconsolidated Summary Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Company for the year ended March 31, 2021 prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2018, as amended.

For and on behalf of Board of Directors of **India Pesticides Limited**

A. S .Agarwal
Director
DIN: 00777581

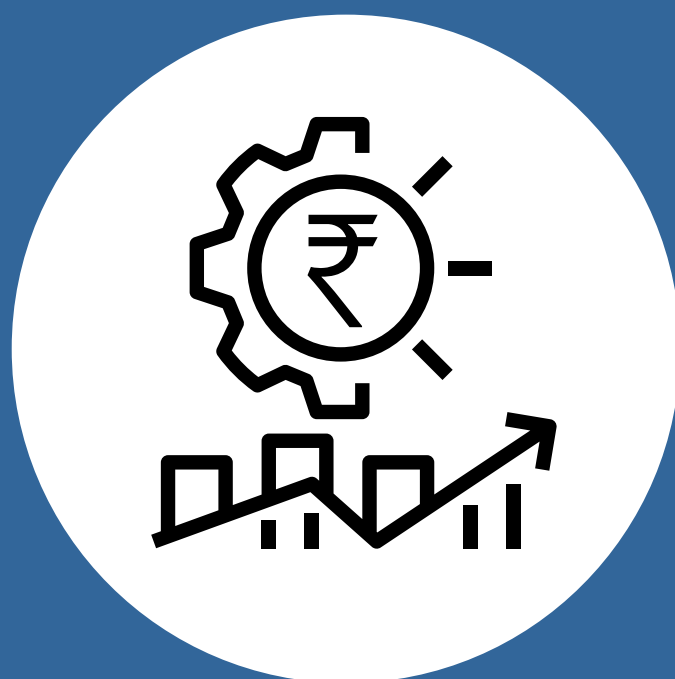
R. S. Sharma
Director
DIN: 02487797

D. K. Jain
Chief Executive Officer

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Lucknow
Dated: May 25, 2021



Consolidated Financial Statements

Independent Auditor's Report

To,
The Members of
India Pesticides Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of India Pesticides Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company & its subsidiary together referred to as "the Group") comprising of consolidated Balance Sheet as at March 31st, 2021, the Consolidated Statement of Profit & Loss including other comprehensive income, Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, including a summary of significant 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, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 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 Group as at 31st March, 2021, the consolidated profit including total comprehensive income, consolidated changes in equity and its consolidated 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. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's

Information, but does not include the financial statements and our auditor's report 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 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.

Responsibilities of Management and Those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, Consolidated financial performance including Other Comprehensive Income, Consolidated changes in equity of the Group and Consolidated Cash flows in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

The respective 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 the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors is responsible for assessing the Group'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 management either intends to liquidate the Group 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 also responsible for overseeing the financial reporting process of the Group

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 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 Group has adequate internal financial control system 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.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 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 entity 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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.

Other Matters

- We did not audit the financial statements of Shalvis Specialities Limited (the 'subsidiary'), prepared by the management under Ind-AS, whose share of total assets is Rs 7.78mn, total revenues Rs. Nil and net cash flows Rs. 7.78mn included in the consolidated financial statements, for the year ended March 31, 2021, which have been audited by other independent auditors 'R.K. Chari & Co', Chartered Accountants and whose report has been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors.
- No comparative figures have been presented in the Consolidated Financial Statements for the year ended March 31, 2021 as these are the first set of Consolidated Financial Statements prepared by the Group.

Our opinion on the Consolidated Financial Statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by Sub-section (3) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of subsidiary, as noted in the 'Other Matter' 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 and 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 and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Statement of Changes in Equity 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 Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of subsidiary company, none of the directors of the Group companies and its subsidiary company is disqualified as on 31st March, 2021 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company

and the operating effectiveness of such controls, refer to our separate report in Annexure A.

- g) 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 as also the other financial information of subsidiary, as noted in the 'Other Matter' paragraph:
 - (i) The Group does not have any pending litigations which would impact the consolidated financial position of the Group.
 - (ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts; and
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Lodha & Company**
Chartered Accountants
Firm registration No – 301051E

R. P. Baradiya
Partner

Place: Mumbai
Date: May 25, 2021

Membership No. 44101
UDIN:- 21044101AAAAHE7638

“Annexure A” to the Independent Auditor’s Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the the Act

We have audited the internal financial controls over financial reporting of India Pesticides Limited (hereinafter referred to as “the Holding Company”) and its subsidiary (the Holding Company & its subsidiary together referred to as “the Group”) as of and for the year ended 31st March, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 (“ICAI”). 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. 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 over financial reporting was 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 system over

financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 Group’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting 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 control over financial reporting includes 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 authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial

reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary, have broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial

reporting criteria established by the Holding 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.

For **Lodha & Company**

Chartered Accountants

FRN – 301051E

R. P. Baradiya

Partner

Place: Mumbai

Date: May 25, 2021

Membership No. 44101

UDIN:- 21044101AAAAHE7638

Consolidated Balance Sheet

as at 31st March 2021

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Notes	As at 31st March, 2021
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	2A	1,199.92
Right of Use Assets	2B	43.54
Capital work-in-progress	2C	118.85
Intangible Assets	3	1.22
Intangible Assets under development		-
Financial Assets		
Investments	4	91.05
Other Financial Assets	5	28.49
Other Non-current Assets	6	11.53
Total Non current assets		1,494.60
Current Assets		
Inventories	7	700.79
Financial Assets		
Trade Receivables	8	2,142.20
Cash and Cash Equivalents	9	26.86
Other Balances with Banks	10	410.55
Other Financial Assets	11	1.16
Other Current Assets	12	394.43
Total Current Assets		3,675.99
Total Assets		5,170.59
EQUITY AND LIABILITIES		
EQUITY		
Equity Share Capital	13	111.79
Other Equity	14	3,782.99
Non-Controlling Interest		-
Total Equity		3,894.78
LIABILITIES		
Non-Current Liabilities		
Financial Liabilities		
Borrowings	15	74.49
Other Financial Liabilities	16	1.13
Provisions	17	6.89
Deferred Tax Liabilities (Net)	18	80.98
Total Non Current Liabilities		163.49
Current Liabilities		
Financial liabilities		
Borrowings	19	225.08
Trade Payables	20	
Total outstanding dues of micro enterprises and small enterprises		47.17
Total outstanding dues of creditors other than micro enterprises and small enterprises		693.35
Other Financial Liabilities	21	55.85
Other Current Liabilities	22	53.57
Provisions	23	31.81
Current Tax Liabilities (Net)	24	5.48
Total Current Liabilities		1,112.32
Total Liabilities		1,275.81
Total Equity and Liabilities		5,170.59
Significant accounting policies and Key accounting estimates and judgements	1	
See accompanying notes to Consolidated Financial Statements	2-44	

As per our report of even date attached

For **Lodha & Co.**
Chartered Accountants
ICAI Firm Registration No: 301051E

R.P. Baradiya
Partner

For and on behalf of Board of Directors of
India Pesticides Limited
A. S. Agarwal
Director
DIN: 00777581

D. K. Jain
Chief Executive Officer

R. S. Sharma
Director
DIN: 02487797

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Mumbai
Dated: 25.05.2021

Place : Lucknow
Dated: 25.05.2021

Consolidated Statement of Profit and Loss

for the year ended 31st March 2021

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Notes	Year ended 31st March, 2021
Revenue from Operations	25	6,489.54
Other Income	26	64.23
Total Income (I)		6,553.77
EXPENSES		
Cost of Materials Consumed	27	3,300.90
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	29	(196.77)
Employee Benefits Expense	30	227.42
Finance Costs	31	34.33
Depreciation and Amortisation Expense	2 & 3	61.35
Other Expenses	32	1,327.15
Total Expenses (II)		4,754.38
Profit Before Tax (I-II)		1,799.39
Tax Expense		
(1) Current Tax		447.99
(2) Deferred Tax		8.22
(3) Current taxes relating to earlier years		2.09
Profit for the period		1,345.27
Other comprehensive income		
(i) Items that will not be reclassified to profit or loss		
- Remeasurement of defined benefit plans		1.20
- Equity Instruments through OCI		2.30
- Income tax related to items that will not be reclassified to Profit and loss		0.28
Total Other comprehensive income/(loss) for the year (Net of Tax)		3.78
Total Comprehensive income for the Year		1,349.05
Profit Attributable to:		
Owners of the Group		1,345.27
Non -Controlling Interest		-
Other Comprehensive Income Attributable to:		
Owners of the Group		3.78
Non -Controlling Interest		-
Total Comprehensive Income Attributable to:		
Owners of the Group		1,349.05
Non -Controlling Interest		-
Earnings per Equity Share of Rs.1 Each (Refer note 13(d), 13(e) and 13(f))	39	
Basic (in Rs)		12.07
Diluted (in Rs)		12.07
Significant accounting policies and Key accounting estimates and judgements	1	
See accompanying notes to Consolidated Financial Statements	2-44	

As per our report of even date attached

For **Lodha & Co.**
Chartered Accountants
ICAI Firm Registration No: 301051E

For and on behalf of Board of Directors of
India Pesticides Limited

R.P. Baradiya
Partner

A. S. Agarwal
Director
DIN: 00777581

R. S. Sharma
Director
DIN: 02487797

D. K. Jain
Chief Executive Officer

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Mumbai
Dated: 25.05.2021

Place : Lucknow
Dated: 25.05.2021

Consolidated Statement of Cash flow

as at 31st March 2021

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year Ended 31st March, 2021
A Cash flow from operating activities:	
Net profit before tax	1799.39
Adjustment to reconcile profit before tax to net cash flows	
Depreciation	61.35
Net unrealised foreign exchange loss/(gain)	9.09
Net gain on sale / fair valuation of investments through profit and loss	(20.18)
(Profit)/Loss on Sale of property, plant and equipment (net)	(0.03)
Dividend Income	(0.08)
Provision for Employee Benefits	4.38
Finance Lease	0.02
Interest received	(22.47)
Provision for Expected Credit Loss	20.46
Bad Debt	17.49
Interest expenses	28.27
Operating profit before working capital changes	1897.69
Adjustment for	
Decrease/ (Increase) in other financial assets	25.95
Decrease/ (Increase) in non current assets	4.56
Decrease/ (Increase) in trade receivables	(345.21)
Decrease/(Increase) in other current assets	(147.55)
Decrease/(Increase) in Inventories	(315.06)
(Decrease)/Increase in other financial liabilities	10.71
(Decrease)/Increase in trade payables	126.59
(Decrease)/ Increase in other current liabilities	(8.97)
(Decrease)/ Increase in provisions	32.94
Cash generated from operations	1281.65
Direct taxes paid (net)	(448.93)
Net cash generated from / (used in) operating activities	832.72
B Cash generated from investing activities	
Purchase of property, plant and equipment, Intangible assets and Capital work in progress	(419.15)
Proceeds from sale of property, plant and equipment	0.11
Purchase of Investments	(71.41)
Sale proceeds of Investments	33.21
Increase in Term Deposits	(397.43)
Interest Income	22.47
Net cash flow from / (used in) from investing activities	(832.20)
C Cash generated from financing activities	
Proceeds from Long term Borrowings	8.20
Repayment of Long term Borrowings	(70.13)
Proceeds/(repayment) from short-term borrowings (net)	89.63
Dividend paid (including corporate dividend tax)	(35.02)
Interest paid (net)	(33.52)
Cash generated from / (used in) financing activities	(40.84)
D Net Increase/ (Decrease) in cash and cash equivalent (A+B+C)	(40.31)
Cash and Cash equivalents	
At the beginning of the year	67.17
At the end of the year	26.86

Consolidated Statement of Cash flow

as at 31st March 2021

Notes:

Net Debt Reconciliation

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year Ended 31st March, 2021
Opening Net Debt	280.39
Proceeds from Borrowings (net)	97.82
Repayment of Borrowings (net)	(70.13)
Interest Expense (net)	28.27
Interest Paid (net)	(33.52)
Discounting adjustment for borrowing cost	0.12
Closing Net Debt	302.95

The above cash flow statement has been prepared by using indirect method as per Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows.

