IPL

India Pesticides Limited

(An ISO 9001:2008 OHSAS 18001:2007; ISO 14001:2004; & A GMP Certified Company)

ANNUAL REPORT
2019 - 20

India Pesticides Limited

(An ISO 9001:2008 OHSAS 18001:2007; ISO 14001:2004; & A GMP Certified Company)

Board of Directors	Anand Swarup Agarwal
	Ashok Kumar Gupta
	Govind Singh Mehta
	Shweta Agarwal
	Rajendra Singh Sharma
Bankers	Bank of India
Auditors	Lodha & Co. (Chartered Accountants, Mumbai)
Cost Auditors	Manoj Mishra & Associates
Secretarial Auditors	GSK & Associates (Company Secretaries, Kanpur)
Registered Office	Swarup Bhawan, 35-A Civil Lines, Bareilly-243001 Tel: 0581-2567476
Corporate Office	Water Works Road, Aishbagh, Lucknow-226 004 Tel: 0522-2653602, 2653603, 4041014 Website:www.indiapesticideslimited.com E-mail: info@indiapesticideslimited.com
Factory	UPSIDC, Industrial Area, Plot No. E-17 to E-23, & G-31 to 35, Dewa Road, Chinhat, Lucknow – 226019 Tel-7704995523 Plot No. D-2, to D-4, K-6 to K-10 UPSIDC Industrial Area, Sandila-I Distt. Hardoi – 241204 Tel- 7235808439

INDIA PESTICIDES LIMITED

35-A, CIVIL LINES, BAREILLY- 243001
CIN - U24112UP1984PLC006894
e-mail id-sp.gupta@indiapesticideslimited.com
website: www.indiapesticideslimited.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, 2020.

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

Particulars	**Current Year (for the Period 2019-20) (in Rs.)**	**Current Year (for the Period 2018-19) (in Rs.)**
Total Income	4,897.27	3,460.42
Less-Expenditure during the year	3884.37	2776.09
Profit/(Loss) before Depreciation, Interest & tax	1012.9	684.33
Less- Depreciation	50.69	39.58
Less- Interest	28.51	33.76
Less: Exceptional Items	--	-
Less- Provision For Tax & Adjustments	225.86	171.79
Net Profit/(Loss)	**707.83**	**439.20**

State of Company's Affairs
During the year, the Company has earned a net profit of Rs. 707.83 million as against previous year's profit of Rs. 439.20 million.

Subsidiaries, Joint Ventures or Associate Companies
The Company has no Subsidiary, 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, 2020.

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 2019-20 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.

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: 1)***

Dividend
Your directors recommend final dividend of Rs. 110 per equity share of face value of Rs. 100 each for financial year ended on 31st March, 2020.

Reserves & Surplus
Current Year's profit of Rs.707.83 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.

Mr. Anand Swarup Agarwal was appointed as Additional Director of the Company on 10.09.2020 and regularized as a Chairman and 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. Rajendra Singh Sharma, Whole-time Director shall retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Changes in Share Capital, if any

There is no change in the share capital of the Company during the year under review.

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.

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 alongwith 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.

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 31.03.2020. 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. Rajendra Singh Sharma	Chairman	Executive /Non Independent Director
Mr. Pranav Agarwal	Member	Non Executive /Independent Director
Ms. Shweta Agarwal	Member	Non Executive /Independent Director

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 31.03.2020:

Name of the Director	Position held in the Committee	Category of the Director
Mr. Pranav Agarwal	Chairman	Non Executive/ Independent Director
Mr. Govind Singh Mehta	Member	Non Executive/ Non Independent Director
Ms. Shweta Agarwal	Member	Non Executive /Independent Director

Role of Nomination and Remuneration Committee

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully and relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
4. The Committee shall ensure that the 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.
5. Regularly review the Human Resource function of the Company and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time
6. Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time and make reports to the Board as appropriate.
7. Such other work and policy, related and incidental to the objectives of the committee as per provisions of the Companies Act 2013 and rules made there under.

Remuneration Policy

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.

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.

Corporate Social Responsibility
The composition of CSR Committee as on 31.03.2020:

1. Mr. Rajendra Singh Sharma, Chairman
2. Mr. Ashok Kumar Gupta, Member
3. Mr. Govind Singh Mehta, Member
4. Ms. Shweta Agarwal, Member

The company was required to spend Rs.11.03 millon but has made expenditure of Rs.4.64 millon towards CSR activities and the balance amount shall be spent in phased manner as per the requirement of project.

The Annual Report on CSR initiatives is enclosed herewith as ***Annexure 2.***

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 31.03.2020**	**For the year ended 31.03.2019**
Power and Fuel Consumption		
1. Electricity		
Purchased Units (kwh)	20316692 Units	18457736 Units
Total Amount (in Rs.)	185892178.47	147142168
Unit Rate (in Rs.)	9.15	7.97
2. Own Generation (on Diesel)		
Units Generated	2259208.90 Units	1201578 Units
Total Amount (Rs.)	37803879.58	21698776
Unit Cost (Rs.)	16.73	18.06

(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.16.32 million.

(C) Foreign exchange earnings and Outgo:

a. Foreign Exchange earned in terms of actual inflows during the year: Rs.2,968.31 million; and
b. Foreign Exchange outgo during the year in terms of actual outflows: Rs. 822.31 million.

Details of Board Meeting Held during the Year

Number of Board Meetings held during the year: 08

Date of Board Meeting	No. of directors present
01.04.2019	5
24.04.2019	5
03.05.2019	5
12.06.2019	5
21.08.2019	5
23.09.2019	5
05.12.2019	5
09.01.2020	5

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. The Secretarial Audit Report is annexed as **Annexure 3** and forms an integral part of this report.

There is no secretarial 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.

Cost Audit

Mr.Manoj Mishra, Cost Accountant, was appointed as the Cost Auditor of the Company for the FY 2020-21

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 year2019-20.

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

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

Ashok Kumar Gupta
Wholetime Director
DIN:00543688
Address:-12/568 Sector 12 Near, Water Tank Indira Nagar
Lucknow -226016
Date: 25.11.2020
Place: Lucknow

Rajendra Singh Sharma
Wholetime Director
DIN:02487797
Address:-E-2866, Rajaji Puram Avas Colony
Lucknow -226017

Annexure 1

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

[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
vii. Name, Address and Contact details of Registrar and Transfer Agent:
KFin Technologies Private Limited (Formerly known as "Karvy Fintech Private Limited")
Address: Selenium Tower-B Plot 31 & 32, Gachibowli Financial District, Nanakramguda, Serilingampally Hyderabad 500032 Telangana, India
Contact Details: +91 40 6716 2222
E-Mail- ipl.ipo@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:-

Sl. 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	92.2

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

There is no Holding, Subsidiary or Associate Company

S. No.	Name And Address of the Company	CIN/ GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
1	NA	NA	NA	NIL	NA

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year -01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physi-cal	Total	% of Total Shares	
A. **Promoters**									
(1) Indian									
a. Individual/ HUF	0	127971	127971	40.20	0	127971	127971	40.20	0
b. Central Govt.									
c. State Govt. (s)									
d. Bodies Corp.									
e. Banks/FI									
f. Any Other..									
Sub-total (A) (1)	0	127971	127971	40.20	0	127971	127971	40.20	0
(2) Foreign									

a. NRIs – Individuals									
b. Other – Individuals									
c. Bodies Corp.									
d. Banks / FI									
e. Any Other....									
Sub-total (A)(2)									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	127971	127971	40.20	0	127971	127971	40.20	0
B. Public Shareholding **(1) Institutions** a. Mutual Funds b. Banks/FI c. Central Govt d. State Govt(s) e. Venture Capital Funds f. Insurance Companies g. FIIs h. Foreign	0	0	0	0	0	0	0	0	0
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									

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh c. Others (specify)	0	190354	190354	59.80	0	190354	190354	59.80	0
Sub-total (B)(2)	0	190354	190354	59.80	0	190354	190354	59.80	0
Total Public Shareholding (B) = (B)(1) + (B)(2)	0	0	0	0	0	0	0	0	0
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	0	318325	318325	100	0

ii. Shareholding of Promoters

Sl. No.	**Shareholder's Name**	**Shareholding at the beginning of the year**			**Share holding at the end of the year**			
		No. of Shares	**% of total Shares of the company**	**%of Shares Pledged/ encumber-ed to total shares**	**No. of Shares**	**% of total Shares of the company**	**%of Shares Pledged/ encumber-ed to total shares**	**% change in share holding during the year**
1	Anand Swarup Agarwal	127971	40.20	0	127971	40.20	0	0

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

Sl. No.		**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				
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):				
	At the End of the year				

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): As per List Attached

Sl. No.		**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
	For Each of the Top 10 Shareholders	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year				
	Date wise Increase/Decrease in Share holding during the year				

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)				

v. *Shareholding of Directors and Key Managerial Personnel : NIL*

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year				

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

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	493837017	112000000	-	505837017
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	-	5000547	-	5000547
Total (i+ii+iii)	493837017	117000547	-	510837564
Change in Indebtedness during the financial year				
• Addition	-	5789617	-	5789617
• Reduction	(336144292)	-	-	(336144292)
Net Change	(336144292)	5789617	-	(330354675)

Indebtedness at the end of the financial year				
i) Principal Amount	157681159	112000000	-	269381159
ii) Interest due but not paid iii) Interest accrued but not due	11566	10790164	-	11101730
Total (i+ii+iii)	157692725	122790164	-	280482889

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	**Particulars of Remuneration**	**Name of MD/WTD/ Manager**		**Total Amount**
		Rajendra Singh Sharma	Ashok Kumar Gupta	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	0.60	1.47	2.07
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0
5.	Others, please specify	0	0	0
	Total (A)	0.60	1.47	2.07
	Ceiling as per the Act			

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
		Pranav Agarwal	Shweta Agarwal	
1.	Independent Directors			
	• Fee for attending board committee meetings • Commission • Others, please specify	0.04	0.04	0.08
	Total (1)			0.08
2.	Other Non-Executive Directors	Govind Singh Mehta		
	• Fee for attending board committee meetings • Commission • Others, please specify	0.08		0.08
	Total (2)			0.08
	Total (B) = (1 + 2)			0.16
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			

C. *REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:* ***NIL***

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	**Company Secretary**	**CFO**	**Total**
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under				

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
	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				

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:NIL

Type	Section of the Companies Act	Brief Descri-ption	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

Ashok Kumar Gupta
Wholetime Director
DIN:00543688
Address:-12/568 Sector 12 Near,
Water Tank Indira Nagar
Lucknow -226016

Rajendra Singh Sharma
Wholetime Director
DIN:02487797
Address:-E-2866, Rajaji
Puram Avas Colony
Lucknow -226017

Date: 25.11.2020
Place: Lucknow

Annexure 2

FORMAT FOR THE ANNUAL REPORT ON CSR INITIATIVES TO BE INCLUDED IN THE BOARD REPORT BY QUALIFYING COMPANIES

1. Provide a 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: Mr. Rajendra Singh Sharma
Mr. Govind Singh Mehta
Mr. Ashok Kumar Gupta
Ms. Shweta Agarwal