As per our report of even date attached

For **Lodha & Co.**
Chartered Accountants
ICAI Firm Registration No: 301051E

For and on behalf of Board of Directors of
India Pesticides Limited

R.P. Baradiya
Partner

A. S. Agarwal
Director
DIN: 00777581

R. S. Sharma
Director
DIN: 02487797

D. K. Jain
Chief Executive Officer

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Mumbai
Dated: 25.05.2021

Place : Lucknow
Dated: 25.05.2021

Consolidated Statement of Changes In Equity

for the year ended 31st March 2021

A. Equity Share Capital

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	No. of Shares	Amount
As at 1st April, 2020	3,18,325	31.83
Changes in equity share capital during the period	11,14,66,805	79.95
As at 31st March, 2021	11,17,85,130	111.79

B. Other Equity

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Reserves and Surplus			Remeasurement of net defined benefit plan through OCI	Total
	Securities Premium	General Reserve	Retained Earnings		
Balance as on 1st April, 2020	8.58	589.37	1,941.08	(2.64)	2,536.40
Profit/(loss) for the year	-	-	1,345.27	3.78	1,349.05
Other Comprehensive Income / (loss)	-	-	-	-	-
Total Comprehensive Income for the year	8.58	589.37	3,286.35	1.14	3,885.45
Dividends paid	-	-	(35.02)	-	(35.02)
Amounts utilized towards issue of fully paid up bonus shares to the extent available (Refer note 13(e))	(8.58)	(71.00)	-	-	(79.58)
Add: On Preferential Allotment (Refer note 13(f))	12.14	-	-	-	12.14
Balance as on 31st March 2021	12.14	518.37	3,251.34	1.14	3,782.99

As per our report of even date attached

For **Lodha & Co.**
Chartered Accountants
ICAI Firm Registration No: 301051E

For and on behalf of Board of Directors of
India Pesticides Limited

R.P. Baradiya
Partner

A. S. Agarwal
Director
DIN: 00777581

R. S. Sharma
Director
DIN: 02487797

D. K. Jain
Chief Executive Officer

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Mumbai
Dated: 25.05.2021

Place : Lucknow
Dated: 25.05.2021

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

Group Profile

The Consolidated Financial Statements India Pesticides Limited ('the Company') and its subsidiary (collectively, 'the Group') for the period ended March 31, 2021.

The Company was incorporated on 13th December 1984 and having its registered office at Bareilly, Uttar Pradesh, India. The Group is engaged in 'Agro Chemicals' business which primarily includes manufacture, sale and distribution of insecticides, fungicides, herbicide and various other agrochemical products. The Group has its own manufacturing site for agrochemical production at Sandila and Dewa Road in Uttar Pradesh.

1 Significant Accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of Preparation

The Consolidated financial statements of the Company are based on the principle of historical cost except for certain financial assets and liabilities and defined benefit plan that are measured at fair value, and are drawn up to comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

The accounting policies are applied consistently to all the years presented in the consolidated financial statements.

The Consolidated Financial statements have been prepared on an accrual basis under the historical cost convention except for the following that are measured at fair value as required by relevant Ind AS.

Certain financial assets measured at fair value (refer accounting policy regarding financial instruments)

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or noncurrent classification of assets and liabilities.

1.2 Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiary as at March

31, 2021. Control is achieved when the Group 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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 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 financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company. When the end of the reporting period of

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the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- i) Derecognises the assets (including goodwill) and liabilities of the subsidiary
- ii) Derecognises the carrying amount of any non-controlling interests
- iii) Derecognises the cumulative translation differences recorded in equity
- iv) Recognises the fair value of the consideration received
- v) Recognises the fair value of any investment retained

- vi) Recognises any surplus or deficit in profit or loss
- vii) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

1.3 Application of New Accounting Pronouncements

The Group has applied the Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019.

1.3 Use of Estimates and Judgments

In preparing the Consolidated Financial Statements, the Management has to make certain assumptions and estimates that may substantially impact the presentation of the Group's financial position and/or results of operations.

The estimates and judgments used in the preparation of the Consolidated Financial Statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Although the Group regularly assesses these estimates, actual results may differ from these estimates. Changes in estimates are recorded in the periods in which they become known.

1.4 Summary of Significant accounting policies

(a) Property, Plant & Equipment

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under

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relevant heads of property, plant and equipment if the recognition criteria are met.

Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

Depreciation and Amortisation

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Leasehold improvements are amortized over the period of the lease.

The Estimated useful lives of the assets are as follows

Asset Class	Useful Life
Factory Building	30 years
Plant & Machinery	20 years
R&D Equipment	20 years
Electrical Installations and Equipment	10 years
Furniture & Fixtures	10 years
Vehicles	8 years
Office Equipments	5 years
Computers	3 years

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

(b) Intangible Assets

Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortization:

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The estimated useful life of intangible assets is mentioned below:

Asset Class	Useful Life
Software	5 years
Know How	10 years

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

(c) Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered

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is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of Products:

Revenue from sale of products is recognized when the control on the goods has been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Export Incentive:

Income from Export Incentives such as duty drawback and MEIS are recognised on an accrual basis to the extent the ultimate realisation is reasonably certain.

(d) Other Income

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established. It is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to the asset's gross carrying amount on initial recognition. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument.

(e) Inventories

Inventories encompass goods consumed in production (raw materials, packing materials and stores and spare parts), goods in the production process for sale (work-

in-progress) and goods held for sale in the ordinary course of business (finished goods and stock-in-trade). Inventories are recognised at the lower of their cost of acquisition calculated by the weighted average method and at their net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses necessary to make the sale.

(f) Financial Instruments

(i) Financial Assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are accounted for at amortised cost using the effective interest method. This category comprises trade accounts receivable, loans, cash and cash equivalents, bank balances and other financial assets. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in Other Income using the effective interest rate method.

- fair value through profit and loss (FVTPL)

Assets shall be measured at FVTPL unless it is measured at amortised cost or at FVOCI. A gain or loss on a debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in the Statement of Profit and Loss and presented within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in Other Income.

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- fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The movements in carrying amount are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from equity to the Statement of Profit and Loss and recognised in other gains/ (losses). Interest income from these financial assets is included in Other Income using the effective interest rate method.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Group changes its business model for managing financial assets.

Derecognition

Financial assets are derecognised when contractual rights to receive cash flows from the financial assets expire or the financial assets are transferred together with all material risks and benefits.

(ii) Financial Liabilities

Financial liabilities are initially recognised at fair value if the Group has a contractual obligation to transfer cash or other financial assets to another party. Borrowings and payables are recognised net of directly attributable transaction costs. In subsequent periods, such liabilities are measured at amortised cost using the effective interest method.

Derecognition

Financial liabilities are derecognised when the contractual obligation is discharged or cancelled, or has expired.

(g) Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The Group applies Expected Credit Loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost. The Group follows 'simplified approach' permitted by Ind AS 109 - Financial Instruments for recognition of impairment loss on trade

receivables and lease receivables based on expected lifetime losses at each reporting date right from its initial recognition. If the reasons for previously recognised impairment losses no longer apply, the impairment losses are reversed provided that this does not cause the carrying amounts to exceed the amortised cost of acquisition.

(h) Fair Value Measurement

The Group measures certain financial instruments at fair value at each reporting date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability also reflects its non-performance risk.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

While measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

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When quoted price in active market for an instrument is available, the Group measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted prices in an active market, then the Group uses a valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Group regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

(i) Trade Receivables and Loans

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

(j) Investments

Financial assets are recognised and measured in accordance with Ind AS 109 - Financial Instruments. Accordingly, the Group recognises financial asset only when it has a contractual right to receive cash or other financial assets from another entity. 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 (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. Subsequent to initial recognition, financial assets are measured at amortised cost, fair value through other comprehensive income (FVOCI) or FVTPL. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Investment in Equity Instruments are classified as FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investment in equity instruments which are not held for trading.

(k) Foreign Currency Transactions

The Consolidated Financial Statements are presented in Indian Rupee, which is the Group's functional and presentation currency. The Group's functional currency is that of the primary economic environment in which the Group operates.

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains/ losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit and Loss.

Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(l) Income tax

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current Tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

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Deferred Tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and

deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

(m) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised 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 recognised as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes.

Contingent assets are not disclosed in the Consolidated Financial Statements unless an inflow of economic benefits is probable.

(n) Cash & Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

(o) Provision for Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Group recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

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Post-Employment Benefits:

I. Defined Contribution plans:

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans:

The Group recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Group during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

II. Defined benefit plans:

i) Provident fund scheme:

The Group makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Group. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The Group has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

ii) Gratuity scheme:

The Group has a Defined Benefit Plan namely Gratuity covering its employees. The Gratuity scheme is funded through Group Gratuity-cum-Life Assurance Scheme which is administered by LIC. The present value of provisions for defined benefit plans and the resulting expense are calculated in accordance with Ind AS 19 - Employee Benefits by the Projected Unit Credit Method. The future benefit obligations are valued by an independent actuary at the year-end and spread over the entire employment period on the basis of specific assumptions regarding beneficiary structure and the economic environment. This includes the determination of

the discount rate, salary escalation, mortality rate etc. which affects the valuation. In determining the appropriate discount rate at each balance sheet date, the Management considers the interest rates which relates to the benchmark rate available for Government Securities and that have terms to maturity approximating the terms of the related defined benefit obligation.

Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Group presents the above liability/(asset) as current and non-current in the balance sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Group will contribute this amount to the gratuity fund within the next twelve months.

Other Long Term Employee Benefits:

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Group determines the liability for such accumulated leaves using the Projected Accrued Benefit method with

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actuarial valuations being carried out at each Balance Sheet date. Expenses related to other long term employee benefits are recognized in the Statement of Profit and loss (including actuarial gain and loss).

(p) Lease accounting

Assets taken on lease:

The Group mainly has lease arrangements for land.

The Group assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Group has the right to direct the use of the asset.

The Group recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised 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. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term i.e. between 74 to 90 years

If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Group expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

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 interest rate implicit in the lease or, if that rate cannot be readily determined, the Group uses an incremental borrowing rate specific to the Group, term and currency of the contract. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease

payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Group is reasonable certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Short-term leases and leases of low-value assets:

The Group has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense in the statement of profit and loss.

(q) Impairment of Non-financial Assets

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any indication of such impairment exists, the recoverable amount of such assets / cash generating unit is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised.

The recoverable amount is the higher of the fair value less cost to sell and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

(r) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

(s) Government Grants / Subsidies:

Government grants / subsidies are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized in Statement of Profit and Loss.

(t) Segment reporting

The Group identifies operating segments based on the dominant source, nature of risks and returns and the internal organisation. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Board of Directors (who are Group's chief operating decision makers) in deciding how to allocate resources and in assessing performance.

(u) Dividends Payable

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

(v) Earnings Per Share

Basic earnings per share are calculated by dividing the Profit or Loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the Profit or Loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares. The weighted average number of equity shares outstanding during the period is adjusted for bonus issue and share split.

(w) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

(x) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(y) Rounding of Amounts

All amounts disclosed in the Consolidated Financial Statements and notes have been rounded off to the nearest million, unless otherwise stated.

(z) Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

(aa) Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

(a) Income taxes

The Group's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(b) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2021

changes or improvements in production or from a change in market demand of the product or service output of the asset.