1. Average Net Profit of the company for last 3 financial years:Rs.55,12,92,661.3/-

2. Amount of CSR spent during the Year Rs. 46,35,704/-
3. Prescribed CSR Expenditure (2% of the amount as in item 3 above):
Rs. 1,10,25,853.23/-
4. Details of CSR spent during the financial year:
    (a) Total amount to be spent for the financial year: Rs. 4,71,37,259.45/- (This includes unspent amount of FY 2018-19 and 2017-18i.e. Rs. 2,48,08,722.17/- and Rs. 1,13,02,684.05/-.)
    (b) Amount unspent, if any: Rs. 4,25,01,555.45/-

(c) Manner in which the amount spent during the financial year as detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs: (1) Local area or others (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) Project or program wise	Amount spent on the projects or programs Sub-heads: (1)Direct (2)Expenditure on projects or programs (3)Overheads Direct Expenditure	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Preventive Health Care	Health Care	Lucknow	75,00,000	25,33,200	25,33,200	Directly
2.	Promoting Education among children and women	Education	Lucknow	25,00,000	7,78,840	7,78,840	Directly
3	Rural Development Projects	Distribution of Blankets	Lucknow	50,00,000	1,77,750	1,77,750	Directly
4	Promotion of Sport	Sport	Lucknow	50,00,000	11,05,114	11,05,114	Directly
5	Preventive Environmental Care	Tree Plantation and other	Lucknow	50,00,000	40,800	40,800	Directly

SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31ST MARCH, 2020

[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-A Civil 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, 2020, 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, 2020 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, (**Not applicable during the year**);

- 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, **(Not applicable to the company);**

  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 **(Not applicable to the company);**

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 at least seven days 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 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
Saket Sharma
Partner
(Membership No.: F4229)
(CP No.: 2565)
UDIN: F004229B001309819

Date: 25.11.2020
Place: Kanpur

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

Sr No.	Name of the Shareholder	Shareholding at the beginning of the year @Rs.100		Cumulative Shareholding during the year @ Rs.100	
		No. of Shares	% of Total Shares held	No. of Shares	% of Total Shares held
1	Mahendra Swarup Agarwal	33375	10.48%	33375	10.48%
2	Sneh Lata Agarwal	18918	5.95%	18918	5.95%
3	Sudha Agarwal	17438	5.48%	17438	5.48%
4	Dr. P.S. Agarwal	14945	4.70%	14945	4.70%
5	Saurabh Agarwal	14400	4.52%	14400	4.52%
6	Asha Agarwal	13203	4.15%	13203	4.15%
7	Virendra Swarup Agarwal	13205	4.15%	13205	4.15%
8	Sanju Agarwal	10320	3.24%	10320	3.24%
9	Vishal Swarup Agarwal	9850	3.10%	9850	3.10%
10	Nupur Agarwal	8800	2.76%	8800	2.76%

Independent Auditor's Report

To the Members of
India Pesticides Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of India Pesticides Limited ("the Company"), which comprises of Balance Sheet as at March 31, 2020, 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 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 2020, 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 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 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 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 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 financial statements and our auditor's report thereon.

Our opinion on the 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 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 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 nothingto report in this regard.

Responsibilities of Management and those charged with Governance for the 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

Reporting on Comparatives in case of First IND AS Financial Statements

The comparative financial information of the Company for the year ended 31st March 2019 and the related transition date opening balance sheet as at 1st April 2018 included in these financial statements, have been prepared after adjusting previously issued financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued financial statements were audited by predecessor auditor whose report for the years ended 31st March 2019 and 31st March 2018 dated 21st August 2019 and 18th August, 2018 , respectively expressed an unmodified opinion on those financial statements. Adjustments made to the previously issued financial statements to comply with Ind AS have been audited by us.

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 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, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 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 has disclosed the impact of pending litigations on its financial performance in its financial statements. [Refer Note No.- 34 to financial statements]

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

Membership No. 44101
UDIN:- 20044101AAABRX6830

Place: Mumbai
Date: November 11, 2020

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 (fixed assets).

b. As explained to us, the Company has a phased program for physical verification of the Property, Plant and equipment (fixed assets) 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 (fixed assets). 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. a. The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.

b. The procedures for the physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, 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 except the following:

Name of Statue	**Nature of dues**	**Rs. in millions**	**Period to which the amount relates**	**Forum where dispute is pending**
Uttar Pradesh Value Added Tax	Value Added Tax	6.31	F.Y. 2016-17	Commercial Tax Department, 1st Appellate, Uttar Pradesh

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 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year or in the recent past. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

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

Membership No. 44101
UDIN:- 20044101AAABRX6830

Place: Mumbai
Date: November 11, 2020

Annexure "B" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of the 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, 2020 in conjunction with our audit of the 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.

AuditorsResponsibility

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, 2020, 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

Membership No. 44101
UDIN:- 20044101AAABRX6830

Place: Mumbai
Date: November 11, 2020

INDIA PESTICIDES LIMITED

Significant accounting policies and explanatory notes to Financial Statements

Company Profile

India Perticides 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 ‘Agri 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 financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of Preparation and Transition to Ind AS

The 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 financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2018 being the date of transition to Ind AS.

The 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 New 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 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 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 nonrefundable 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. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Other Non-Current Assets.
	Transition to Ind AS On transition to Ind AS, the Company has elected to consider the carrying value of all its property, plant and equipment appearing in the financial statements prepared in accordance with Accounting Standards notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014, and used the same as deemed cost in the Opening Ind AS Balance Sheet as at 1 April 2018.
	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.
	Dereognition:
	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.
	The Company had elected to consider the carrying value of all its intangible assets appearing in the financial statements prepare in accordance with Accounting Standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and used the same as deemed cost in the opening Ind AS Balance sheet prepared on 1st April, 2018.
	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.	
	Sale of Products:	
	Revenue from sale of products is recognized when the control on the goods have 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 cost are recognised in the statement of profit and loss. In other cases, the transaction cost 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 FVPL unless it is measured at amortised cost or at FVOCI. A gain or loss on a debt instrument that is subsequently measured at FVPL 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 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.
	If there is no quoted prices 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 (FVPL), 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 FVPL. 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 FVPL, 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 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 the 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 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 theFinancial 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.
	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).
(p)	**Lease accounting**
	Assets taken on lease:
	The Company mainly has lease arrangements for land and building for offices, warehouse spaces and retail stores and vehicles.
	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 straightline 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. 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 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 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 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)	**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 Managing Director (who is the Company’s chief operating decision maker) in deciding how to allocate resources and in assessing performance
(t)	**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.
(u)	**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.
(v)	**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.
(w)	**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
(x)	**Rounding Of Amounts**
	All amounts disclosed in the Financial statements and notes have been rounded off to the nearest million, unless otherwise stated.
(y)	**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, 2020.
(z)	**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:
(i)	<u>Income taxes</u>
	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
(ii)	<u>Property, plant and equipment</u>

	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 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.
(iii)	<u>Defined Benefit Obligation</u>
	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 themanagement. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.
(iv)	<u>Fair value measurement of financial instruments</u>
	When the fair values of financials 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.
(v)	<u>Right-of-use assets and lease liability</u>
	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 rightof-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation

INDIA PESTICIDES LIMITED
CIN : U24112UP1984PLC006894

Balance Sheet as at 31st March 2020

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

Particulars	Note	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	2A	950.01	697.60	687.86
Right of Use Assets	2B	42.57	-	-
Capital work-in-progress	2C	11.56	47.46	24.95
Intangible Assets	3	1.65	1.99	2.21
Intangible Assets under development		-	2.55	2.55
Financial Assets				
Investments	4	30.37	30.62	33.02
Other Financial Assets	5	48.84	37.85	38.48
Other Non-current assets	6	20.62	19.91	9.02
Total Non current assets		1,105.62	837.98	798.09
Current Assets				
Inventories	7	385.73	355.27	192.21
Financial Assets				
Trade Receivables	8	1,831.74	1,783.14	1,247.80
Cash and Cash Equivalents	9	67.17	16.30	23.52
Other Balances with Banks	10	13.12	12.12	11.36
Other Financial Assets	11	6.75	9.68	11.67
Other Current Assets	12	246.88	157.87	119.00
Total Current Assets		2,551.39	2,334.38	1,605.55
Total Assets		3,657.01	3,172.36	2,403.64
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	13	31.83	31.83	31.83
Other Equity	14	2,536.40	1,838.37	1,407.32
Total Equity		2,568.23	1,870.20	1,439.16
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	15	104.44	112.64	67.56
Other Financial Liabilities	16	1.10	-	-
Provisions	17	5.39	3.66	2.47
Deferred Tax Liabilities (Net)	18	73.05	75.85	74.27
Total Non Current Liabilities		183.97	192.15	144.30
Current Liabilities				
Financial liabilities				
Borrowings	19	135.45	437.73	325.51
Trade Payables	20			
Total outstanding dues of micro enterprises and small enterprises		16.85	17.37	15.72
Total outstanding dues of creditors other than micro enterprises and small enterprises		598.57	531.59	351.65
Other Financial Liabilities	21	82.36	92.34	91.75
Other Current Liabilities	22	62.53	27.52	29.17
Provisions	23	0.53	0.30	0.21
Current Tax Liabilities (Net)	24	8.51	3.16	6.16
Total Current Liabilities		904.81	1,110.00	820.18
Total Liabilities		1,088.78	1,302.16	964.48
Total Equity and Liabilities		3,657.01	3,172.36	2,403.64
Significant accounting policies and key accounting estimates and judgements	1			
See accompanying notes to the financial statements	2A-43			

As per our report of even date attached

For Lodha & Co.
Chartered Accountants

R.P. Baradiya
Partner
Membership No. 44101

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

A. K. Gupta
Executive Director
DIN: 00543688

R. S. Sharma
Executive Director
DIN: 02487797

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Mumbai
Dated: 11 November, 2020

Place : Lucknow

INDIA PESTICIDES LIMITED

CIN : U24112UP1984PLC006894

Statement of Profit and Loss for the year ended 31st March 2020

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

Particulars	Note	Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue from Operations	25	4,796.27	3,406.88
Other Income	26	101.00	53.54
Total Income (I)		**4,897.27**	**3,460.42**
EXPENSES			
Cost of Materials Consumed	27	2,566.04	1,945.34
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	29	(35.07)	(74.41)
Employee Benefits Expense	30	163.99	134.48
Finance Costs	31	52.18	55.77
Depreciation and Amortisation Expense	2 & 3	50.69	39.58
Other Expenses	32	1,165.74	748.68
Total Expenses (II)		3,963.57	2,849.43
Profit Before Tax (I-II)		933.70	610.99
Tax Expense			
(1) Current Tax		231.11	170.00
(2) Deferred Tax	18	(2.09)	1.79
(3) Current taxes relating to earlier years		3.16	-
Profit for the period		**707.83**	**439.20**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(2.86)	(0.70)
- Income tax expense / (benefit) related to items that will not be reclassified to Profit and loss		(0.72)	(0.20)
Total Other comprehensive income (Net of Tax)		**(2.14)**	**(0.50)**
Total Comprehensive Income for the Year		**705.69**	**438.71**
Earnings per Equity Share of Rs.100 Each	39		
Basic (In Rs)		2,223.62	1,379.73
Diluted (In Rs)		2,223.62	1,379.73
Significant accounting policies and Key accounting estimates and Judgements	1		
See accompanying notes to the financial statements	2A-43		

As per our report of even date attached

For Lodha & Co.
Chartered Accountants

R.P. Baradiya
Partner
Membership No. 44101

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

A. K. Gupta
Executive Director
DIN: 00543688

R. S. Sharma
Executive Director
DIN: 02487797

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Mumbai
Dated: 11 November, 2020

Place : Lucknow

INDIA PESTICIDES LIMITED

CIN : U24112UP1984PLC006894

Statement of Cash flow for the year ended 31st March 2020

	Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
A	**Cash flow from operating activities:**		
	Net profit before tax	933.70	610.99
	Adjustment to reconcile profit before tax to net cash flows		-
	Depreciation	50.67	39.39
	Net unrealised foreign exchange loss/(gain)	(41.97)	(22.59)
	Net gain on sale / fair valuation of investments through profit and loss	5.57	0.50
	(Profit)/Loss on Sale of property, plant and equipment (net)	(0.19)	(0.50)
	Dividend Income	(0.08)	(0.04)
	Provision for Employee Benefits	4.32	0.60
	Finance Lease	0.03	-
	Interest received	(3.94)	(4.10)
	Provision for Expected Credit Loss	3.47	2.15
	Bad Debt	4.84	0.64
	Interest expenses	52.18	55.77
	Operating profit before working capital changes	**1008.59**	**682.81**
	Adjustment for		-
			-
	Decrease/ (Increase) in other financial assets	(8.06)	2.61
	Decrease/ (Increase) in non current assets	(3.42)	(10.60)
	Decrease/ (Increase) in trade receivables	(14.31)	(532.34)
	Decrease/(Increase) in other current assets	(69.02)	(38.87)
	(Increase)/Decrease in inventories	(30.46)	(163.06)
	(Increase)/ decrease in other financial liabilities	10.88	6.48
	(Decrease)/Increase in trade payables	64.85	193.44
	(Decrease)/ Increase in other current liabilities	35.01	(1.65)
	Increase / (Decrease) in provisions	0.35	0.38
	Cash generated from operations	**974.42**	**139.21**
	Direct taxes paid (net)	(222.91)	(173.00)
	Net cash generated from operating activities	**751.51**	(33.79)
			-
B	**Cash generated from investing activities**		-
	Purchase of property, plant and equipment and intangible assets	(344.26)	(49.82)
	Proceeds from sale of property, plant and equipment	0.04	0.73
	Movement in Capital Work in Progress	35.89	(22.51)
	Purchase of investments	(21.06)	(22.76)
	Sale proceeds of investments	15.74	24.66
	Increase in Term Deposits	(0.99)	(0.77)
	Interest income	3.94	4.10
	Net cash flow (used in) from investing activities	**(310.70)**	(66.37)
			-
C	**Cash generated from financing activities**		-
	Proceeds from Long term Borrowings	2.40	131.21
	Repayment of Long term Borrowings	(30.48)	(92.18)
	Proceeds/(repayment) from short-term borrowings (net)	(302.27)	112.21
	Dividend paid (including corporate dividend tax)	(7.66)	(7.66)
	Interest paid	(51.92)	(50.64)
	Cash generated from financing activities	**(389.94)**	92.94
D	**Net Increase/ Decrease in cash and cash equivalent (A+B+C)**	**50.87**	(7.22)
	Cash and Cash equivalents		
	At the beginning of the year	16.30	23.52
	At the end of the year	67.17	16.30

Notes:-

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

Significant accounting policies	1
See accompanying notes to the financial statements	2A-43

As per our attached report of even date

For Lodha & Co.
Chartered Accountants

R.P. Baradiya
Partner
Membership No. 44101

Place : Mumbai
Dated:

For and on behalf of the Board of Directors

A. K. Gupta
Director
DIN: 00643688

R. S. Sharma
Director
DIN: 02487797

S. P. Gupta
Chief Financial Officer
Place : Lucknow

Ajeet Pandey
Company Secretary

INDIA PESTICIDES LIMITED

Statement of Changes in Equity for the year ended 31st March 2020

A. Equity Share Capital

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

Particulars	No. of Shares	Amount
As at 1st April, 2018	**3,18,325**	**31.83**
Changes in equity share capital during the year	-	-
As at 31 March, 2019	**3,18,325**	**31.83**
Changes in equity share capital during the year	-	-
As at 31 March, 2020	**3,18,325**	**31.83**
Changes in equity share capital during the year	-	-

B. Other Equity

Particulars	Reserves and Surplus			Remeasurement of net defined benefit plan through OCI	Total
	Securities Premium Reserves	General Reserve	Retained Earnings		
Balance as on 1st April 2018	**8.58**	**389.37**	**1,009.37**	-	**1,407.32**
Profit/(loss) for the year	-	-	439.20	(0.50)	438.71
Other Comprehensive Income / (loss)	-	-	-	-	-
Total Comprehensive Income for the year	8.58	389.37	1,448.57	(0.50)	1,846.03
Dividends paid (incl. dividend distribution tax)	-	-	(7.66)	-	(7.66)
Transfer to General Reserves	-	100.00	(100.00)	-	-
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	-	-	-	-	-
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**

As per our report of even date attached

For Lodha & Co.
Chartered Accountants

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

R.P. Baradiya
Partner
Membership No. 44101

A. K. Gupta
Executive Director
DIN: 00543688

R. S. Sharma
Executive Director
DIN: 02487797

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Mumbai
Dated: 11 November, 2020

Place : Lucknow

Significant accounting policies and explanatory notes to Financial Statements

Company Profile

India Perticides 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 'Agri 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 financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of Preparation and Transition to Ind AS

The 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 financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2018 being the date of transition to Ind AS.

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to consider the carrying value of all its property, plant and equipment appearing in the financial statements prepared in accordance with Accounting Standards notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014, and used the same as deemed cost in the Opening Ind AS Balance Sheet as at 1 April 2018.

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.

Dereognition:

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.

The Company had elected to consider the carrying value of all its intangible assets appearing in the financial statements prepare in accordance with Accounting Standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and used the same as deemed cost in the opening Ind AS Balance sheet prepared on 1st April, 2018.

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.

Sale of Products:

Revenue from sale of products is recognized when the control on the goods have 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 cost are recognised in the statement of profit and loss. In other cases, the transaction cost 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 FVPL unless it is measured at amortised cost or at FVOCI. A gain or loss on a debt instrument that is subsequently measured at FVPL 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 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.

If there is no quoted prices 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 (FVPL), 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 FVPL. 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 FVPL, 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 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 the 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 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 theFinancial 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.

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).

(p) Lease accounting

Assets taken on lease:

The Company mainly has lease arrangements for land and building for offices, warehouse spaces and retail stores and vehicles.

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 straightline 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. 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 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 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 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) 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 Managing Director (who is the Company's chief operating decision maker) in deciding how to allocate resources and in assessing performance

(t) 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.

(u) 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.

(v) 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.

(w) 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

(x) Rounding Of Amounts

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

(y) 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, 2020.

(z) 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:

(i) 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

(ii) 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 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.

(iii) 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 themanagement. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

(iv) Fair value measurement of financial instruments

When the fair values of financials 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.

(v) 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 rightof-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation

2A Property, Plant and Equipment

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

Description of Assets	Leasehold Land	Factory Building	Plant & Equipment	R&D Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross Carrying Amount									
Balance as at 1st April, 2018	37.96	159.71	463.79	1.17	5.27	18.11	0.49	1.36	687.86
Additions during the year	2.68	30.11	7.38	-	2.29	5.90	0.76	0.49	49.61
Disposals/ Reclassifications during the year	-	-	-	-	-	1.07	-	-	1.07
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	0.85	72.03	265.15		1.35	3.68	0.44	0.67	344.17
Disposals/ Reclassifications during the year	41.48	-	-	-	-	0.62	-	-	42.10
Balance as at 31st March, 2020	-	261.85	736.32	1.17	8.91	26.00	1.69	2.52	1,038.47
Balance as at 1st April, 2018									
Depreciation expense for the year	-	5.84	28.21	0.06	0.72	3.48	0.29	0.54	39.15
Eliminated on disposal of asset/ reclassifications	-	-	-	-	-	0.34	-	-	0.34
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
Net Carrying amount									
Balance as at 1st April, 2018	37.96	159.71	463.79	1.17	5.27	18.11	0.49	1.36	687.86
Balance as at 31st March, 2019	40.64	183.98	442.96	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

Note:

Term loans of Rs. 12.98 Mn as on 31st March 2020, Rs. 46.98 Mn as on 31st March, 2019 and Rs. 80.72 Mn as on 1st April, 2018 from banks are secured by first pari passu charge created by mortgage of plant and equipment, miscellaneous fixed assets and immovable properties (including Capital Work in Progress) located at Sandila.

2B Right of Use Assets

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 01st April, 2018
Opening Balance	-		
Reclassified on account of adoption of Ind AS 116	41.48	-	-
Additions	1.10	-	-
Deletions	-	-	-
Depreciation	0.02	-	-
Closing Balance	42.57	-	-

Note: Refer note no 33 for detailed disclosures

2C

Capital work-in-progress	Plant & Machinery	Buildings	Total
Balance as at 1st April, 2018	12.18	12.76	24.95
Balance as at 31st March, 2019	40.20	7.26	47.46
Balance as at 31st March, 2020	1.14	10.42	11.56

3 **Intangible Assets**

	Software	Know How	Total
Balance as at 1st April, 2018	0.13	2.47	2.61
Additions during the year	0.21	-	0.21
Deductions during the year	-	-	-
Balance as at 31st March, 2019	0.35	2.47	2.82
Additions during the year	0.10	-	0.10
Deductions during the year	-	-	-
Balance as at 31st March, 2020	0.44	2.47	2.92
Accumulated amortization			
Balance as at 1st April, 2018	0.04	0.36	0.39
Amortization expense for the year	0.07	0.36	0.43
Deductions for the year			
Balance as at 31st March, 2019	0.11	0.71	0.82
Amortization expense for the year	0.09	0.36	0.44
Deductions for the year	-	-	-
Balance as at 31st March, 2020	0.20	1.07	1.27
Net Carrying amount			
Balance as at 1st April, 2018	0.10	2.11	2.21
Balance as at 31st March, 2019	0.24	1.76	1.99
Balance as at 31st March, 2020	0.25	1.40	1.65

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

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use as its deemed cost as at the date of transition to Ind AS i.e. 1st April, 2018 as per the following details:

Description of Assets	Leasehold Land	Factory Building	Plant & Equipment	R&D Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Software	Know How	Total
As at 1st April, 2018											
Gross Block (at cost)	37.96	190	721.96	1.17	8.76	30.75	2.37	5.83	0.33	3.55	1,002.62
Accumulated depreciation	-	30.22	258.17	0.00	3.49	12.64	1.87	4.47	0.24	1.44	312.55
Net Block as per previous GAAP/ Deemed cost as per Ind AS	37.96	159.71	463.79	1.17	5.27	18.11	0.49	1.36	0.10	2.11	690.08
Ind As adjustments	-	-	-		-	-	-	-			-
Gross Block as per Ind AS	37.96	159.71	463.79	1.17	5.27	18.11	0.49	1.36	0.10	2.11	690.08

INDIA PESTICIDES LIMITED
Notes to the Financial Statements (Contd.)