(c) Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

(d) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet

cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

(e) Right-of-use assets and lease liability

The Group has exercised judgement in determining the lease term as the noncancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021



2A Property, Plant and Equipment

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Factory Building	Plant & Equipment	R&D Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross Carrying Amount								
Balance as at 1st April, 2020	261.86	736.32	1.17	8.92	25.99	1.70	2.50	1,038.49
Additions during the year	97.00	200.90	-	0.94	10.17	1.11	0.76	310.88
Disposals/ Reclassifications during the year	-	-	-	-	0.34	-	-	0.34
Balance as at 31st March, 2021	358.86	937.22	1.17	9.86	35.82	2.81	3.26	1,349.03
Accumulated Depreciation								
Balance as at 1st April, 2020	17.66	60.26	0.11	1.63	6.52	0.61	1.66	88.45
Depreciation expense for the year	9.08	45.34	0.06	1.02	4.39	0.41	0.59	60.89
Eliminated on disposal of asset/ reclassifications	-	-	-	-	0.25	-	-	0.25
Balance as at 31st March, 2021	26.74	105.60	0.17	2.66	10.66	1.02	2.25	149.11
Net Carrying amount								
Balance as at 31st March, 2021	332.12	831.62	1.00	7.21	25.17	1.79	1.01	1,199.92

2B Right of Use Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at March 31, 2021
Opening Balance	42.57
Additions	0.99
Deletions	-
Depreciation	0.02
Closing Balance	43.54

Note: Refer Note 33 for detailed disclosures

2C Capital work-in-progress

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Plant & Machinery	Buildings	Total
Balance as at 31st March, 2021	102.84	16.01	118.85

Note: Capital expenditures contracted for but not recognised in the financial statements is Rs. 22.41 mn as at 31st March, 2021.

Refer Note 15 and 19 for details of security charge on Property, plant and equipment, Right of use of assets and Capital work-in-progress.

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

3 Intangible Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Software	Know How	Total
Gross Carrying Amount			
Balance as at 1st April, 2020	0.40	2.12	2.52
Additions during the year	-	-	-
Deductions during the year	-	-	-
Balance as at 31st March, 2021	0.40	2.12	2.52
Accumulated amortization			
Balance as at 1st April, 2020	0.16	0.70	0.86
Amortization expense for the year	0.08	0.36	0.44
Deductions for the year	-	-	-
Balance as at 31st March, 2021	0.24	1.06	1.30
Net Carrying amount			
Balance as at 31st March, 2021	0.16	1.06	1.22

Notes: The amortization expense of intangible assets has been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss.

4 Investments

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
(A) INVESTMENTS MEASURED AT AMORTISED COST	
In Unquoted, fully paid up Debt Instrument	
India Infoline Finance Ltd	4.86
4,000 @ 9.5% (31st March, 2020 : 4,000 @ 9.5 %, 31st March, 2019 : 4,000 @ 9.5 %) non-convertible debentures of Rs. 1000 each	
TOTAL	4.86
In Unquoted Government Securities	
National Saving Certificate	0.04
TOTAL	0.04
(B) INVESTMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)	
In Unquoted, fully paid up Equity Shares of Other Company	
Swarup Chemicals Pvt Limited	2.30
3900 (31st March, 2020 : 3900, 31st March, 2019 : 3900)	
equity shares of Rs.10 each	
TOTAL	2.30
(C) INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS (FVTPL)	
In Quoted, fully paid up Equity Shares of Other Companies	
Punjab National Bank	0.00
50 (31st March, 2020 : 50, 31st March, 2019 : 50)	
equity shares of Rs.2 each	
Triveni Engineering Ltd	-
Nil (31st March, 2020 : 666, 31st March, 2019 : 666)	
equity shares of Rs.10 each	
Coromandal International Ltd	0.10
125 (31st March, 2020 : 125, 31st March, 2019 : 125)	
equity shares of Re.1 each	
Suditi Industries Ltd	0.12
11,739 (31st March, 2020 : 8899, 31st March, 2019 : 4632)	
equity shares of Re.10 each	
Vedanta Ltd	0.71

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

4 Investments (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
3,086 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of Re.1 each Vinati Organics Ltd	-
Nil (31st March, 2020 : Nil, 31st March, 2019 : 159) equity shares of Rs.2 each AIA Engineering Ltd.	-
Nil (31st March, 2020 : Nil, 31st March, 2019 : 191) equity shares of Rs.2 each Axis Bank Ltd	-
Nil (31st March, 2020 : Nil, 31st March, 2019 : 563) equity shares of Rs.2 each Canfin Homes Ltd	-
Nil (31st March, 2020 : 497, 31st March, 2019 : 691) equity shares of Rs.2 each DFM Foods Ltd	-
Nil (31st March, 2020 : 1989, 31st March, 2019 : 1989) equity shares of Rs.2 each HDFC Bank Ltd	-
Nil (31st March, 2020 : Nil, 31st March, 2019 : 254) equity shares of Rs.2 each IFB Industries Ltd	-
Nil (31st March, 2020 : 403, 31st March, 2019 : 476) equity shares of Rs.10 each JB Chemicals & Pharmaceuticals Ltd	-
Nil (31st March, 2020 : Nil, 31st March, 2019 : 921) equity shares of Rs.2 each K M Sugar Mills Ltd	1.62
1,36,325 (31st March, 2020 : 1,25,619, 31st March, 2019 : 60989) equity shares of Rs.2 each Magma Fincorp Ltd	-
Nil (31st March, 2020 : 5352, 31st March, 2019 : 3767) equity shares of Rs.2 each Majesco Ltd	-
Nil (31st March, 2020 : 1093, 31st March, 2019 : 740) equity shares of Rs.5 each Mayur Uniquoters Limited	-
Nil (31st March, 2020 : Nil, 31st March, 2019 : 751) equity shares of Rs.5 each Nesco Ltd	-
Nil (31st March, 2020 : 501, 31st March, 2019 : 501) equity shares of Rs.2 each Orient Electric Limited	-
Nil (31st March, 2020 : 1261, 31st March, 2019 : 1764) equity shares of Re.1 each PI Industries Ltd	0.34
151 (31st March, 2020 : 188, 31st March, 2019 : 237) equity shares of Re.1 each United Breweries Ltd	-
Nil (31st March, 2020 : Nil, 31st March, 2019 : 113) equity shares of Re.1 each Zensar Technologies Ltd	-

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

4 Investments (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Nil (31st March, 2020 : Nil, 31st March, 2019 : 1297) equity shares of Rs.2 each Alkyl Amines Chemicals Ltd	-
Nil (31st March, 2020 : 174, 31st March, 2019 : Nil) equity shares of Rs.5 each Bata India Ltd	-
Nil (31st March, 2020 : 198, 31st March, 2019 : Nil) equity shares of Rs.5 each Borosil Limited	-
Nil (31st March, 2020 : 1289, 31st March, 2019 : Nil) equity shares of Re.1 each ICICI Bank Ltd.	0.36
616 (31st March, 2020 : 624, 31st March, 2019 : Nil) equity shares of Rs.2 each IIFL Wealth Management Ltd.	-
Nil (31st March, 2020 : 205, 31st March, 2019 : Nil) equity shares of Rs.2 each Kotak Mahindra Bank Ltd	-
Nil (31st March, 2020 : 167, 31st March, 2019 : Nil) equity shares of Rs.5 each Multi Commodity Exchange of India Ltd.	-
Nil (31st March, 2020 : 216, 31st March, 2019 : Nil) equity shares of Rs.10 each Muthoot Finance Ltd.	-
Nil (31st March, 2020 : 316, 31st March, 2019 : Nil) equity shares of Rs.10 each Natco Pharma Ltd.	-
Nil (31st March, 2020 : 446, 31st March, 2019 : Nil) equity shares of Rs.2 each Navin Fluorine International Ltd.	0.34
124 (31st March, 2020 : 121, 31st March, 2019 : Nil) equity shares of Rs.2 each Nocil Ltd	-
Nil (31st March, 2020 : 2341, 31st March, 2019 : Nil) equity shares of Rs.10 each Rites Ltd.	-
Nil (31st March, 2020 : 807, 31st March, 2019 : Nil) equity shares of Rs.10 each Tube Investments of India Ltd.	-
Nil (31st March, 2020 : 676, 31st March, 2019 : Nil) equity shares of Re.1 each Sam Industries Ltd	0.03
2200 (31st March, 2020 : 2200, 31st March, 2019 : 2200) equity shares of Rs.10 each Modipon Ltd	0.00
100 (31st March, 2020 : 100, 31st March, 2019 : 100) equity shares of Rs.10 each Apollo Hospitals Enterprises Ltd	0.66
228 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of Rs.10 each	

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

4 Investments (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Bank of Baroda 5686 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of Rs.10 each	0.42
Bharti Airtel Ltd 696 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of Rs.10 each	0.41
Bharat Petroleum Corporation Ltd 1299 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of Rs.10 each	0.56
Dr Reddy Laboratories 76 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of Rs.10 each	0.34
Gujarat Narmada Valley Fertilizers & Chemicals 1657 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of Rs.10 each	0.50
HCL Technologies Ltd 466 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of Rs.10 each	0.46
Indian Railway Catering & Tourism 281 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of Rs.10 each	0.49
Infosys Ltd 340 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of Rs.10 each	0.47
Karnataka Bank Ltd 6825 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of Rs.10 each	0.42
Polycab India Limited 377 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of Rs.10 each	0.52
Reliance Industries Ltd - Right Issue 300 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of Rs.10 each	0.33
State Bank India 1176 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of Rs.10 each	0.43
Sun TV Network 911 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of Rs.10 each	0.43
Ultramarine & Pigments Ltd 1248 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of Rs.10 each	0.36
Infrastructure Development Finance Co. Ltd. (Equity) 10,586 (31st March, 2020 : Nil, 31st March, 2019 : Nil) equity shares of Rs.10 each	0.50
TOTAL	10.92
In Unquoted, fully paid up Equity Shares of Other Companies	
1 Kalyanpur Cements Ltd 16500 (31st March, 2020 : 16500, 31st March, 2019 : 16500) equity shares of Rs.10 each	-

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2021

4 Investments (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
2 Eggro Paper Moulds Ltd 3300 (31st March, 2020 : 3300, 31st March, 2019 : 3300) equity shares of Rs.10 each	-
3 United Health Care Ltd 100 (31st March, 2020 : 100, 31st March, 2019 : 100) equity shares of Rs.10 each	-
4 XLO Machine Tool Ltd 200 (31st March, 2020 : 200, 31st March, 2019 : 200) equity shares of Rs.10 each	-
5 Stallion Shox Ltd 100 (31st March, 2020 : 100, 31st March, 2019 : 100) equity shares of Rs.10 each	-
6 Swarup Publication P Ltd 1900 (31st March, 2020 : 1900, 31st March, 2019 : 1900) equity shares of Rs.10 each	-
7 Indo fil Limited 21 (31st March, 2020 : 21, 31st March, 2019 : 21) equity shares of Rs.10 each	-
TOTAL	-
In quoted, fully paid up Mutual Funds	
1 Master Share UTI 100 (31st March, 2020 : 100, 31st March, 2019 : 100) equity shares of Rs.10 each	0.00
2 BOI AXA Large & Mid Cap Equity Fund 2,40,090.91 (31st March, 2020 : 3,52,099.199, 31st March, 2019 : 2,15,492.045) units.	10.51
3 BOI AXA Equity Debt Rebalancer Fund Nil (31st March, 2020 : Nil, 31st March, 2019 : 68,524.9875) units.	-
4 ICICI Prudential Regular Savings Plan Growth 34,641.616 (31st March, 2020 : 34,641.616, 31st March, 2019 : 34,641.616) units.	0.82
5 Birla Sun Life Medium Term Plan (Growth) Nil (31st March, 2020 : Nil, 31st March, 2019 : 1,06,152.585) units.	-
6 BOI AXA Midcap Tax Fund 1,50,000 (31st March, 2020 : 1,50,000, 31st March, 2019 : 1,50,000) units.	1.98
7 BOI AXA Conservative Hybrid Fund Nil (31st March, 2020 : Nil, 31st March, 2019 : 2,54,691.182) units.	-
8 BOI AXA Small Cap Fund Nil (31st March, 2020 : 2,00,000, 31st March, 2019 : 2,00,000) units.	-
9 SBI Overnight Fund (G) Nil (31st March, 2020 : 126.9841, 31st March, 2019 : 2,54,691.182) units.	-
10 ICICI Prudential Balanced Advantage Fund 68,810.472 (31st March, 2020 : 68,810.472, 31st March, 2019 : Nil) units.	3.04
11 DSP Corporate Bond Fund Nil (31st March, 2020 : 1,30,472.319, 31st March, 2019 : Nil) units.	-
12 DSP Dynamic Asset Allocation Fund 255,137.282 (31st March, 2020 : 1,24,664.963, 31st March, 2019 : Nil) units.	-
13 BOI AXA Mid & Small Cap Equity & Debt Fund 1,57,472.441 (31st March, 2020 : 1,57,472.441, 31st March, 2019 : Nil) units.	2.72
14 Axis Special Situations Fund 5,00,087.396 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	5.17
15 Axis Growth Opportunities Fund 1,57,621.375 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	2.51

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

4 Investments (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
16 BOI AXA Flexi Cap Fund 4,69,994.501 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	6.97
17 DSP Mid Cap Fund 64,785.317 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	4.94
18 Edelweiss Greater China Equity Off Shore Fund 1,02,479.093 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	5.37
19 HDFC Dividend Yield Fund 4,62,554.354 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	5.06
20 Mirae Asset Mid Cap Fund 1,50,350.334 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	2.42
21 PGIM India Emerging Markets Equity fund 1,28,462.231 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	2.25
22 PGIM India Flexi Cap Fund 60,824.209 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	1.24
23 PGIM India Midcap Opportunities Fund 40,754.402 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	1.28
24 SBI Savings Fund 4,31,859.760 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	14.16
25 PGIM India Arbitrage Fund 1,71,340.499 (31st March, 2020 : Nil, 31st March, 2019 : Nil) units.	2.50
TOTAL	72.94
TOTAL NON CURRENT INVESTMENT	91.05
Aggregate book value of:	
Quoted investments	74.98
Unquoted investments	4.92
Aggregate market value of:	
Quoted investments	83.85
Unquoted investments	7.20
Aggregate amount of impairment in value of Investments	0.89

5 Other Financial Assets (non-current)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Unsecured and Considered Good	
Sundry Deposits	20.00
Term Deposits*	8.49
Total	28.49

*on lien against margin money, against bank guarantee and other commitments

6 Other Non-current Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Others	
Advance to Gratuity Trust	2.07
Capital Advances	9.46
Total	11.53

Note: Capital expenditures contracted for but not recognised in the financial statements is Rs. 22.41 mn as at 31st March, 2021.

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2021

7 Inventories

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Raw Materials	235.84
Work-in-Progress	14.04
Finished Goods	393.66
Packing Materials	44.79
Stores, Spares and Consumables	12.46
Total	700.79

Refer Note 19 for details of security charge on Inventories.

8 Trade Receivables

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Unsecured, considered good	2,174.65
Credit Impaired	-
Less: Allowance for Expected Credit Loss	32.45
Total	2,142.20

- No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Trade receivables are non interest bearing and generally on terms of 30 to 180 days.
- Refer Note 19 for details of security charge on Trade receivables.

9 Cash and Cash Equivalents

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Cash and Cash Equivalents	
Cash on hand	1.98
Balances with Banks	
In Current Accounts	24.88
In Cash Credit Accounts	-
Total	26.86

10 Other Balances with Banks

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Balances with Banks	
Term Deposits	410.55
Total	410.55

*out of the above Term Deposit of Rs. 199.45 mn is on lien against margin money, against bank guarantee and other commitments as at March 2021

Bank deposits earns interest at fixed rates. Short-term deposits are generally made for varying periods between three months to twelve months, depending on the cash requirements of the Group, and earn interest at the respective deposit rates.

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

11 Other Financial Assets (current)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Unsecured and Considered Good	
Other Receivables	0.88
Interest Subsidy Receivable	0.27
Total	1.16

12 Other Current Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Balance with Government Authorities	185.69
Prepaid Expenses	2.77
Others	
Security Deposits	6.59
Advances to Employees	9.35
Advances to Suppliers*	190.03
Total	394.43

*Includes related party balance of Rs.34 mn.

13 Equity Share Capital

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Authorised :	
150,000,000 Equity Shares of Rs. 1 each (Refer note 13(d)).	150.00
	150.00
Issued, Subscribed and Paid up :	
111,785,130 Equity Shares of Re. 1 (Refer note 13(d), 13('e) and 13(f)).	111.79
	111.79

a) Reconciliation of number of shares

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021	
	Number	(Rs. in mn)
Shares outstanding at the beginning of the year	3,18,325	31.83
Add: Splitting of equity shares to Re.1 from Rs.100 (Face Value) (Refer note 13(d) below).	3,15,14,175	-
Add: Shares Issued during the year		
Bonus Shares (Refer note ('e) below)	7,95,81,250	79.58
Preferential allotment of Shares (Refer note (f) below)	3,71,380	0.37
Shares bought back during the year	-	
Shares outstanding at the end of the year	11,17,85,130	111.79

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

13 Equity Share Capital (Contd..)

b) Details of shareholders holding more than 5% of shares:

(All amounts in Rupees Millions, unless otherwise stated)

Name of Shareholders	As at 31st March, 2021	
	% of Holding	No. of Shares held
Equity Shares of Re.1 each held by: ((Refer note 13(d) and 13(e))		
1. Anand Swarup Agarwal	40.07%	4,47,89,850
2. Sudha Agarwal	-	-
3. Sneha Lata Agarwal	-	-
4. Mahendra Swarup Agarwal	9.90%	1,10,69,375
5. ASA Family Trust	6.90%	77,17,117
6. PSA Family Trust	11.11%	1,24,22,242
7. MSA Family Trust	5.10%	56,95,875

As per the records of the Company, including its registers of Shareholders/Members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of equity shares.

c) Rights, preferences and restrictions :

The company has only one class of equity shares having a par value of Re. 1 Per Share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

The distribution will be in proportion to the no. of equity shares held by shareholder.

d) Split shares

- As per recommendation of the Board of Directors dated 10th December, 2020 and approval of the shareholders dated 21st December, 2020, the Company has increased its existing authorised share capital to Rs. 15,00,00,000 consisting of 15,00,000 equity shares of face value of Rs.100 each.
- Subsequently, as per recommendation of the Board of Directors dated 21st December, 2020 and approval of the shareholders dated 28th December, 2020, the existing equity shares were split into 15,00,00,000 equity shares of face value of Re.1 each.
- Pursuant to the above resolution the existing issued, paid-up and subscribed paid up capital of the Company stands sub-divided to 31,832,500 equity shares of Re. 1 each.

e) Bonus Shares

As per recommendation of the Board of Directors dated 21st December, 2020 and approval of the shareholders dated 28th December, 2020, the Company has issued 7,95,81,250 bonus equity shares of face value of Rs. 1/- each in ratio of 2.5:1 (i.e. 5 (Five) Bonus Shares for every 2 (Two) Equity Shares).

f) Preferential allotment

As per recommendation of the Board of Directors dated 23rd January, 2021 and approval of the shareholders dated 25th January, 2021 in Extraordinary General Meeting, the Company has issued 371,380 equity shares of face value of Rs. 1/- each on preferential basis at an issue price of Rs. 33.70 (including a premium of Rs.32.70).

Consequent to the above and note (d), ('e) and (f) the issued, subscribed and paid-up share capital has increased to Rs. 111.79 mn comprising of 111,785,130 equity shares of face value of Rs.1/- each.

g) No class of shares have been bought back by the Company during the period of five years immediately preceding the current period/ year end.

h) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current period/ year end except as disclosed in Note (e) above.

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

14 Other Equity

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Securities Premium	
As per Opening Balance	8.58
Less: amounts utilized towards issue of fully paid up bonus shares to the extent available (Refer note 13(e))	8.58
Add: On Preferential Allotment (Refer note 13(f))	12.14
Closing Balance	12.14
General Reserve	
As per last Balance Sheet	589.37
Less : amounts utilized towards issue of fully paid up bonus shares ((Refer note 13(e))	71.00
Add : Transferred from Surplus	-
Closing Balance	518.37
Retained Earnings	
As per last Balance Sheet	1,938.44
Add: Net Profit after Tax transferred from the Statement of Profit and Loss	1,345.27
Less: Other Comprehensive income (net of tax)	-3.78
Less : Appropriations	-
Transfer to General Reserve	-
Dividend distributed during the year (refer note below)	35.02
Corporate Dividend Tax on final dividend for previous year	-
Closing Balance	3,252.47
Total	3,782.99

Nature and purpose of reserves

- a) **Securities premium** - Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.
- b) **General reserve** - General reserve was created through an annual transfer of net income in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year.

Note

(All amounts in Rupees Millions, unless otherwise stated)

Dividend on Equity shares paid during the year	Year ended 31st March 2021
Final Dividend Rs 110 (March 31, 2020 : Rs.20, March 31, 2020 : Rs.20) per equity share of Rs.100 each (Refer note below)	35.02
Dividend distribution tax on final dividend	-

Note:

- (i) The Board of Directors at its meeting held on 11th November, 2020 have recommended a payment of final dividend of Rs.110 per equity share of face value of Rs.100 each for the financial year ended 31st March, 2020. The same amounts to Rs. 35.02 Mn. The above was approved at the Annual General Meeting of the Company held on 21st December, 2020.
- (ii) The Board of Directors at its meeting held on 25th May, 2021 have recommended a payment of final dividend of Rs. 0.32 per equity share of face value of Re.1 each for the financial year ended 31st March, 2021. The above is subject to the approval of the shareholders in the Annual General Meeting of the Company and hence not been recognised as a liability.

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

15 Borrowings (Non-Current)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Secured Term Loan:	
From Banks	12.32
Unsecured Term Loan:	
From Others	65.55
Less: Current maturities of Long term Debt	3.38
Total	74.49

i) Detail of Securities and Terms of repayment

- Secured Term Loan from Banks comprise of multiple Vehicle Loans which are each repayable in balance 12 to 60 monthly instalments from the date of balance sheet. Interest rate for these loans ranges between 7.95 % to 10.00%.
- Loans from Others comprise of Inter corporate loans which are not due for repayment in the next 12 months from the date of the Balance Sheet. Interest on these loans are payable at rates ranging between 9% to 12% per annum.

ii) Refer Note 41 for maturity analysis.

16 Other Financial Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Unsecured	
Lease Liability	1.13
Total	1.13

17 Provisions

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Provision for Employee Benefits	
Provision for Compensated Absences	6.89
Total	6.89

18 Deferred Tax Liabilities (Net)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Deferred Tax Liabilities	
Arising on account of:	
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	85.81
Increase in borrowing cost pursuant to application of effective interest rate method	0.06
Provision for Employee Defined Benefit obligations	0.49
Provision for Compensated Absences	0.10
Deferred Tax Assets	
Arising on account of:	
Lease liability amortisation	(0.06)
Allowances for Doubtful debt and Advances	(8.17)
Preliminary / Incorporation Expenses	(0.05)
Difference in carrying value and Tax base of investments measured at FVTPL and Amortised Cost	2.80
Total	80.98

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

19 Borrowings (Current)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Secured	
From Banks	225.08
Total	225.08

- i) Working capital loans are secured by first charge by way of hypothecation on the current assets of the Company namely inventories of raw materials, finished and work in progress, stores spares and consumables and packing materials, book debts and all other movable assets both present and future, and additionally secured by way of second charge on :
- The immovable properties situated at Plot No. E-17 to E-23, UPSIDC, Deva Road, Lucknow.
 - Land & building situated at Khasra No. 691, Village Uttar Dhauna, Tiwariganj, Chinhat, Faizabad Road, Lucknow owned by M/s Ram Swarup Cold Storage & Allied Ind. Lucknow.
 - Hypothecation of Plant & Machinery at UPSIDC, Deva Road, Lucknow in favour of the banks.
 - Leasehold Industrial plot at K4 & K5 at UPSIDC, Sandila, UP.
- ii) Refer Note 41 for maturity analysis.