4 Investments

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

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
(A) Investment in Quoted Equity Shares, Fully Paid Up (At fair value through Profit and Loss account)			
1 Punjab National Bank 50 (31st March, 2019 : 50, 01st April, 2018 : 50) equity shares of Rs.2 each	0.00	0.00	0.00
2 Triveni Engineering Ltd 666 (31st March, 2019 : 666, 01st April, 2018 : 666) equity shares of Rs.10 each	0.02	0.04	0.03
3 Coromandal International Ltd 125 (31st March, 2019 : 125, 1st April, 2018 : 125) equity shares of Re.1 each	0.07	0.06	0.07
4 Suditi Industries Ltd 8899 (31st March, 2019 : 4632, 1st April, 2018 : 4632) equity shares of Re.10 each	0.07	0.12	0.28
5 Bharat Electronics Ltd Nil (31st March, 2019 : Nil, 1st April, 2018 : 1608) equity shares of Rs.10 each	-	-	0.23
6 Bharat Financial Inclusion Ltd Nil (31st March, 2019 : Nil, 01st April, 2018 : 165) equity shares of Re.1 each	-	-	0.18
7 Camlin Fine Sciences Ltd Nil (31st March, 2019 : Nil, 01st April, 2018 : 2219) equity shares of Re.1 each	-	-	0.22
8 Dalmia Bharat Ltd Nil (31st March, 2019 : Nil, 01st Apri, 2018 : 88) equity shares of Rs. 2 each	-	-	0.25
9 Dilip Buildcon Ltd Nil (31st March, 2019 : Nil, 1st April, 2018 : 359) equity shares of Rs.10 each	-	-	0.36
10 Edelweiss Financial Services Ltd Nil (31st March, 2019 : Nil, 1st April, 2018 : 833) equity shares of Re.1 each	-	-	0.20
11 Everest Kanto Cylinder Ltd Nil (31st March, 2019 : Nil, 01st Apri, 2018 : 3995) equity shares of Rs.2 each	-	-	0.17
12 ICICI Prudential Life Insurance Company Ltd Nil (31st March, 2019 : Nil, 01st Apri, 2018 : 522) equity shares of Rs.10 each	-	-	0.20
13 India Cements Ltd Nil (31st March, 2019 : Nil, 01st Apri, 2018 : 1652) equity shares of Rs.10 each	-	-	0.23

14 Larsen & Toubro Ltd Nil (31st March, 2019 : Nil, 01st April, 2018 : 218) equity shares of Rs.2 each	-	-	0.29
15 Maruti Suzuki India Ltd Nil (31st March, 2019 : Nil, 01st Apri, 2018 : 38) equity shares of Rs.5 each	-	-	0.34
16 NCC Ltd Nil (31st March, 2019 : Nil, 01st Apri, 2018 : 1238) equity shares of Rs.2 each	-	-	0.15
17 Piramal Enterprises Ltd Nil (31st March, 2019 : Nil, 01st Apri, 2018 : 71) equity shares of Rs.2 each	-	-	0.17
18 Sterlite Technologies Ltd Nil (31st March, 2019 : Nil, 01st Apri, 2018 : 1875) equity shares of Rs.2 each	-	-	0.59
19 Tata Motors Nil (31st March, 2019 : Nil, 01st Apri, 2018 : 1875) equity shares of Rs.2 each	-	-	0.20
20 Vedanta Ltd Nil (31st March, 2019 : Nil, 01st Apri, 2018 : 1150) equity shares of Re.1 each	-	-	0.32
21 Vinati Organics Ltd Nil (31st March, 2019 : 159, 01st Apri, 2018 : 1875) equity shares of Rs.2 each	-	0.26	0.29
22 Weizmann Forex Ltd Nil (31st March, 2019 : Nil, 01st Apri, 2018 : 102) equity shares of Rs.10 each	-	-	0.11
23 Welspun Enterprises Ltd Nil (31st March, 2019 : Nil, 01st Apri, 2018 : 1657) equity shares of Rs.10 each	-	-	0.23
24 AIA Engineering Ltd. Nil (31st March, 2019 : 191, 01st Apri, 2018 : Nil) equity shares of Rs.2 each	-	0.34	-
25 Axis Bank Ltd Nil (31st March, 2019 : 563, 01st Apri, 2018 : Nil) equity shares of Rs.2 each	-	0.44	-
26 Canfin Homes Ltd 497 (31st March, 2019 : 691, 01st Apri, 2018 : Nil) equity shares of Rs.2 each	0.14	0.24	-
27 DFM Foods Ltd 1989 (31st March, 2019 : 1989, 01st Apri, 2018 : Nil) equity shares of Rs.2 each	0.35	0.43	-

28 HDFC Bank Ltd Nil (31st March, 2019 : 254, 01st April, 2018 : Nil) equity shares of Rs.2 each	-	0.59	-
29 IFB Industries Ltd 403 (31st March, 2019 : 476, 01st April, 2018 : Nil) equity shares of Rs.10 each	0.11	0.47	-
30 JB Chemicals & Pharmaceuticals Ltd Nil (31st March, 2019 : 921, 01st April, 2018 : Nil) equity shares of Rs.2 each	-	0.33	-
31 K M Sugar Mills Ltd 125619 (31st March, 2019 : 60898, 01st April, 2018 : Nil) equity shares of Rs.2 each	0.80	0.55	-
32 Magma Fincorp Ltd 5352 (31st March, 2019 : 3767, 01st April, 2018 : Nil) equity shares of Rs.2 each	0.09	0.44	-
33 Majesco Ltd 1093 (31st March, 2019 : 740, 01st April, 2018 : Nil) equity shares of Rs.5 each	0.28	0.36	-
34 Mayur Uniquoters Limited Nil (31st March, 2019 : 751, 01st April, 2018 : Nil) equity shares of Rs.5 each	-	0.26	-
35 Nesco Ltd 501 (31st March, 2019 : 501, 01st April, 2018 : Nil) equity shares of Rs.2 each	0.24	0.24	-
36 Orient Electric Limited 1261 (31st March, 2019 : 1764, 01st April, 2018 : Nil) equity shares of Re.1 each	0.25	0.27	-
37 PI Industries Ltd 188 (31st March, 2019 : 237, 01st April, 2018 : Nil) equity shares of Re.1 each	0.22	0.24	
38 United Breweries Ltd Nil (31st March, 2019 : 113, 01st April, 2018 : Nil) equity shares of Re.1 each	-	0.16	-
39 Zensar Technologies Ltd Nil (31st March, 2019 : 1297, 01st April, 2018 : Nil) equity shares of Rs.2 each	-	0.30	-
40 Alkyl Amines Chemicals Ltd 174 (31st March, 2019 : Nil, 01st April, 2018 : Nil) equity shares of Rs.5 each	0.21	-	-
41 Bata India Ltd 198 (31st March, 2019 : Nil, 01st April, 2018 : Nil) equity shares of Rs.5 each	0.24	-	-

42 Borosil Limited 1289(31st March, 2019 : Nil, 01st Apri, 2018 : Nil) equity shares of Re.1 each	0.05	-	-
43 ICICI Bank Ltd. 624 (31st March, 2019 : Nil, 01st Apri, 2018 : Nil) equity shares of Rs.2 each	0.20	-	-
44 IIFL Wealth Management Ltd. 205 (31st March, 2019 : Nil, 01st Apri, 2018 : Nil) equity shares of Rs.2 each	0.20	-	-
45 Kotak Mahindra Bank Ltd 167 (31st March, 2019 : Nil, 01st Apri, 2018 : Nil) equity shares of Rs.5 each	0.22	-	-
46 Multi Commodity Exchange of India ltd. 216 (31st March, 2019 : Nil, 01st Apri, 2018 : Nil) equity shares of Rs.10 each	0.24	-	-
47 Muthoot Finance Ltd. 316 (31st March, 2019 : Nil, 01st Apri, 2018 : Nil) equity shares of Rs.10 each	0.19	-	-
48 Natco Pharma Ltd. 446 (31st March, 2019 : Nil, 01st Apri, 2018 : Nil) equity shares of Rs.2 each	0.22	-	-
49 Navin Fluorine International Ltd. 121 (31st March, 2019 : Nil, 01st Apri, 2018 : Nil) equity shares of Rs.2 each	0.15	-	-
50 Nocil Ltd 2341 (31st March, 2019 : Nil, 01st Apri, 2018 : Nil) equity shares of Rs.10 each	0.15	-	-
51 Rites Ltd. 807 (31st March, 2019 : Nil, 01st Apri, 2018 : Nil) equity shares of Rs.10 each	0.20	-	-
52 Tube Investments of India Ltd. 676 (31st March, 2019 : Nil, 01st Apri, 2018 : Nil) equity shares of Re.1 each	0.18	-	-
53 Sam Industries Ltd 2200 (31st March, 2019 : 2200, 01st Apri, 2018 : 2200) equity shares of Rs.10 each	0.03	0.03	0.03
TOTAL	**5.15**	**6.19**	**5.14**

(B) Investment In Unquoted Equity Shares, Fully Paid Up (At fair value through Profit and Loss account)			
1 Kalyanpur Cements Ltd 16500 (31st March, 2019 : 16500, 1st April 2018 : 16500) equity shares of Rs.10 each	-	-	-
2 Eggro Paper Moulds Ltd 3300 (31st March, 2019 : 3300, 01st Apri, 2018: 3300) equity shares of Rs.10 each	-	-	-
3 United Health Care Ltd 100 (31st March, 2019 : 100, 01st Apri, 2018: 100) equity shares of Rs.10 each	-	-	-
4 XLO Machine Tool Ltd 200 (31st March, 2019 : 200, 01st Apri, 2018: 200) equity shares of Rs.10 each	-	-	-
5 Stallion Shox Ltd 100 (31st March, 2019 : 100, 01st Apri, 2018: 100) equity shares of Rs.10 each	-	-	-
55 Swarup Publication P Ltd 1900 (31st March, 2019 : 1900, 01st Apri, 2018: 1900) equity shares of Rs.10 each	-	-	-
56 Indo fil Limited 21 (31st March, 2019 : 21, 01st Apri, 2018: 21) equity shares of Rs.10 each	-	-	-
57 Swarup Chemicals Pvt Limited 3900 (31st March, 2019 : 3900, 01st Apri, 2018: 3900) equity shares of Rs.10 each	-	-	-
TOTAL	-	-	-

(C) Investment In Unquoted Mutual Funds (At fair value through Profit and Loss account)			
1 Master Share UTI 100 (31st March, 2019 : 100, 01st Apri, 2018: 100) equity shares of Rs.10 each	0.00	0.00	0.00
2 BOI AXA Large & Mid Cap Equity Fund 2,15,492.045 (31st March, 2019 : 2,15,492.045, 01st Apri, 2018 : 1,38,619.351) units.	9.59	7.20	5.03
3 BOI AXA Equity Debt Rebalancer Fund Nil (31st March, 2019 : 68,524.9875, 01st Apri, 2018 : 2,68,328.515) units.	-	1.03	3.97
4 ICICI Prudential Regular Savings Plan Growth 34,641.616 (31st March, 2019 : 34,641.616, 01st Apri, 2018 : 34,641.616) units.	0.75	0.69	0.64
5 BOI AXA Capital Protection Fund Series 4 Nil (31st March, 2019 : Nil, 01st Apri, 2018 : 34,990) units.	-	-	0.38