20 Trade Payables

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
(a) Dues to MSME	47.17
(b) Dues to Other than MSME	693.35
Total	740.52

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-120 days terms.

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Group:

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
(a) Amount remaining unpaid to any supplier at the end of each accounting year:	
Principal	47.17
Interest	0.37
Total	47.54
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the 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 the year) but without adding the interest specified under the MSMED Act.	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.37
(e) The amount of further interest remaining 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 of a deductible expenditure under section 23 of the MSMED Act.	-

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

21 Other Financial Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Current maturities of Long-term debts / borrowings	
Term Loans	
Secured	
From Banks (Refer note no 18)	3.38
Unsecured	
From Related Parties	-
Trade and Security Deposits from Customers	52.44
Lease Liability	0.03
Total	55.85

22 Other Current Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Other Advances	
Advance from Customers	47.52
Others	
Statutory Liabilities	6.05
Total	53.57

23 Provisions

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Provision for Employee Benefits	
Provision for Compensated Absences	0.77
Provision for Corporate Social Responsibility*	31.04
Total	31.81

* In accordance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 notified by Ministry of Corporate Affairs on January 22, 2021, the Company has created provision for the cumulative unspent amount as on March 31, 2021.

24 Current Tax Liabilities (Net)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Tax Payable	5.48
(Net of Advance Tax & TDS 442.51 mn as at 31st March, 2021)	
Total	5.48

25 Revenue from Operations

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021
(i) Sales of products	
Home Market (Net of Returns)	2,746.01
Exports	3,680.33
	6,426.34
(ii) Other Operating Revenues	
Export Incentives	63.20
Total	6,489.54

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

25 Revenue from Operations (Contd..)

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021
Revenue as per contracted price	6,426.34
Less: Discounts	-
Revenue from contract with customers	6,426.34

26 Other Income

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021
Interest Income from financial assets at amortised cost	
On bank deposits	19.65
Other Interest	2.82
Dividend Income	0.08
Other non-operating Income (Net of expenses directly attributable to such income)	
Fair value of Investment through Amortised cost	0.42
Fair value of Investments at fair value through profit and loss	18.52
Miscellaneous income	0.86
Other gains and losses	
Net Gain on foreign currency transactions & translation	20.61
Profit from Sale of Investments	1.24
Profit on Sale of Property, Plant & Equipment	0.03
Total	64.23

27 Cost of Materials Consumed

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021
Raw materials	
Opening stock	145.78
Add : Purchases of Raw Material	3,210.27
Less: Closing stock	235.84
TOTAL	3,120.21
Packing Materials Consumed	
Opening Stock	23.47
Add: Purchases of Packing Material	202.01
Less: Closing Stock	44.79
TOTAL	180.69
Total	3,300.90

28 Intentionally left blank

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

29 Changes in inventories of finished goods, Stock-in-trade and work-in-progress

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021
Inventories at the beginning of the year	
Finished Goods	182.85
Work in Progress	28.08
(a)	210.93
Inventories at the end of the year	
Finished goods	393.66
Work in Progress	14.04
(b)	407.70
Net (Increase)/Decrease in Inventories	(a) -(b) (196.77)

30 Employee Benefits Expense

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021
Salaries, wages and benefits	199.12
Contribution to provident and other funds	20.67
Staff welfare expenses	7.63
Total	227.42

31 Finance Costs

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021
Interest expense	
- Cash credit facilities / buyers' credit	8.97
- Term Loans from Banks	1.38
- On Other Loans	8.51
- Others	6.06
Other Borrowing Costs	9.41
Total	34.33

2 & 3 Depreciation and Amortisation Expense

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021
Depreciation on Property, Plant & equipment	60.89
Depreciation on Right of Use	0.02
Amortisation of Intangible Assets	0.44
Total	61.35

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

32 Other Expenses

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021
Consumption of stores, spares and consumables	271.54
Power and Fuel	282.87
Labour Charges	180.24
Pollution Control Expenses	27.77
Freight and handling Charges	254.86
Advertisement and Sales Promotion Expenses	16.77
Legal and Professional expenses	84.13
Travelling & Conveyance	32.35
Rent Expenses	9.18
Repairs & Maintenance	
- Building	5.81
- Others	9.20
- Machinery	31.60
Rates, Fees and Taxes	6.24
Testing and Sampling Charges	3.63
Insurance	7.90
Printing, Stationery and Communication Expenses	7.89
Corporate Social Responsibility Expenses and Other Donations*	39.82
Payment to Auditors	
- Statutory Audit Fees	2.04
- In other Capacity	
For Tax Audit	0.40
For Certifications of Draft Red Herring Prospectus	4.00
For other matters	-
Bad Debts	17.49
Provision for Doubtful Debts	20.46
Miscellaneous Expenses	10.96
Total	1,327.15

*Note : Corporate Social Responsibility Expenses

(All amounts in Rupees Millions, unless otherwise stated)

A	Particulars	Year ended 31st March, 2021
	Gross Amount Required to be spent by the Group :	13.72

(All amounts in Rupees Millions, unless otherwise stated)

B	Amount spent during the year / period on:	Year ended 31st March, 2021
i	Construction / Acquisition of any assets	-
ii	Purpose other than above	8.73

(All amounts in Rupees Millions, unless otherwise stated)

C	Amount spent during the year / period on:	Year ended 31st March, 2021
	Related party transactions in relation to Corporate Social Responsibility:	-

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2021

32 Other Expenses (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

D	Provision movement during the year/ Period:	Year ended
		31st March, 2021
	Opening provision	-
	Addition during the year / Period	31.04
	Utilised during the year /Period	-
	Closing provision	31.04

33 Leases

- a Following are the changes in the carrying value of right of use assets (Land)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended
	31st March, 2021
Opening Balance	42.57
Reclassified on account of adoption of Ind AS 116	-
Additions	0.99
Deletions	-
Depreciation	0.02
Closing Balance	43.54

The Group 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. Rent expense recorded for short-term leases was Rs. 9.18 mn for the year ended March 31, 2021. The Group's lease asset classes primarily consist of leases for land. The Group assesses whether a contract contains a lease, at inception of a contract. 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 of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense in the statement of profit and loss.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include the options when it is reasonably certain that they will be exercised.

The lease liability is initially measure at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

- b The Impact of adoption of Ind AS 116 on Statement of Profit and Loss for the year ended March 31, 2020 is not significant.

34 Contingent Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Claims against the Group not acknowledged as debts	As at
	31st March, 2021
Tax matters in dispute under appeal	-

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

35 Assets and liabilities relating to Employee Benefits

See accounting policy in Note 1.(o)

For details about the related employee benefit expenses, refer Note 30

A. Defined Contribution Plan:

The Group's defined contribution plans are superannuation, employees state insurance scheme and provident fund administered by Government since the Group has no further obligation beyond making the contributions.

The expenses recognised during the year towards defined contribution plans are as detailed below:

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021
Provident Fund and other Funds	13.73
Total (included in Note 30 - 'Contribution to provident and other funds')	13.73

B. Defined Benefit Obligation:

The Group provides for gratuity for employees as per the Payment of Gratuity Act, 1972/ Group policy. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity.

The amount of gratuity payable on retirement/ termination is the employee's last drawn salary per month computed proportionately as per the Payment of Gratuity Act, 1972/ Group policy multiplied for the number of years of service.

The plan asset for the funded gratuity plan is invested in insurer managed fund administered by Life Insurance Corporation of India ('LIC'), independently as per the investment pattern stipulated for Pension and Group Schemes fund as per the regulations framed by Insurance and Regulatory and Development Authority of India i.e., 100% of plan assets are invested in insurer managed fund. Quoted price of the same is not available in active market.

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code and recognise the same when the Code becomes effective.

The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Gratuity 31 March 2021	Leave Encashment 31 March 2021
Principal actuarial assumptions		
Discount rate	6.50%	6.50%
Range of compensation increase	7.00%	7.00%
Withdrawal Rate:		
- Younger ages	10.00%	10.00%
- Older ages	8.00%	8.00%
Expected rate of return on plan assets	-	-
Plan duration	-	-

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

35 Assets and liabilities relating to Employee Benefits (Contd..)

B. Defined Benefit Obligation: (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

Actuarial Study analysis	Gratuity 31 March 2021	Leave Encashment 31 March 2021
Components of income statement charge		
Current service cost	4.66	1.72
Interest cost	2.28	-
Recognition of past service cost	-	-
Immediate recognition of (gain)/losses	-	-
Settlement/curtailment/termination loss	-	-
Total charged to statement of profit or loss	6.94	1.72
Total charged to Retained Earnings	-	-
Movements in net liability/(asset)		
Net liability at the beginning of the year	36.06	5.92
Employer contributions	-	-
Total expense recognised in the statement of profit or loss	6.94	1.72
Total expense recognised in the Retained Earnings	-	-
Total amount recognised in OCI	(1.20)	-
Net liability at the end of the year	41.80	7.64
Reconciliation of benefit obligations		
Obligation at start of the year	15.79	5.92
Current service cost	4.66	1.72
Interest cost	2.28	-
Benefits paid directly by the Group	-	-
Extra payments or expenses/(income)	-	-
Obligation of past service cost	-	-
Actuarial gain/loss	(1.20)	-
Defined benefits obligations at the end of the year	21.53	7.64
Re-measurements of defined benefit plans		
Actuarial gain/(loss) due to changes in demographic assumptions	-	-
Actuarial gain/(loss) due to changes in financial assumptions	0.47	-
Actuarial gain/(loss) on account of experience adjustments	(1.66)	-
Total actuarial gain/(loss) recognised in OCI	(1.19)	-
Total actuarial gain/(loss) recognised in Statement of profit or loss	(1.19)	-

C. Sensitivity analysis of significant assumptions

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sensitivity of DBO, Service Cost, and P&L Account	Gratuity	
	% increase in DBO	Liability
Discount rate		
+ 0.5% discount rate	-3.64%	40.28
- 0.5% discount rate	3.89%	43.42
Salary increase		
+ 0.5% salary growth	3.77%	43.37
+ 0.5% salary growth	-3.60%	40.29
Withdrawal rate		
+ 0.5% salary growth	-0.23%	41.70
- 0.5% salary growth	0.24%	41.90

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

35 Assets and liabilities relating to Employee Benefits (Contd..)

C. Sensitivity analysis of significant assumptions (Contd..)

Sensitivity of DBO, Service Cost, and P&L Account	Leave Encashment Year ended 31st March, 2021
Discount rate	
+ 0.5% discount rate	7.31
- 0.5% discount rate	7.99
Salary increase	
+ 0.5% salary growth	7.99
+ 0.5% salary growth	7.31
Withdrawal rate	
+ 1.1 % salary growth	7.63
- 1.1 % salary growth	7.65

Note:

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors as supply and demand in the employment market.

36 Related party disclosures as per Ind AS 24

1) Related parties with whom transactions have taken place during the year and its relationship:

Name of the related parties	Designation / Relationship
Anand Swarup Agarwal (w.e.f 6th October, 2020)	Chairman and Non Executive Director
Satya Prakash Gupta (w.e.f 1st November 2020)	Chief Financial Officer
Dheeraj Kumar Jain (w.e.f 23rd January 2021)	Chief Executive Officer
Ajeet Pandey (w.e.f 1st October 2020)	Company Secretary
Ajai Kumar Sinha (w.e.f 1st February 2021)	General Manager
B.T. Hanumantha Reddy	General Manager
Rajendra Singh Sharma	Whole-time Director
Rahul Arun Bagaria (w.e.f 23rd January 2021)	Non Executive Director
Adesh Kumar Gupta (w.e.f 23rd January 2021)	Independent Director
Mohan Vasant Tanksale (w.e.f 21st December 2020)	Independent Director
Madhu Dikshit (w.e.f 21st December 2020)	Independent Director
Swarup Publications Pvt Limited (w.e.f 6th October, 2020)	Entity in which a director or manager or his relative is a member or director
Swarup chemicals Pvt Limited (w.e.f 6th October, 2020)	Entity in which a director or manager or his relative is a member or director
Sanju Agarwal	Relative of director
Vishwas Swarup Agarwal	Relative of director
Komal Swarup Agarwal	Relative of director
Vishal Swarup Agarwal	Relative of director
Kajaree Swarup Agarwal	Relative of director
Mahendra Swarup Agarwal	Relative of director
Sudha Agarwal	Relative of director
Pramod Swarup Agarwal	Relative of director
Virendra Swarup Agarwal	Relative of director
Madhu Arun Bagaria (w.e.f 23rd January 2021)	Relative of director
Arun Kishanlal Bagaria (w.e.f 23rd January 2021)	Relative of director
Ashok Kumar Gupta (Resigned w.e.f 10th December 2020)	Whole-time Director
Pranav Agarwal (Resigned w.e.f 29th September 2020)	Independent Director

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

36 Related party disclosures as per Ind AS 24 (Contd..)

1) Related parties with whom transactions have taken place during the year and its relationship: (Contd..)

Name of the related parties	Designation / Relationship
Shweta Agarwal (Resigned w.e.f 21st December 2020)	Independent Director
G S Mehta (Resigned w.e.f 10th December 2020)	Non Executive Director
Sanjay Khatau Asher (21st December 2020 - 8th February 2021)	Independent Director
Kuruba Adeppa (10th December 2020 - 8th February 2021)	Whole-time Director

2 Transactions during the year

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021
Remuneration	
Rajendra Singh Sharma	0.64
Ashok Kumar Gupta	1.19
Ajeet Pandey	0.34
Satya Prakash Gupta	0.72
Dheeraj Kumar Jain	1.53
Ajai Kumar Sinha	0.16
Kuruba Adeppa	0.30
B.T. Hanumantha Reddy	1.82
Director Sitting fees	
G S Mehta	0.04
Pranav Agarwal	0.06
Shweta Agarwal	0.24
Anand Swarup Agarwal	0.72
Adesh Kumar Gupta	0.30
Mohan Vasant Tanksale	0.25
Rahul Arun Bagaria	0.30
Madhu Dikshit	0.40
Sanjay Khatau Asher	0.15
Professional Fees	
Sanju Agarwal	0.90
Vishal Swarup Agarwal	12.00
Vishwas Swarup Agarwal	12.00
Anand Swarup Agarwal	6.00
Mahendra Swarup Agarwal	0.60
Virendra Swarup Agarwal	0.60
Pramod Swarup Agarwal	0.60
Sudha Agarwal	0.30
Komal Swarup Agarwal	0.90
Kajaree Swarup Agarwal	0.90
Interest Income	
Swarup Chemicals Pvt Limited	1.01
Expenses (net)	
Swarup Chemicals Pvt Limited	8.68
Swarup Publications Pvt Limited	1.75
Vishal Swarup Agarwal	0.54
Reimbursement of Expenses made on behalf of the Group	
Vishal Swarup Agarwal	1.20
Interest Expense on Unsecured Loan	
Mahendra Swarup Agarwal	0.42
Pramod Swarup Agarwal	0.28
Sudha Agarwal	0.20

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

36 Related party disclosures as per Ind AS 24 (Contd..)

2 Transactions during the year (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021
Issue of shares	
Madhu Arun Bagaria	6.26
Arun Kishanlal Bagaria	6.26
TOTAL	70.56

3 Outstanding balances as at the year end

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Advances	
Swarup Chemicals Pvt Limited	34.00

4 Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables.

No balances in respect of the related parties has been provided for written off / written back.

5 Related party relationship is as identified by the management and relied upon by the auditors.

37 Financial instruments

The details of significant accounting policies, including criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed below and Note 1.

A Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values of financial instruments:

- The fair value of the long-term borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Group (since the date of inception of the loans).
- Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

Financial Assets and Liabilities

The accounting classification of each category of financial instruments, and their carrying amounts are set out as below:

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2021

37 Financial instruments (Contd..)

A Calculation of fair values (Contd..)

a. Financial Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Instruments carried at fair value			Instruments carried at amortized cost	Total Fair Value	Total Carrying Value
	FVOCI (Equity instruments)	FVOCI (Other instruments)	FVTPL			
As at 31st March, 2021						
(i) Investments	2.30	-	83.84	4.90	91.05	91.05
(ii) Other financial assets	-	-	-	29.65	29.65	29.65
(iii) Trade receivables	-	-	-	2,142.20	2,142.20	2,142.20
(iv) Cash and cash equivalents	-	-	-	26.86	26.86	26.86
(v) Other Balances with Banks	-	-	-	410.55	410.55	410.55
Total	2.30	-	83.84	2,614.16	2,700.31	2,700.31

b. Financial Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Fair value through profit & loss	At amortized cost*	Total carrying amount	Total Fair Value
As at 31st March, 2021				
(i) Borrowings	-	299.57	299.57	299.57
(ii) Other financial liabilities	-	56.98	56.98	56.98
(ii) Trade payables	-	740.52	740.52	740.52
Total	-	1,097.07	1,097.07	1,097.07

*The carrying value and fair value approximation, if any.

c. Fair value hierarchy

The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The categories used are as follows:

- Level 1: It includes financial instruments measured using quoted prices and the mutual funds are measured using the closing Net Asset Value (NAV).
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The below table summarises the categories of financial assets and liabilities measured at fair value:

(All amounts in Rupees Millions, unless otherwise stated)

As at 31st March, 2021	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value				
Investments in Equity Shares	10.92	-	2.30	13.22
Investment in Mutual Funds	72.93	-	-	72.93

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

38 Segment Reporting

The Board of Directors are identified as Chief Operating Decision Maker of the Group. They are responsible for allocating resources and assessing the performance of the operating segments. Accordingly, they have determined "Agro Chemicals" as its only operating Segment.

Thus the segment revenue, interest revenue, interest expense, depreciation and amortisation, segment assets and segment liabilities are all as reflected in the Financial Statements.

Geographical Information

a. Revenue from external customers

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021
attributed to the Group's country of domicile, India	2,746.01
attributed to all foreign countries	3,680.33
Total	6,426.34

b. Revenues from transactions with customers (including customers of the same group) exceeding 10% of the Group's sales in current as well as previous year.

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021
attributed to the Group's country of domicile, India	2,830.50

c. Non-current assets (excluding Deferred/ Current Tax and Financial Assets)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
located in the Group's country of domicile, India	1,363.54
located in all foreign countries	-
Total	1,363.54

39 Income tax

This note provides an analysis of the Group's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax positions.

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021
(i) Tax expense recognised in the consolidated statement of profit and loss	
Current Tax on profits for the year	447.99
Adjustments for current tax of prior periods	2.09
Total Current Tax Expense	450.08
Deferred Tax charge/ (credit) P&L	8.22
(Decrease) increase in deferred tax liabilities	-
Total Deferred Tax Expense	8.22
Income tax expense recognised in the consolidated statement of profit and loss	458.30
(ii) Tax expense recognised in OCI	
Deferred Tax:	
Deferred Tax expense on Remeasurement of defined benefit plans	0.28
Income tax expense recognised in the consolidated statement of profit and loss	0.28

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2021

39 Income tax (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	
Enacted income tax rate in India applicable to the Group (in %)	25.17
Profit/ (Loss) before income tax expense	1,799.39
Current tax expense on Profit/ (loss) before tax expenses at enacted income tax rate in India	452.87
Tax effects of :	
Tax effect on non-deductible expenses	10.02
Effect of Income which is taxed at special rates	(5.66)
Effect of Income that is exempted from tax	-
Effect of Government grants offered to income tax on receipt basis	(1.55)
Effects of Adjustments for current tax of prior periods	2.09
Effect of change in tax rate	-
Other items	0.53
Total Income tax expense	458.30

The Group elected to exercise the option of lower tax rate permitted under section 115BAA of the Income-tax Act, 1961 inserted vide Taxation Laws (Amendment) Act, 2019. The Group, accordingly has recognized Provision for Income Tax.

The details of Income tax Assets / Liabilities are as follows:-

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021
Income Tax Assets	1,391.74
Current Income Tax Liabilities	1,397.22
Net Current Income Tax Liabilities at the end of the year	5.48

The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:

As at 31st March, 2021

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Balance sheet 01st April 2020	Profit and loss For the Year	OCI For the Year	Balance sheet 31st March, 2021
Deferred Tax Liabilities				
Arising on account of:				
Difference between written down value capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	73.28	12.53	-	85.81
Increase in borrowing cost pursuant to application of effective interest rate method	2.56	(2.50)	-	0.06
Provision for Employee Defined Benefit obligations	2.49	(2.27)	0.28	0.49
Provision for Compensated Absences	0.01	0.09	-	0.10
Deferred Tax Assets				
Arising on account of:				
Lease liability amortisation	(0.03)	(0.03)	-	(0.06)
Allowances for Doubtful debt and Advances	(3.70)	(4.46)	-	(8.17)
Preliminary / Incorporation Expenses	-	(0.05)	-	(0.05)
Difference in carrying value and Tax base of investments measured at FVTPL	(1.56)	4.36	-	2.80
Total	73.05	7.68	0.28	80.98

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

40 Earnings per share (EPS)

- (a) Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year.

i Profit attributable to Equity holders of Group

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021
Profit attributable to equity share holders of the Group for basic and diluted earnings per share	1,345.27

ii Weighted average number of ordinary shares

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Equity shares outstanding as at year end	11,17,85,130
Equity shares post split and bonus (Refer note 13(d), 13(e) and 13(f))	
Weighted average number of shares as at year end for basic earnings per shares	11,14,76,834
Weighted average number of shares as at year end for diluted earnings per shares	11,14,76,834
Basic earnings per share (in Rs)	12.07
Diluted earnings per share (in Rs)	12.07

41 Financial risk management

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Board has been monitoring the risks that the Group is exposed to due to outbreak of COVID 19 closely. The Board has taken all necessary actions to mitigate the risks identified basis the information and situation present.

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk; and
- Interest rate risk

(A) Credit risk

Credit risk arises from the possibility that the value of receivables or other financial assets of the Group may be impaired because counterparties cannot meet their payment or other performance obligations. To manage credit risks from trade receivables other than Related Party, the credit managers from Order to Cash department of the Group regularly analyse customer's receivables, overdue and payment behaviours. Some of these receivables are collateralised and the same is used according to conditions. These could include advance payments, security deposits, post-dated cheques etc. Credit limits for this trade receivables are evaluated and set in line with Group's internal guidelines. There is no significant concentration of default risk.

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

41 Financial risk management (Contd..)

Credit risks from financial transactions are managed independently by Finance department. For banks and financial institutions, the Group has policies and operating guidelines in place to ensure that financial instrument transactions are only entered into with high quality banks and financial institutions. The Group had no other financial instrument that represents a significant concentration of credit risk.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery. Where loans or receivables have been written off, the Group continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in statement of profit & loss.

Credit risk is managed at Group level.

For other financial assets, the Group assesses and manages credit risk based on internal control and credit management system. The finance function consists of a separate team who assess and maintain an internal credit management system. Internal credit control and management is performed on the Group basis for each class of financial instruments with different characteristics.

The Group considers whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers available reasonable and supportive forward-looking information.

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) are also considered as part of the internal credit management system.