6 BOI AXA Capital Protection Fund Series 5 Nil (31st March, 2019 : Nil, 01st April, 2018 : 39,980) units.	-	-	0.45
7 Birla Sun Life Medium Term Plan (Growth) Nil (31st March, 2019 : 1,06,152.585, 01st April, 2018 : 1,06,152.585) units.	-	2.12	2.33
8 BOI AXA Short term Income Fund Nil (31st March, 2019 : Nil, 01st April, 2018 : 4,41,158.306) units.	-	-	8.37
9 BOI AXA Midcap Tax Fund 1,50,000 (31st March, 2019 : 1,50,000, 01st April, 2018 : 1,50,000) units.	1.12	1.29	1.46
10 BOI AXA Conservative Hybrid Fund Nil (31st March, 2019 : 2,54,691.182, 01st April, 2018 : 2,46,876.944) units.	-	5.36	5.19
11 BOI AXA Small Cap Fund 2,00,000 (31st March, 2019 : 2,00,000, 01st April, 2018 : Nil) units.	1.76	2.14	-
12 SBI Overnight Fund (G) 126.9841 (31st March, 2019 : 161.4285, 01st April, 2018 : Nil) units.	0.49	0.49	-
13 ICICI Prudential Balanced Advantage Fund 68,810.472 (31st March, 2019 : Nil, 01st April, 2018 : Nil) units.	2.10	-	-
14 DSP Corporate Bond Fund Nil (31st March, 2019 : Nil, 01st April, 2018 : Nil) units.	1.54	-	-
15 DSP Dynamic Asset Allocation Fund 1,24,664.963(31st March, 2019 : Nil, 01st April, 2018 : Nil) units.	1.76	-	-
16 BOI AXA Mid & Small Cap Equity & Debt Fund 1,57,472.441 (31st March, 2019 : Nil, 01st April, 2018 : Nil) units.	1.60	-	-
TOTAL	**20.73**	**20.34**	**27.84**
(D) Investment in Unquoted Debt Instruments, Fully Paid Up **(At Amortised Cost)**			
1 India Infoline Finance Ltd 4,000 @ 9.5% (31st March, 2019 : 4,000 @ 9.5 %, 01st April, 2018 : Nil) non-convertible debentures of Rs. 1000 each	4.44	4.05	-
TOTAL	**4.44**	**4.05**	-
(E) Investment in Unquoted Government Securities **(At Amortised Cost)**			
1 National Saving Certificate	0.04	0.04	0.04
TOTAL	**0.04**	**0.04**	**0.04**
TOTAL NON CURRENT INVESTMENT	**30.37**	**30.62**	**33.02**
Aggregate book value of:			
Quoted investments	**6.62**	**5.79**	**5.12**
Unquoted investments	**30.20**	**25.53**	**28.00**
Aggregate market value of:			
Quoted investments	**5.15**	**6.19**	**5.14**
Unquoted investments	**25.21**	**24.43**	**27.88**
Aggregate amount of impairment in value of investments	-	-	-

5 Other Financial Assets

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

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Unsecured and Considered Good			
Sundry Deposits	16.37	9.63	9.63
Term Deposits*	32.47	28.22	28.84
Total	48.84	37.85	38.48

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

6 Other Non-current assets

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Others			
Advance to Gratuity Trust	6.61	9.32	9.02
Capital Advances	14.01	10.60	-
Total	20.62	19.91	9.02

7 Inventories

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Raw Materials	145.78	154.26	73.62
Work-in-Progress	28.08	15.71	5.18
Finished Goods	182.85	160.15	96.27
Packing Materials	23.47	20.07	13.57
Stores, Spares and Consumables	5.55	5.09	3.58
Total	385.73	355.27	192.21

8 Trade Receivables

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Unsecured:			
Considered good	1,831.74	1,783.14	1,247.80
Considered doubtful	11.99	8.52	6.37
	1,843.73	1,791.66	1,254.16
Less: Allowance for Expected Credit Loss	(11.99)	(8.52)	(6.37)
Total	1,831.74	1,783.14	1,247.80

9 Cash and Cash Equivalents

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Cash and Cash Equivalents			
Cash on hand	4.48	5.27	3.59
Balances with Banks			
In Current Accounts	55.19	11.03	19.93
In Cash Credit Accounts	7.50	-	-
Total	67.17	16.30	23.52

10 Other Balances with Banks

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Balances with Banks			
Term Deposits	**13.12**	12.12	11.36
Total	**13.12**	**12.12**	**11.36**

*(out of the above Term Deposit Rs. 13.12 for 31st March, 2020, Rs. 12.12 for 31st March, 2019 and Rs. 11.36 for 1st April, 2018)

11 Other Financial Assets

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Unsecured and Considered Good			
Other Receivables	**0.31**	3.24	0.22
Interest Subsidy Receivable	**6.44**	6.44	11.44
Total	**6.75**	**9.68**	**11.67**

12 Other Current Assets

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Balance with Government Authorities	**200.39**	124.83	87.04
Prepaid Expenses	**2.24**	0.63	0.72
Others			
Security Deposits	**3.76**	4.09	3.16
Advances to Employees	**9.23**	4.12	3.40
Advances to Suppliers	**31.27**	24.20	24.67
Total	**246.88**	**157.87**	**119.00**

13 Equity Share Capital

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

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Authorised :			
3,50,000 Equity Shares of Rs 100 each	35.00	35.00	35.00
	35.00	35.00	35.00
Issued, Subscribed and Paid up :			
3,18,325 Equity Shares of Rs 100 Each Fully Paid up.	31.83	31.83	31.83
	31.83	31.83	31.83

a) Reconciliation of number of shares

Equity Shares	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	Number	(Rs.)	Number	(Rs.)	Number	(Rs.)
Shares outstanding at the beginning of the year	3,18,325.00	31.83	3,18,325.00	31.83	3,18,325.00	3,18,32,500.00
Shares issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	3,18,325.00	31.83	3,18,325.00	31.83	3,18,325.00	3,18,32,500.00

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

Name of Shareholders	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held
Equity Shares of Rs. 100 each held by:						
1. Anand S Agarwal	0.40	1,27,971.00	0.40	1,27,971.00	0.40	1,27,971.00
2. Sudha Agarwal	0.05	17,438.00	0.05	17,438.00	0.05	17,438.00
3. Sneh Lata Agarwal	0.06	18,918.00	0.06	18,918.00	0.06	18,918.00
4. Mahendra Swarup Agarwal	0.10	33,375.00	0.10	33,375.00	-	-
5. Mrs Asha Agarwal	-	-	-	-	0.07	22,698.00
6. Mr V S Agarwal	-	-	-	-	0.07	21,965.00
7. Mr Gaurav Agarwal	-	-	-	-	0.06	17,640.00

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

c) Rights, preferences and restrictions :

The company has only one class of equity shares having a par value of Rs 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.

d) 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.

e) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

14 Other Equity

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

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Securities Premium Reserve	8.58	8.58	8.58
			-
Revaluation Reserve			-
As per Opening Balance	-	-	-
Add: Addition During the Year	-	-	-
Less: Depreciation Adjustments	-	-	-
Closing Balance	-	-	-
General Reserve			
As per last Balance Sheet	489.37	389.37	289.37
Less : Transferred to Surplus	-	-	-
Add : Transferred from Surplus	100.00	100.00	100.00
Closing Balance	**589.37**	**489.37**	**389.37**
Retained Earnings			
As per last Balance Sheet	1,340.41	1,009.37	789.50
Add: Net Profit after Tax transferred from the Statement of Profit and Loss	707.83	439.20	327.54
Less: Other Comprehensive Income (net of tax)	2.14	0.50	-
Less : Appropriations			
Transfer to General Reserve	100.00	100.00	100.00
Dividend distributed during the year (refer note below)	6.37	6.37	6.37
Corporate Dividend Tax on final dividend for previous year	1.30	1.30	1.30
			-
Closing Balance	**1,938.44**	**1,340.41**	**1,009.37**
Total	**2,536.40**	**1,838.37**	**1,407.32**

Dividend on Equity shares paid during the year	Year ended 31st March 2020	Year ended 31st March 2019	Year ended 31st March 2018
Final Dividend Rs.20 per equity share of Rs.100 each	6.37	6.37	6.37
Dividend distribution tax on final dividend	1.30	1.30	1.30

No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

Proposed dividend

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.3,50,15,750. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

15 Borrowings (Non-Current)

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

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Secured Term Loan:			
From Banks	22.24	56.02	87.08
Unsecured Term Loan:			
From Others	97.86	92.57	15.95
From Related parties	24.93	24.43	30.80
Less: Current maturities of Long term Debt	40.59	60.38	66.27
Total	**104.44**	**112.64**	**67.56**

15 **Detail of Securities and Terms of repayment**

a Secured Term Loan from a Bank outstanding for Rs. 12.97 millions is secured by first pari passu charge created by mortgage of Plant & Equipment and immovable properties located at Sandila Unit and carries Interest Rate @ 9% to 10%.

b Term Loan from Banks comprise of multiple Vehicle Loans which are each repayable in balance 12 to 54 monthly installments from the date of balance sheet. Interest rate for these loans ranges between 8.50 % 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 are due for repayment in the next 12 months from the date of the Balance Sheet along with interest @ 12 % per annum.

16 Other Financial Liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Unsecured			
Lease Liability	1.10	-	-
Total	**1.10**	-	-

17 Provisions

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Provision for Employee Benefits			
Provision for Compensated Absences	5.39	3.66	2.47
Total	**5.39**	**3.66**	**2.47**

18 Deferred Tax Liabilities (Net)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
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	72.64	68.66
Increase in borrowing cost pursuant to application of effective interest rate method	2.56	2.60	4.09
Provision for Employee Defined Benefit obligations	2.49	3.17	3.08
Provision for Compensated Absences	0.01	0.42	0.68
Deferred Tax Assets			
Arising on account of:			
Lease liability amorisation	(0.03)	-	-
Allowances for Doubtful debt and Advances	(3.70)	(2.83)	(2.20)
Difference in carrying value and Tax base of Investments measured at FVTPL	(1.56)	(0.14)	(0.04)
Total	**73.05**	**75.85**	**74.27**

19 Borrowings (Current)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Secured			
From Banks	135.45	437.73	325.51
Total	**135.45**	**437.73**	**325.51**

Working capital loans are secured by first pari passu charge by way of hypothecation on the current assets of the Comapany 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 :

a. The immovable properties situated at Plot No. E-17 to E-23, UPSIDC, Deva Road, Lucknow.

b. Land & building situated at Khasra No. 891, Village Uttar Dhauna, Tiwariganj, Chinhat, Faizabad Road, Lucknow owned by M/s Ram Swarup Cold Storage & Allied Ind. Lucknow.

c. Hypothecation of Plant & Machinery at UPSIDC, Deva Road, Lucknow in favour of the bankers.

d. Leasehold Industrial plot at X4 & X5 at UPSIDC, Sandila, UP

20 Trade Payables

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
(a) Dues to MSME	16.85	17.37	15.72
(b) Dues to Other then MSME	598.57	531.59	351.65
Total	615.42	548.96	367.38

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

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
(a) Amount remaining unpaid to any supplier at the end of each accounting year:			
Principal	16.85	17.37	15.72
Interest	0.66	0.10	0.04
Total	17.51	17.47	15.76
(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.	0.66	0.10	0.04
(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

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Current maturities of Long-term debts / borrowings			
Term Loans			
Secured			
From Banks (Refer note no 18)	15.57	35.79	35.34
Unsecured			
From Related Parties	24.93	24.43	30.80
Trade and Security Deposits from Customers	41.83	32.12	25.61
Lease Liability	0.03	-	-
Total	82.36	92.34	91.75

22 Other Current Liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Other Advances			
Advance from Customers	52.36	20.44	24.51
Others			
Statutory Liabilities	10.18	7.08	4.66
Total	62.53	27.52	29.17