A default on a financial asset is when the counterparty fails to make payments as per contract. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The Group measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, no additional provision has been considered necessary in respect of trade receivables more than 3 months, since the management has taken suitable measures to recover the said dues and is hopeful of recovery in due course of time.

Ageing of account receivables :

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
0-3 months	1,197.17
More than 3 months	977.48
Total	2,174.65

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

41 Financial risk management (Contd..)

Reconciliation of loss allowance - Trade Receivables

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Opening balance	11.99
Allowance made during the year	20.46
Closing balance	32.45

The Group maintains exposure in cash and cash equivalents, deposits with banks, investments, and other financial assets. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Management of the Group. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Additionally, considering the COVID 19 situation, the Group has also assessed the performance and recoverability of trade receivables. The Group believes that the current value of trade receivables reflects the fair value/ recoverable values.

(B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Due to the dynamic nature of underlying businesses, the Group maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecast of Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

all non-derivative financial liabilities, and the amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Maturity analysis of significant financial liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021		
	Carrying amount	Upto 1 year	More than 1 year
Non-derivative financial liabilities			
Term Loans	77.87	3.38	74.49
Short Term Borrowings	225.08	225.08	-
Trade and Other Payables	740.52	740.52	-
Other Financial Liabilities	53.60	0.03	53.57
Other Current Liabilities	53.57	53.57	-

(C) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The Group is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and market value of its investments. Thus the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

41 Financial risk management (Contd..)

(C) Market risk (Contd..)

Foreign Currency Risk

Foreign currency opportunities and risks for the Group result from changes in exchange rates and the related changes in the value of financial instruments (including receivables and payables) in the functional currency (INR).

The Group is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to US Dollar(USD).

The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Group has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks

Exposure to currency risk

The currency profile of financial assets and financial liabilities are as below:

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021			
	INR Rs in mn	EURO Rs in mn	USD RS in mn	AUD RS in mn
Financial Assets				
Trade Receivables	1,481.55	154.93	467.32	38.41
Total	1,481.55	154.93	467.32	38.41
Financial Liabilities				
Trade payables	604.66	-	135.86	-
Total	604.66	-	135.86	-

The following significant exchange rates have been applied during the year.

(All amounts in Rupees Millions, unless otherwise stated)

Currency	31st March, 2021
USD	73.50
EURO	86.10
AUD	55.57

Sensitivity analysis

The following table details the Group's sensitivity to a 25 basis points increase and decrease in the Rupee against the relevant foreign currencies is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Group at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 0.25% change in foreign currency rate. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Group's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2021	
	0.25% increase	0.25% decrease
USD	0.83	(0.83)
EURO	0.39	(0.39)
AUD	0.10	(0.10)

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

41 Financial risk management (Contd..)

(D) Cash flow and fair value interest rate risk

- Interest rate risk management:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Group's exposure to the risk of changes in market rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's approach to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation. Moreover, the short-term borrowings of the Group do not have a significant fair value or cash flow interest rate risk due to their short tenure.

The Group is also exposed to interest rate risk on its financial assets that includes fixed deposits, since the same are generally for short duration, the Group believes it has manageable risk and achieving satisfactory returns. The Group also has long - term fixed interest bearing assets. However the Group has in place an effective system to manage risk and maximise return.

- Interest rate risk exposure:

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Fixed-rate instruments	
Financial assets	-
Financial liabilities	77.87
Variable-rate instruments	
Financial assets	-
Financial liabilities	225.08
Total	302.95

- Interest rate sensitivity

Interest rate sensitivity

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. In cases where the related interest rate risk is capitalised to fixed assets, the impact indicated below may affect the Group's income statement over the remaining life of the related fixed assets.

Price Risk

The Group's exposure to price risk arises from investment in mutual funds and classified in the balance sheet as fair value through profit and loss. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021

41 Financial risk management (Contd..)

(E) Risk due to outbreak of COVID 19 pandemic

The outbreak of COVID 19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Group's plants, warehouses and offices were shut post announcement of nationwide lockdown. However, since manufacturing of pesticides was determined to be an essential industry, we were allowed to resume operations in a phased manner after second week of April 2020 and both of our facilities restarted operations, subject to certain adjustments in working patterns, social distancing measures and additional safety measures. The Group has considered external and internal information in assessing the impact of COVID 19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

42 Capital management

(a) Risk management

The Group's objectives when managing capital are to:

1. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, reduce debt or sell assets.

The gearing ratios were as follows:

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2021
Net debt (Total Debt - Cash & cash equivalent - Other Bank Balances other than on lien)	65.00
Total equity	3,894.78
Net debt to equity ratio	0.02

Significant accounting policies and explanatory notes to Consolidated Financial Statements

for the year ended 31st March 2021



Note 43

Statement containing specific disclosure of the entities which are included in consolidated financial statements:

(All amounts in Rupees Millions, unless otherwise stated)

Name of the entity in the group	Relationship	% of holding	Net Assets i.e. total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
			As % of Consolidated Net Assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
India Pesticides Limited	Parent		100.00%	3,894.95	100.01%	1,345.44	100.00%	3.78	100.01%	1,349.22
Shalvis Specialities Limited	Subsidiary	100%	0.20%	7.78	-0.01%	-0.17	0.00%	-	-0.01%	-0.17
Total			100.20%	3,902.73	100.00%	1,345.27	100.00%	3.78	100.00%	1,349.05
Consolidation adjustments/eliminations			-0.20%	-7.95	0.00%	-	0.00%	-	0.00%	-
Total			100.00%	3,894.78	100.00%	1,345.27	100.00%	3.78	100.00%	1,349.05

Note 44

Part A : Consolidated Financial statements

There are no restatement adjustments made in the restated consolidated financial statements

Part B: Material Regrouping

No regroupings are required in the Consolidated Financial Statements, Consolidated Statement of Profit and Loss and Consolidated Statement of Cash Flows as these are the subsidiary has been incorporated in the current year and comparative figures are not presented.

For and on behalf of Board of Directors of **India Pesticides Limited**

A. S. Agarwal
Director
DIN: 00777581

R. S. Sharma
Director
DIN: 02487797

D. K. Jain
Chief Executive Officer

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Lucknow
Dated: 25.05.2021



India Pesticides Limited

Corporate Office: Water Works Road, Aishbagh, Lucknow-226004

Regd. Office: Swarup Bhawan, 35-A, Civil Lines, Bareilly-243001

CIN: U24112UP1984PLC006894

e-mail id-sp.gupta@indiapesticideslimited.com

website: www.indiapesticideslimited.com

Notice

Notice is hereby given that **36th Annual General Meeting** of **India Pesticides Limited** will be held at a shorter notice on **Monday, 31st day of May, 2021** at **04:30 P.M.** at corporate office **Waterworks Road, Swarup Cold Storage, Aishbagh, Lucknow- 226004 Uttar Pradesh** to transact the following businesses at shorter consent:

Ordinary Businesses:

1. To receive, consider and adopt the Standalone and Consolidated Audited Balance Sheet as at March 31, 2021 and the Statement of Profit and Loss for the year ended on that date together with the Reports of Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Anand Swarup Agarwal, Chairman and Non-Executive Director (DIN: 00777581), who retires by rotation and being eligible offers himself for re-appointment.
3. To declare a dividend of Rs. 0.32/- per equity share of face value of ` 1/- each for the financial year ended March 31, 2021.

Special Businesses:

Item No. 4:

Increase in Remuneration of the Whole-Time Director.

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

"RESOLVED THAT subject to the provisions of Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee, approval of the members be and is hereby accorded for increase in the remuneration of Mr. Rajendra Singh Sharma, Whole Time Director of the Company and authority be given to Board of Directors to alter and vary the terms and conditions of the remuneration from time to time within the scope of Schedule V of the Companies Act, 2013, or any amendments thereto or any re-enactment thereof as may be agreed to between the Board of Directors and Mr. Rajendra Singh Sharma.

Remuneration:

1. Consolidated salary @ Rs 60792/- per month
2. 10% Annual Salary Increase every year

RESOLVED FURTHER THAT Board of Directors be and are hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

Item No. 5:

To increase in borrowing limits under Section 180 (1) (c) of the Companies Act 2013.

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

"RESOLVED THAT in supersession of earlier resolution passed in this regard and pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) and re-enactment (s) thereof for the time being in force), and pursuant to the provisions of the Articles of Association of the Company, approval of the members be and is hereby accorded, that the Board of Directors (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) be and are hereby authorised to borrow, from time to time, any sum or sums of money at their discretion from the financial institutions, bankers and/or from any person/s, firms, body/ies corporate whether by way of loans, advances, deposits, bill discounting, issue of debentures, bonds or any other financial instruments or otherwise and whether secured or unsecured, as may be required for the purposes of the business of the Company, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital, free reserves and Securities Premium of the Company (that is to say reserves not set apart for any specific purpose) provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 500 Crores (Rupees Five Hundred Crores only).

RESOLVED FURTHER THAT the Board of Directors of the Company and/or Mr. Ajeet Pandey, Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

Item No. 6:
Creation of Charges on the movable and immovable properties of the Company under Section 180(1) (a) of the Companies Act, 2013 both present and future, in respect of borrowings.

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

RESOLVED THAT in supersession of earlier resolution passed in this regard and pursuant to the provisions of Section 180 (1) (a) and any other provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) and re-enactment (s) thereof for the time being in force), and pursuant to the provisions of the Articles of Association of the Company, the approval of the members be and is hereby accorded to authorise the Board of Directors of the Company to create such charges, mortgages and hypothecations as may be necessary on such of the assets of the Company, both present and future, by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) in such manner as the Board/Committee of the Board may direct in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the "Lending Agencies") and Trustees for the holders of debentures/bonds and/or other instruments which may be issued on private placement basis, to secure debentures, bonds and other instruments of an outstanding aggregate value not exceeding Rs. 500 Crores (Rupees Five Hundred Crores only) together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements / Debenture Trust Deeds entered / to be entered into by the Company in respect of the said borrowing.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize with the lender/debenture trustees, etc., the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution.

Item No. 7:
To approve Inter corporate loans and investments or guarantee or security in excess of the prescribed limits under Section 186 of the Companies Act 2013.

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

"RESOLVED THAT in supersession of earlier resolution passed in this regard and pursuant to the provisions of Section 186 of the Companies Act, 2013 and rules made thereunder and such other provisions as may be applicable, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the approval of the members be and is hereby accorded to authorise the Board of Directors of the Company to agree to at its discretion to give loan(s) and/or give any guarantee(s)/provide any security(ies) in connection with loan(s) made to and to make investments in shares, debentures and/or any other securities of other body corporates, whether Indian or overseas and/or in various schemes of Mutual Funds or such other funds, in their absolute discretion deem beneficial and in the interest of the Company in excess of 60% of the paid up Share Capital and Free Reserves and Securities Premium of the Company or 100% of Free Reserves and Securities Premium of the Company whichever is more, as prescribed under Section 186 of the Companies Act, 2013 from time to time, in one or more tranches, up to maximum amount of Rs. 500/- Crores (Rupees Five Hundred Crores only)."