23 Provisions

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Provision for Employee Benefits			
Provision for Compensated Absences	0.53	0.30	0.21
Total	0.53	0.30	0.21

24 Current Tax Liabilities (Net)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Tax Payable	8.51	3.16	6.16
(Net of Advance Tax & TDS Rs.222.91 as at 31st March, 2020, Rs. 173.00 as at 31st March, 2019 and Rs. 156.34 as at 1st April, 2018)			
Total	8.51	3.16	6.16

25 Revenue from Operations

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

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(i) Sales of products		
Home Market (Net of Returns)	1,800.34	1,694.64
Exports	2,979.24	1,707.96
	4,779.59	3,402.60
Less:Discounts	-	-
	4,779.59	**3,402.60**
(ii) Other Operating Revenues		
Export Incentives	16.68	4.28
Total	**4,796.27**	**3,406.88**

26 Other Income

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest Inome from financial assets at amortised cost		
On bank deposits	2.82	2.96
Other Interest	1.13	1.14
Dividend Income	0.08	0.04
Other non-operating Income (Net of expenses directly attributable to such income)		
Fair value of Investment through Amortised cost	0.39	0.05
Fair value of Investments at fair value through profit and loss	-	-
Miscellaneous income	0.96	2.80
Other gains and losses		
Net Gain on foreign currency transactions & translation	95.44	46.13
Profit from Sale of Investments	-	-
Profit on Sale of Property, Plant & Equipment	0.19	0.41
Total	**101.00**	**53.54**

27 Cost of Materials Consumed

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Raw materials		
Opening stock	154.26	73.62
Add : Purchases of Raw Material	2,380.10	1,888.83
Less: Closing stock	145.78	154.26
TOTAL	**2,388.57**	**1,808.19**

Packing Materials Consumed		
Opening Stock	20.07	13.57
Add:Purchases of Packing Material	180.88	143.65
Less: Closing Stock	23.47	20.07
TOTAL	**177.48**	**137.15**
Total	**2,566.04**	**1,945.34**

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

Particulars		**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Inventories at the beginning of the year			
Finished Goods		160.15	96.27
Work in Progress		15.71	5.18
	(a)	**175.85**	**101.44**
Inventories at the end of the year			
Finished goods		182.85	160.15
Work in Progress		28.08	15.71
	(b)	**210.93**	**175.85**
Net (Increase)/Decrease in Inventories	(a) -(b)	**-35.07**	**-74.41**

30 Employee Benefits Expense

Particulars	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Salaries, wages and benefits	142.33	115.83
Contribution to provident and other funds	16.48	15.06
Staff welfare expenses	5.19	3.59
Total	**163.99**	**134.48**

31 Finance Costs

Particulars	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Interest expense		-
- Cash credit facilities / buyers' credit	24.23	25.94
- Term Loans from Banks	4.28	7.82
(Net of subsidy Rs. NIL for 31st March, 2020 ; Rs. 5 for 31st March 2019 ; Rs.5 for for 31st March, 2018)		
- On Other Loans	11.40	10.56
- Others	5.93	5.55
Other Borrowing Costs	6.34	5.89
Total	**52.18**	**55.77**

2 & 3 Depreciation and Amortisation Expense

Particulars	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Depreciation on Property, Plant & equipment & Right of Use and Amortisation of Intangible Assets	50.69	39.58
Total	**50.69**	**39.58**

32 Other Expenses

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Consumption of stores, spares and consumables	440.76	250.28
Power and Fuel	223.70	171.85
Labour Charges	90.58	32.97
Pollution Control Expenses	10.64	7.07
Freight and handling Charges	176.88	113.80
Brokerage and Commission	-	-
Advertisement and Sales Promotion Expenses	9.40	9.94
Legal and Professional expenses	77.16	69.03
Travelling & Conveyance	36.96	34.60
Rent Expenses	7.76	6.07
Repairs & Maintenance		
-Building	1.66	3.39
-Others	7.36	4.43
- Machinery	23.19	13.58
Rates, Fees and Taxes	8.25	4.91
Testing and Sampling Charges	7.50	4.24
Insurance	6.80	3.43
Printing, Stationery and Communication Expenses	6.66	6.33
Corporate Social Responsibility Expenses and Other Donations*	4.72	1.68
Payment to Auditors		
- Statutory Audit Fees	2.00	0.20
- In other Capacity		
For Tax Audit	-	0.08
For other matters	-	0.03
Bad Debts	4.84	0.64
Provision for Doubtful Debts	3.47	2.15
Loss from Sale of Investments	0.15	0.49
Fair value of Investments at fair value through profit and loss	5.81	0.07
Miscellaneous Expenses	9.51	7.43
Total	**1,165.74**	**748.68**

*Note : Corporate Social Responsibility Expenses

	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
A	Gross Amount Required to be spent by the Company :	11.03	9.74

B	Amount spent during the year / period on:	Year ended 31st March, 2020	Year ended 31st March, 2019
i	Construction / Acquisition of ant assets	-	-
ii	Purpose othar than above	4.64	1.39

	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
C	Related party transactions in relation to Corporate Social Responsibility:	-	-
D	**Provision movement during the year/ Period:**	Year ended 31st March, 2020	Year ended 31st March, 2019
	Opening provision	-	-
	Addition during the year / Period	-	-
	Utilised during the year /Period	-	-
	Closing provision	-	-

33 Leases

Following are the changes in the carrying value of right of use assets for the year ended 31st March, 2020:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	-	
Reclassified on account of adoption of Ind AS 116	41.48	-
Additions	1.10	-
Additions	-	-
Depreciation	0.02	-
Closing Balance	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 Rs.7.76 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 right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease inventories. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in the circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

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

Claims against the Company not acknowledged as debts	As at 31st March, 2020	As at 31st March, 2019
Tax matters in dispute under appeal	6.31	1.69

35 Assets and liabilities relating to Employee Benefits
See accounting policy in Note 1.(p)
For details about the related employee benefit expenses, see Note 29

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:

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Provident Fund and other Funds	11.17	10.67
Total (included in Note 33 - 'Contribution to provident and other funds'	11.17	10.67

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 by Insurance Regulatory and Development Authority Regulations i.e., 100% of plan assets are invested in insurer managed fund. Quoted price of the same is not available in active market.

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

	Gratuity		Leave	
Actuarial study analysis	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Principal actuarial assumptions				
Discount rate	6.65%	7.60%	6.65%	7.60%
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	-	-	-	-

	Gratuity		Leave	
Actuarial study analysis	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Components of income statement charge				
Current service cost	3.12	2.54	1.96	1.28
Interest cost	2.08	1.75	-	-
Recognition of past service cost	-	-	-	-
Immediate recognition of (gain)/losses	-	-	-	-
Settlement/curtailment/termination loss	-	-	-	-
Total charged to statement of profit or loss	5.20	4.29	1.96	1.28
Total charged to Retained Earnings			-	-
Movements in net liability/(asset)				
Net liability at the beginning of the year	28.00	23.00	3.96	2.68
Employer contributions	-	-	-	-
Total expense recognised in the statement of profit or loss	5.20	4.29	1.96	1.28
Total expense recognised in the Retained Earnings	-	-	-	-
Total amount recognised in OCI	2.86	0.70	-	-
Net liability at the end of the year	36.05	28.00	5.92	3.96
Reconciliation of benefit obligations				
Obligation at start of the year	7.74	2.74	3.96	2.68
Current service cost	3.12	2.54	1.96	1.28
Interest cost	2.08	1.75	-	-
Benefits paid directly by the Group	-	-	-	-
Extra payments or expenses/(income)	-	-	-	-
Obligation of past service cost	-	-	-	-
Actuarial loss	2.86	0.70	-	-
Defined benefits obligations at the end of the year	15.79	7.74	5.92	3.96
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	-2.39	-0.41	-	-
Actuarial gain/(loss) on account of experience adjustments	-0.48	-0.30	-	-
Total actuarial gain/(loss) recognised in OCI	-2.86	-0.70	-	-
Total actuarial gain/(loss) recognised in Statement of profit or loss	-2.86	-0.70	-	-

Sensitivity analysis of significant assumptions

C. 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.

	Gratuity			
	31 Mar 20		31 Mar 19	
Sensitivity of DBO, Service Cost, and P&L Account	% increase in DBO	Liability	% increase in DBO	Liability
Discount rate				
+ 0.5% discount rate	-3.58%	34.76	-3.57%	27.00
- 0.5% discount rate	3.82%	37.43	3.79%	29.06
Salary increase				
+ 0.5% salary growth	3.74%	37.40	3.77%	29.05
+ 0.5% salary growth	-3.57%	34.77	-3.60%	26.99
Withdrawal rate				
+ 0.5% salary growth	-0.18%	35.99	0.02%	28.00
- 0.5% salary growth	0.19%	36.12	-0.03%	27.99

	Leave	
Sensitivity of DBO, Service Cost, and P&L Account	31 Mar 20	31 Mar 19
Discount rate		
+ 0.5% discount rate	56.72	3.80
- 0.5% discount rate	6.19	4.14
Salary increase		
+ 0.5% salary growth	6.19	4.14
+ 0.5% salary growth	5.67	3.80
Withdrawal rate		
+ 1.1 % salary growth	5.92	3.97
- 1.1 % salary growth	5.93	3.95

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
Rajendra Singh Sharma	Key Management Personnel
Ashok Kumar Gupta	Key Management Personnel
Govind Singh Mehta	Key Management Personnel
Pranav Agarwal	Independent Director
Shweta Agarwal	Independent Director
Anand Swarup Agarwal	Promoter
Sanju Agarwal	Relative to Promoter
Vishal Swarup Agarwal	Relative to Promoter
Vishwas Swarup Agarwal	Relative to Promoter
Mahendra Swarup Agarwal	Relative to Promoter
Pramod Swarup Agarwal	Relative to Promoter
Sudha Agarwal	Relative to Promoter

2 Transactions during the year

(All amounts in millions, unless otherwise stated)

	As at 31st March, 2020	As at 31st March, 2019
Remuneration		
Rajendra Singh Sharma	0.60	0.55
Ashok Kumar Gupta	1.47	1.07
Govind Singh Mehta	0.08	0.08
Pranav Agarwal	0.04	0.04
Shweta Agarwal	0.04	0.04
	-	-
Professional Fees	-	-
Ashok Kumar Gupta	12.00	12.00
Smt Sanju Agarwal	0.30	0.30
Vishal Swarup Agarwal	12.00	12.00
Vishwas Swarup Agarwal	12.00	12.00
Shri A S Agarwal	-	-
	-	-
Mahendra Swarup Agarwal	0.60	-
Pramood Swarup Agarwal	0.60	-
Sudha Agarwal	0.30	-
	-	-
Rent Expense	-	-
Vishal Swarup Agarwal	0.54	0.54
	-	-
Reimbursement of Expenses	-	-
Vishal Swarup Agarwal	1.20	1.20
	-	-
Interest on Unsecured Loan	-	-
Mahendra Swarup Agarwal	1.27	-
Pramood Swarup Agarwal	0.83	-
Sudha Agarwal	0.60	-
	-	-
TOTAL	44.47	39.80

3 Outstanding balances as at the year end

(All amounts in millions, unless otherwise stated)

	As at 31st March, 2020	As at 31st March, 2019
Unsecured Loans		
Mahendra Swarup Agarwal	11.69	11.69
Pramod Swarup Agarwal	7.70	7.20
Sudha Agarwal	5.54	5.54

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, except what is stated above.

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 in Note 37 and 38.

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:

i 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).

ii 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

	Instruments carried at fair value					
	FVOCI (Equity instruments)	FVOCI (Other Instruments)	FVTPL	Instruments carried at amortized cost*	Total Fair Value	Total Carrying Value
As at 1st April, 2018						
(i) Investments	-	-	32.98	0.04	33.02	33.02
(ii) Other financial assets	-	-	-	50.14	50.14	50.14
(iii) Trade receivables	-	-	-	1,247.80	1,247.80	1,247.80
(iv) Cash and cash equivalents	-	-	-	23.52	23.52	23.52
(v) Other Balances with Banks	-	-	-	11.36	11.36	11.36
Total	-	-	32.98	1,332.86	1,365.84	1,365.84
As at 31st March, 2019						
(i) Investments	-	-	26.52	4.09	30.61	30.61
(ii) Other financial assets	-	-	-	47.53	47.53	47.53
(iii) Trade receivables	-	-	-	1,783.14	1,783.14	1,783.14
(iv) Cash and cash equivalents	-	-	-	16.30	16.30	16.30
(v) Other Balances with Banks	-	-	-	12.12	12.12	12.12
Total	-	-	26.52	1,863.19	1,889.71	1,889.71
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

b. Financial Liabilities

	Fair value through profit & loss	At amortized cost*	Total carrying amount	Total Fair Value
As at 1st April, 2018				
(i) Borrowings	-	393.07	393.07	393.07
(ii) Other Financial Liabilities		91.75	91.75	91.75
(ii) Trade Payables	-	367.38	367.38	367.38
Total	-	852.20	852.20	852.20
As at 31st March, 2019				
(i) Borrowings	-	550.36	550.36	550.36
(ii) Other Financial Liabilities		92.34	92.34	92.34
(ii) Trade payables	-	548.96	548.96	548.96
Total	-	1,191.66	1,191.66	1,191.66
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	-	938.77	938.77	938.77

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

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 summarizes the categories of financial assets and liabilities as at September 30, 2020, Septembe 30, 2019, March 31, 2020, March 31, 2019 and March 31, 2018 measured at fair value:

As at 1st April, 2018	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value				
Investments in Equity Shares	5.14	-	-	5.14
Investment in Mutual Funds	27.84	-	-	27.84
As at 31st March, 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets at Fair Value				
Investments in Equity Shares	6.19	-	-	6.19
Investment in Mutual Funds	20.34	-	-	20.34
As at 31st March, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets at Fair Value				
Investments in Equity Shares	5.15	-	-	5
Investment in Mutual Funds	20.73	-	-	21

38 Segment Reporting

The Vice Chairman & Managing Director & CEO, and Executive Director & CFO 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 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 Statement as at and for the year ended March 31, 2020.

Geographical Information

a. Revenue from external customers	Year ended 31st March, 2020	Year ended 31st March, 2019	As at 01st April, 2018
attributed to the Company's country of domicile, India	1,800.34	1,694.64	1,654.46
attributed to all foreign countries	2,979.24	1,707.96	875.45
Total	**4,779.59**	**3,402.60**	**2,529.90**

b. Revenues from transactions with a customers exceeding 10% of the Company's sales in current as well as previous year.	1,403.94	1,009.60	569.66

c. Non-current assets (excluding Deferred/ Current Tax and Financial Assets)	As at 31st March, 2020	As at 31st March, 2019	As at 01st April, 2018
located in the Company's country of domicile, India	1,006	750	718
located in all foreign countries	-	-	-
Total	**1,006**	**750**	**718**

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.

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(i) Tax expense recognised in the statement of profit and loss		
Current Tax on profits for the year	231.11	170.00
Adjustments for current tax of prior periods	-	-
Total Current Tax Expense	231.11	170.00
Deferred Tax charge/ (credit) P&L	(2.09)	1.79
(Decrease) increase in deferred tax liabilities	-	-
Total Deferred Tax Expense	(2.09)	1.79
Income tax expense recognised in the statement of profit and loss	229.02	171.79
(ii) Tax expense recognised in OCI		
Deferred Tax:		
Deferred Tax expense on Remeasurement of defined benefit plans	(0.72)	(0.20)
Income tax expense recognised in the statement of profit and loss	(0.72)	(0.20)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(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%	29%
Profit/ (Loss) before income tax expense	933.70	610.99
Current tax expense on Profit/ (loss) before tax expenses at enacted income tax rate in India	235.01	177.92
Tax effects of :		
Tax effect on non-deductible expenses	18.67	10.67
Effect of income which is taxed at special rates	(0.19)	(0.60)
Effect of income that is exempted from tax	(0.08)	(0.04)
Effect of difference in WDV of Assets	(37.17)	(28.38)
Other Items	6.44	(7.30)
Total		
Income tax expense	222.68	152.26

Consequent to reconciliation items shown above, the effective tax rate is 23.85% (Previous year : 24.92%).

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
Income Tax Assets	-	-
Current Income Tax Liabilities	8.51	3.16
Net Current Income Tax Assets at the end of the year	9	3

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

As at 31st March, 2020

Particulars	Balance sheet 1st April 2019	Profit and loss 19-20	OCI 19-20	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	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 amorisation	-	(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	75.85	(3.53)	0.72	73.05

As at 31st March, 2019

Particulars	Balance sheet 1st April 2018	Profit and loss 18-19	OCI 18-19	Balance sheet 31st March 2019
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	68.66	3.99		72.64
Borrowing (Borrowing Cost Ind AS Impact)	4.09	(1.49)		2.60
Provision for Gratuity	3.08	(0.12)	0.20	3.17
Provision for Compensated Absences	0.68	(0.26)		0.42
Acturial Gain /loss	-	-		-
Provision for Proposed division	-	-		-
Deferred Tax Assets				
Arising on account of:				
Lease liability amorisation	-	-		-
Provision for ECL for Trade receivable	(2.20)	(0.63)		(2.83)
Fair valuation of Investment	(0.04)	(0.11)		(0.14)
Total	74.27	1.38	0.20	75.85

As at 01st April, 2018

Particulars	Balance sheet 1st April 2017	Profit and loss 17-18	OCI 17-18	Balance sheet 31st March 2018
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	68.66			68.66
Borrowing (Borrowing Cost Ind AS Impact)		4.09		4.09
Provision for Gratuity		2.80	0.28	3.08
Provision for Compensated Absences		0.68		0.68
Acturial Gain /loss				
Provision for Proposed division				
Deferred Tax Assets				
Arising on account of:				
Lease liability amorisation		-		-
Provision for ECL for Trade receivable		(2.20)		(2.20)
Fair valuation of Investment		(0.04)		(0.04)
Total	68.66	5.33	0.28	74.27

40 Earnings per share (EPS)

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

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Profit attributable to equity share holders of the Company for basic and diluted earnings per share	70,78,34,681	43,92,03,322	32,80,62,312

II Weighted average number of ordinary shares

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Equity shares outstanding as at year end	3,18,325	3,18,325	3,18,325
Weighted average number of shares as at year end for basic earnings per shares	3,18,325	3,18,325	3,18,325
Weighted average number of shares as at year end for diluted earnings per shares	3,18,325	3,18,325	3,18,325
Basic earnings per share	**2,223.62**	**1,379.73**	**1,030.59**
Diluted earnings per share	**2,223.62**	**1,379.73**	**1,030.59**
(*not annualised)			-

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
a. Credit risk;
b. Liquidity risk;
c. Market risk; and
d. 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 behaviors. 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.

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:

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 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 90 days of Rs. 9636.41 for the 31st March 2020 , 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 :

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 01st April, 2018
0-3 months	880.08	855.23	598.66
More than 3 months	963.64	936.43	655.50
Total	**1,843.73**	**1,791.66**	**1,254.16**

Reconciliation of loss allowance - Trade Receivables

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 01st April, 2018
Opening balance	8.517	6.366	6.366
Allowance made during the year	3.473	2.151	-
Closing balance	**11.991**	**8.517**	**6.366**

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 andrecoverability 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.

(i) 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

Particulars	As at 31st March, 2020			As at 31st March, 2019			As at 01st April, 2018		
		Contractual cash flows			Contractual cash flows			Contractual cash flows	
	Carrying amount	Upto 1 year	More than 1 year	Carrying amount	Upto 1 year	More than 1 year	Carrying amount	Upto 1 year	More than 1 year
Non-derivative financial liabilities									
Term Loans	145.03	40.59	104.44	173.02	60.38	112.64	133.83	66.27	67.56
Short Term Borrowings	135.45	135.45	-	437.73	437.73	-	325.51	325.51	-
Trade and Other Payables	615.42	615.42	-	548.96	548.96	-	367.38	367.38	-
Other Financial Liabilities	42.96	0.03	42.93	32.12	-	32.12	25.61	-	25.61
Other Current Liabilities	62.53	62.53	-	27.52	27.52	-	29.17	29.17	-

(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.

(i) 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

	As at 31st March, 2020			As at 31st March, 2019			As at 01st April, 2018		
	INR	EURO (in Rupees)	USD (in Rupees)	INR	EURO (in Rupees)	USD (in Rupees)	INR	EURO (in Rupees)	USD (in Rupees)
Financial Assets									
Trade Receivables	1,289.17	79.91	462.65	929.83	74.54	778.76	786.61	48.03	413.16
Total	1,289.17	79.91	462.65	929.83	74.54	778.76	786.61	48.03	413.16
Financial Liabilities									
Trade payables	528.14	-	87.28	451.95	-	97.02	317.98	-	49.40
Total	528.14	-	87.28	451.95	-	97.02	317.98	-	49.40

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

Currency	Year-end Spot rate		
	31st March, 2020	31st March, 2019	1st April, 2018
USD	75.39	69.17	65.14
EURO	83.05	77.70	80.28

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.

	Year ended 31st March, 2020	Year ended 31st March, 2019	As at 01st April, 2018

	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
USD	0.94	-0.94	1.70	-1.70	0.12	-0.12
EURO	0.20	-0.20	0.19	-0.19	1.17	-1.17

(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:

	As at 31st March, 2020	As at 31st March, 2019	As at 01st April, 2018
Fixed-rate Instruments	-	-	-
Financial assets			
Financial liabilities	132.05	126.04	52.85
Variable-rate Instruments			
Financial assets			
Financial liabilities	148.43	484.70	406.49
Total	280.48	610.74	459.34

- 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.

(iii) 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

(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. Most of the operations have resumed post lifting of lockdown. 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:

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Net debt (Total Debt - Cash & cash equivalent - Other Bank Balances - Current Investment)	280	611	459
Total equity	2,568	1,870	1,439
Net debt to equity ratio	0.11	0.33	0.32

43 First-time adoption of Ind AS

The Company has prepared financial statements for the year ended March 31, 2020, in accordance with Ind AS for the first time. For the periods upto and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ending March 31, 2020, together with comparative information as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at April 1, 2018 i.e. the transition date to Ind AS for the Company. This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at April 1, 2018, and the financial statements as at and for the year ended March 31, 2019.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions

(i) Deemed Cost

The Company has elected to continue with the carrying value of all of its property, plant and equipment, investment property and intangible assets recognised as of 1st April, 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(ii) Leases

Ind AS 116 requires an entity to assess whether a contract or arrangement contains a leses. According to Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. However the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as the date of transition.