"RESOLVED FURTHER THAT the Board of Directors of the Company and/or Mr. Ajeet Pandey Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

By the order of the Board
For India Pesticides Limited

Ajeet Pandey
Company Secretary and
Compliance Officer
Membership No.: 42500
Address: Swarup Cold Storage, Water Works Road,
Aishbagh, Lucknow-226004

Date: 25.05.2021
Place: Lucknow

Notes:

1. THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013 IN RESPECT OF ORDINARY AND SPECIAL RESOLUTIONS SET ABOVE IS ANNEXED HERETO.
2. RELEVANT DOCUMENTS WITH RESPECT TO BUSINESS TRANSACTIONS CAN BE INSPECTED AT REGISTERED OFFICE OF THE COMPANY.
3. A PERSON ENTITLED TO ATTEND THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF. A PROXY NEED NOT TO BE A MEMBER OF THE COMPANY.
4. PROXY FORM IN ORDER TO BE VALID MUST BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
5. SHORTER NOTICE CONSENT HAS BEEN RECEIVED FROM ALL THE SHAREHOLDERS OF THE COMPANY TO CONVENE THE MEETING AT A SHORTER NOTICE.
6. BODY CORPORATE MEMBERS INTENDING TO SEND THEIR AUTHORIZED REPRESENTATIVE(S) TO ATTEND THE ANNUAL GENERAL MEETING ARE REQUESTED TO FORWARD A CERTIFIED COPY OF BOARD RESOLUTION AUTHORIZING THEIR REPRESENTATIVE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING EITHER TO THE COMPANY IN ADVANCE OR SUBMIT THE SAME AT THE VENUE OF THE GENERAL MEETING.
7. AT THE ENSUING ANNUAL GENERAL MEETING, MR ANAND SWARUP AGARWAL CHAIRMAN AND NON EXECUTIVE DIRECTOR OF THE COMPANY RETIRE BY ROTATION AND BEING ELIGIBLE, OFFER THEMSELVES FOR RE-APPOINTMENT.
8. RECORD DATE IS 21.05.2021
9. ROUTE MAP: ATTACHED

Explanatory Statement [pursuant to Section 102 of Companies Act, 2013]

Item No. 4

In view of the contribution and ongoing efforts of Mr. Rajendra Singh Sharma, Whole Time Director of the Company, the Nomination and Remuneration Committee at its meeting, recommended to Board of Directors of the Company to increase the remuneration of Director in the manner as provided in the proposed resolution.

The proposed remuneration is towards his able guidance and a service provided to the Company and is well within the limits prescribed under Schedule V of The Companies Act, 2013.

The present proposal requires approval of Shareholders of the company by way of Special Resolution. None of the Directors, except Mr. Rajendra Singh Sharma himself is interested in this resolution.

Details of Director are as under:

Name	Rajendra Singh Sharma
Age	76 years
Date of Appointment	10.06.1998
Qualification	B.Sc. in Agriculture
Experience and Expertise in specific functional areas	Mr. Rajendra Singh Sharma is having 46 Years of experience in field of Pesticides
List of other Public Limited Companies in which directorships held.	Anand Herbal Limited Shalvis Specialities Limited
No- Of Equity Shares held in the Company	Nil
Relationship with other Directors, Manager and Key Managerial Personnel	None

The Directors recommend the Item No. 4 of the Notice for consent and approval by the shareholders.

Item No. 5 & 6

In accordance with the provisions of Section 180(1) (c) of the Companies Act, 2013, a Company can borrow monies exceeding the aggregate of its paid share up capital, free reserves and securities premium (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) with the approval of Members of the Company by way of a Special Resolution.

The members of the Company at its Annual General Meeting, held on September 30, 2015 had approved the overall limit of Rs. 125/- Crores for borrowing which is in excess of the paid-up share capital of the Company, free reserves and securities premium of the Company under Section 180 of the Companies Act 2013.

Considering the requirements of the additional funds that may be needed in future from time to time for business purpose and the proposed initial public offer of the Company, it is imperative to increase the said limit from Rs. 125 crores to Rs. 500 crores, to enable the Company to evaluate the appropriate borrowing alternatives to meet the funding requirements, as aforesaid, approval of members is being sought to borrow money up to Rs. 500 Crores (Rupees Five hundred Crores only) (which includes the money already borrowed and money to be borrowed) which is in excess of the aggregate of the paid up share capital, free reserves and securities premium of the Company.

In view of the resolutions relating to borrowing powers as stated in Resolution No.5 & 6, the Company may have to create further charges/ mortgages/hypothecation in favour of the lenders/ debenture trustees. Therefore, a resolution enabling the Directors to create charges/mortgages/hypothecation on the movable/ immovable properties of the Company to the extent of Rs. 500 Crores (Rupees Five hundred Crores only) is proposed.

Since the invocation of security / mortgage by the lender/debenture trustees may be regarded as a disposal of the undertaking by the Company in favour of the Institutions / Banks, in accordance with the provisions of Section 180(1) (a) of the Companies Act, 2013, it is necessary to obtain approval of the Members by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/mortgage/hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

The approval of the Members for the said borrowings and charges/ mortgages/hypothecation for the said borrowing is therefore now being sought, by way of Special Resolutions, pursuant to Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 respectively.

The Directors recommend the Resolutions No.5 and 6 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors or Key Managerial Personnel of the Company or any of their relatives has or shall have any concern or interest as when the Board of Directors shall exercise such powers.

The Board of Directors believe that casting of your consent as sought is in the interest of the Company and, therefore, recommends the Resolution for approval of members.

Item No. 7

As per the provisions of Section 186 of the Companies Act, 2013, no company shall directly or indirectly (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the

securities of any other body corporate, exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

Where such giving of any loan or guarantee or providing any security or the acquisition exceeds the limits specified, under Section 186 of the Companies Act, 2013 prior approval by means of a special resolution passed at a general meeting is necessary.

The members of the Company at its Annual General Meeting, held on September 30, 2015 had approved the overall limit of Rs. 20/- Crores under Section 186 of the Companies Act 2013.

During the course of business the Company has to make loan, issue guarantee or make investment in its subsidiaries, group companies and / or other bodies corporate and considering the issue proceeds of the proposed initial public offer of the company, it is imperative to obtain approval of the shareholders by means of a Special Resolution for the authorizing the Board to exercise aforesaid powers as prescribed under Section 186 of the Companies Act, 2013 from time to time, in one or more tranches, up to maximum limit of Rs. 500 Crores (Five Hundred Crores Only)

The Directors recommend the Item No. 7 of the Notice for consent and approval by the shareholders.

None of the Directors or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in these Resolutions.

The Board of Directors believe that casting of your consent as sought is in the interest of the Company and, therefore, recommends the Resolution for approval of members.

By the order of the Board
For India Pesticides Limited

Ajeet Pandey
Company Secretary and
Compliance Officer
Membership No.: 42500
Address: Swarup Cold Storage, Water Works Road,
Aishbagh, Lucknow-226004

Date: 25.05.2021
Place: Lucknow

Information of directors to be re-appointed at the forthcoming Annual General Meeting pursuant to Regulation 36(3) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the provisions of Companies Act, 2013 read with Secretarial Standard -2

Name	Mr. Anand Swarup Agarwal
DIN	
Designation	Chairman and Non-Executive Director
Date of Birth	23.01.1945
Age	76 years
Qualifications	Bachelor's Degree in Law from University of Lucknow
Experience	35 years
Remuneration last drawn	Being Non- Executive Director of the Company, no remuneration has been drawn by Mr. Anand Swarup Agarwal, apart from sitting fee.
Nationality	Indian
Expertise in specific functional area	He has over 35 years of experience in agrochemical manufacturing
Date of first appointment on the Board of the Company	10.09.2020
No. of Equity Shares held in the Company	4,47,89,850
No. of Board meetings attended during the year	6
Relationship with other directors, Manager and other KMP	Nil
Other Directorships, Membership/ Chairmanship of Committees of other Boards	Nil
Terms and conditions of appointment or re-appointment	Term: Two years Liable to retire by rotation and is eligible for re-appointment.

India Pesticides Limited
Corporate Office: Water Works Road, Aishbagh, Lucknow-226004
Regd. Office: Swarup Bhawan, 35-A, Civil Lines, Bareilly-243001
 CIN: U24112UP1984PLC006894
 e-mail id-sp.gupta@indiapesticideslimited.com
 website: www.indiapesticideslimited.com

Proxy Form

Name of the member(s): _____
Registered address: _____
E-mail ID: _____
Folio/DP ID-Client ID No: _____

I/We being the member(s) of _____ shares of the above named Company hereby appoint:

- (1) Name: _____ Address: _____
 E-mail ID _____ Signature: _____ or failing him;
- (2) Name: _____ address: _____
 E-mail ID _____ Signature: _____ or failing him;
- (3) Name: _____ address: _____
 E-mail ID _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Monday, 31st May, 2021 at 04:30 P.M. at corporate office of the Company at Swarup Cold Storage, Water Works Road, Aishbagh, Lucknow-226004 adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional *	
Ordinary Business		For	Against
1	Adoption of Annual Accounts for the year ended 31st March, 2021		
2	Appoint a director in place of Mr. Anand Swarup Agarwal, who retires by rotation and being eligible offers himself for re-appointment.		
3.	To declare a dividend of Rs. 0.32/- per equity share of face value of Rs. 1/- each for the financial year ended March 31, 2021		
Special Business			
4.	Increase in Remuneration of Whole Time Director.		
5.	To increase in borrowing limits under Section 180 (1) (c) of the Companies Act 2013.		
6.	Creation of Charges on the movable and immovable properties of the Company under Section 180(1)(a) of the Companies Act, 2013 both present and future, in respect of borrowings.		
7.	To approve Inter corporate loans and investments or guarantee or security in excess of the prescribed limits under Section 186 of the Companies Act 2013.		

Signed this _____ day of _____ 2021

Signature of Shareholder _____

Signature of Proxy Holder (s) _____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of Annual General Meeting.
3. * It is optional to put a “✓” in the appropriate column against the Resolutions indicated in the Box. If you leave the ‘For’ or ‘Against’ column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.



India Pesticides Limited

Corporate Office: Water Works Road, Aishbagh, Lucknow-226004

Regd. Office: Swarup Bhawan, 35-A, Civil Lines, Bareilly-243001

CIN: U24112UP1984PLC006894

e-mail id-sp.gupta@indiapesticideslimited.com

website: www.indiapesticideslimited.com

Attendance Slip

Please fill Attendance Slip and hand it over at the entrance of the Meeting Hall

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*	
Client Id*	

Folio No.	
No. of Shares	

Name and address of the shareholder:-

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company to be held at corporate office Waterworks Road, Swarup Cold Storage, Aishbagh, Lucknow- 226004 Uttar Pradesh at 04:30 P.M. on 31st day of May, 2021.

Signature of Shareholder / Proxy

*Applicable for investors holding shares in electronic form.

Form No.MGT- 12

Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules,2014]

Name of the Company: India Pesticides Limited

Registered Office: 35-A, Civil Lines Bareilly, Uttar Pradesh-243001

Corporate Office: Water Work Road, Swarup Cold Storage Compound, Aishbagh Lucknow-226004 UP

CIN: U24112UP1984LC006894

Ballot Paper

S. No.	Particulars	Details
1.	Name of the first named Shareholder (In Block Letters)	
2.	Postal address	
3.	Registered Folio No./ *Client ID No. (*applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity Shares

I hereby exercise my vote in respect of Ordinary/ Special Resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:

No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1.	To adopt Standalone and Consolidated Financial Statements of the Company including Report of Board of Directors and Auditors			
2.	To Reappoint Mr. Anand Swarup Agarwal			
3.	To Declare Dividend on Equity Shares			
4.	Increase in Remuneration to the Whole-Time Director			
5.	To increase in borrowing limits under Section 180 (1) (c) of the Companies Act 2013.			
6.	Creation of Charges on the movable and immovable properties of the Company under Section 180(1)(a) of the Companies Act, 2013 both present and future, in respect of borrowings.			
7.	To approve Inter corporate loans and investments or guarantee or security in excess of the prescribed limits under Section 186 of the Companies Act 2013.			

Place:

Date:

(Signature of the shareholder*)

(*as per Company records)

Map to the AGM Venue





India Pesticides Limited

Corporate Office

Water Works Road, Swarup Cold Storage Compound
Aishbagh, Lucknow - 226 004, Uttar Pradesh, India

Ph: +91 522-2653602, 2653603, 2653622, 4041014, 4005719

Email: info@indiapesticideslimited.com

Website: www.indiapesticideslimited.com