B. Applicable Mandatory Exceptions

(i) Estimates:

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

(ii) Derecognition of financial assets and financial liabilities

Derecognition of financial assets and liabilities as required by Ind AS 109 is applied prospectively i.e. after the transition date.

(iii) Classification and Measurement of Financial Assets:

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

(iv) Impairment of financial assets

The Compnay has applied exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without under cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk at April 1 , 2018 (April 01, 2017 proforma transition date)

C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

(i) Reconciliation of Balance sheet as at April 1, 2018 (Transition Date)
(ii) A. Reconciliation of Balance sheet as at March 31, 2019
B. Reconciliation of Statement of total Comprehensive Income for the year ended March 31, 2019
(iii) Reconciliation of Equity as at April 1, 2018 and March 31, 2019
(iv) Adjustments to Statement of Cash Flows

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

I. Reconciliation of Balance sheet as at April 01, 2018 (Amt. in Mn)

	Regrouped Previous GAAP	Ind AS adjustments	Ind AS
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	687.86	-	687.86
Right of Use Assets	24.95	-	24.95
Capital work-in-progress	-	-	-
Intangible Assets	2.21	-	2.21
Intangible Assets under development	2.55	-	2.55
Financial Assets	-	-	-
Investments	33.12	(0.11)	33.02
Other Financial Assets	38.48	-	38.48
Other Non-current assets	0.12	8.90	9.02
Total Non current assets	**789.29**	**8.79**	**798.09**
Current Assets			
Inventories	192.21	-	192.21
Financial Assets	-	-	
Trade Receivables	1,254.16	(6.37)	1,247.80
Cash and Cash Equivalents	23.52	-	23.52
Other Balances with Banks	11.36	-	11.36
Other Financial Assets	0.22	11.44	11.67
Other Current Assets	119.00	-	119.00
Total Current Assets	**1,600.48**	**5.07**	**1,605.55**
Total Assets	**2,389.77**	**13.87**	**2,403.64**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	31.83	-	31.83
Other Equity	1,389.06	18.27	1,407.32
Total Equity	**1,420.89**	**18.27**	**1,439.16**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	67.82	(0.26)	67.56
Other Financial Liabilities	-	-	-
Provisions	2.47		2.47
Deferred Tax Liabilities (Net)	68.66	5.61	74.27
Total Non Current Liabilities	**138.94**	**5.36**	**144.30**
Current Liabilities			
Financial liabilities			
Borrowings	325.51	-	325.51
Trade Payables	-	-	-
Total outstanding dues of micro enterprises and small enterprise	15.72	-	15.72
Total outstanding dues of creditors other than micro enterprises	351.65	-	351.65
Other Financial Liabilities	91.88	(0.13)	91.75
Other Current Liabilities	30.47	(1.30)	29.17
Provisions	8.54	(8.33)	0.21
Current Tax Liabilities (Net)	6.16	-	6.16
Total Current Liabilities	**829.94**	**(9.75)**	**820.18**
Total Liabilities	**968.88**	**(4.40)**	**964.48**
Total Equity and Liabilities	**2,389.77**	**13.87**	**2,403.64**

II. A Reconciliation of Balance sheet as at March 31, 2019 (Amt. in Mn)

	Regrouped Previous GAAP	Ind AS adjustments	Ind AS
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	697.60	-	697.60
Right of Use Assets	-	-	-
Capital work-in-progress	47.46	-	47.46
Intangible Assets	1.99	-	1.99
Intangible Assets under development	2.55	-	2.55
Financial Assets			
Investments	31.32	(0.71)	30.62
Other Financial Assets	37.85	-	37.85
Other Non-current assets	10.72	9.20	19.91
Total Non current assets	**829.49**	**8.49**	**837.98**
Current Assets			
Inventories	355.27	-	355.27
Financial Assets			
Trade Receivables	1,791.66	(8.52)	1,783.14
Cash and Cash Equivalents	16.30	-	16.30
Other Balances with Banks	12.12	-	12.12
Other Financial Assets	3.24	6.44	9.68
Other Current Assets	157.87	-	157.87
Total Current Assets	**2,336.46**	**(2.08)**	**2,334.38**
Total Assets			
	3,165.94	**6.41**	**3,172.36**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	31.83	-	31.83
Other Equity	1,826.18	12.19	1,838.37
Total Equity	**1,858.01**	**12.19**	**1,870.20**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	112.73	(0.10)	112.64
Other Financial Liabilities	-	-	-
Provisions	3.66		3.66
Deferred Tax Liabilities (Net)	-	-	-
Total Non Current Liabilities	72.64	3.21	75.85
	189.04	**3.12**	**192.15**
Current Liabilities			
Financial liabilities			
Borrowings	437.73	-	437.73
Trade Payables			
Total outstanding dues of micro enterprises and small enterprise	17.37	-	17.37
Total outstanding dues of creditors other than micro enterprises	531.59	-	531.59
Other Financial Liabilities	92.50	(0.16)	92.34
Other Current Liabilities	28.82	(1.30)	27.52
Provisions	7.73	(7.43)	0.30
Current Tax Liabilities (Net)	3.16	-	3.16
Total Current Liabilities	**1,118.89**	**(8.89)**	**1,110.00**
Total Liabilities	**1,307.93**	**(5.77)**	**1,302.16**
Total Equity and Liabilities	**3,165.94**	**6.41**	**3,172.36**

II.B. Reconciliation of Statement of Profit and Loss for the year ended March 2019 (Amt. in Mn)

Particulars	Regrouped Previous GAAP	Ind AS adjustments	Ind AS
Revenue from Operations	3,415.65	(8.77)	3,406.88
Other Income	53.49	0.05	53.54
Total Income (I)	**3,469.14**	**(8.71)**	**3,460.42**
EXPENSES			
Cost of Materials Consumed	1,945.34	-	1,945.34
Changes in inventories of finished goods, Stock-in-trade and work-in-prog	(74.41)	-	(74.41)
Employee Benefits Expense	134.58	(0.10)	134.48
Finance Costs	50.64	5.13	55.77
Depreciation and Amortisation Expense	39.39	0.18	39.58
Other Expenses	754.64	(5.96)	748.68
Total Expenses (II)	**2,850.18**	**(0.75)**	**2,849.43**
Profit Before Tax (I-II)	**618.95**	**(7.96)**	**610.99**
Tax Expense			
(1) Current Tax	170.00	-	170.00
(3) Current taxes relating to earlier years	-	-	-
(2) Deferred Tax	3.99	(2.20)	1.79
Profit for the period	**444.97**	**(5.76)**	**439.20**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans	-	(0.70)	(0.70)
- Income tax expense / (benefit) related to items that will not be recla:	-	(0.20)	(0.20)
Total Other comprehensive income (Net of Tax)	-	(0.50)	(0.50)
Total Comprehensive Income for the Year	**444.97**	**(6.26)**	**438.71**

III Reconciliation of Equity (Amt. in Mn)

Particulars	Note	As at 31st March, 2019	As at 01st April, 2018
Total equity under local GAAP		**1,858.01**	**1,420.89**
Adjustments Impact: Gain/ (Loss)			
Provision for expected creidt loss	B	(8.52)	(6.37)
Fair valuation of financial asset - Investments through I	A	(0.76)	(0.11)
Fair valuation of financial asset - Investments through /	A	0.05	-
Increase in borrowing cost persuent to application of E	C	0.26	0.38
Reversal of proposed ordinary dividends payable	F	7.66	7.66
Provision for Gratuity	D	9.20	8.90
Provision for Compensated Absences	D	1.06	1.96
Interest subsidy receivable	H	6.44	11.44
Deferred tax impact	E	(3.21)	(5.61)
Total IND AS adjustment		**12.19**	**18.27**
Total equity under Ind AS		**1,870.20**	**1,439.16**

III B Reconciliation of Total Comprehensive Income (Amt. in Mn)

Particulars	Note	Year ended 31st March, 2019
Profit after tax under local GAAP		**444.97**
Adjustments Gain/ (Loss)		
Return on Investment	A	(0.59)
Increase in borrowing cost persuent to application of Effective Interes	C	(5.13)
Fair valuation of financial asset - Investments through FVTPL	A	(0.07)
Fair valuation of financial asset - Investments through Amortised cost	A	0.05
Depreciation, amortization and Impairment on immovable property		(0.18)
Provision for Gratuity	D	1.00
Provision for Compensated Absence	E	(0.90)
Other Expenses - Provision for expected credit loss	B	(2.15)
Deferred tax impact		2.20
Total Adjustments		**(5.76)**
Profit after tax as per Ind-AS		439.20
Other comprehensive income (net of taxes)	G	0.50
Total comprehensive income as per Ind AS		**438.71**

IV On account of transition to Ind AS, there is no material adjustment to the Statement of Cash Flows for the year ended 31st March 2019 or 31st March 2018 (Proforma).

V Notes to reconciliations:

A Investments

Under previous GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments.

Under Ind AS, financial assets representing investments in equity shares of other entities other than subsidiaries, joint venture and associates have been fair valued. The Company has designated such investments as FVTOCI/FVTPL investments. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognized as a separate component of equity, in the FVTOCI reserve, net of related deferred taxes for investments measured at FVTOCI. Investments which are measured at FVTPL, difference between the instruments fair value and Indian GAAP carrying amount should be recognized under Profit & Loss.

B Trade receivables

Under Previous GAAP, the Company had recognised provision on trade receivables based on the expectation of the Company. Under Ind AS, the Company provides loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach" at an amount equal to the lifetime ECL at each reporting date.

C Borrowings

Under Previous GAAP, transaction costs in relation to borrowings were charged to Statement of Profit and Loss in the year when incurred. Under Ind AS, borrowings are recognised at fair value at the inception and subsequently at amortised cost with interest recognised based on effective interest rate method.

D Remeasurement of defined benefit liabilities

Under previous GAAP, the Company recognised remeasurement of defined benefit plans under Statement of Profit or Loss. Under Ind AS, remeasurement of defined benefit plans are recognised in Other Comprehensive Income.

E Deferred Tax

Under Previous GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Under Ind AS, accounting of deferred taxes is done using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

Pursuant to Ind AS requirements, credit for Minimum Alternate Tax (MAT) is reclassified as deferred tax assets. Under I-GAAP the same was presented as part of taxes paid.

F Proposed dividend including dividend distribution tax

Under the previous GAAP, dividends proposed by the Board of Directors after the Balance Sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividends including dividend distribution tax was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend including dividend distribution tax of Rs. 63,66,500 as at 31st March, 2019 (Rs. 63,66,500 as at 1st April, 2018) included under provisions has been derecognised.

G Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in the year should be included in the Statement of Profit and Loss for the year, unless a standard requires or permits otherwise. Items of income or expense that are not recognised in the Statement of Profit and Loss but are shown in statement of profit and loss as "Other Comprehensive Income" includes remeasurement of defined benefit plans. The concept of Other Comprehensive Income did not exist under previous GAAP.

H Interest Subsidy Receivable

Under the previous GAAP, the incentives from Government was accounted for on receipt basis. Under IND AS, the same has been accounted for on accrual basis for which the income has been accounted for accordingly at transition date.

I The previous year I-GAAP figures have been reclassified/regrouped to make them comparable with Ind AS presentation.

For **Lodha & Co.**
Chartered Accountants

R.P. Baradiya
Partner
Membership No. 44101

Place : Mumbai
Dated: 11 November, 2020

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

A. K. Gupta
Executive Director
DIN: 00543688

R. S. Sharma
Executive Director
DIN: 02487797

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Lucknow