PUNJAB CHEMICALS AND CROP PROTECTION LTD.

Innovate, Apply and Grow with science

Punjab Chemicals and Crop Protection Limited

47TH ANNUAL REPORT 2022-23

Contents

Corporate Snapshot	4
Milestones	6
Our global footprint	8
Our financials across the years	10
The Chairman's Statement	12
How we strengthened our operations at Punjab Chemicals	15
Business Analysis	18
Financial Analysis	20
ESG commitment resides at the core of Punjab Chemicals	22
Our Environment, Health and Safety framework	26
Our CSR moments FY 2022-23	29
Management discussion and analysis	30
AGM Notice	37
Board's Report	47
Business Responsibility & Sustainability Report	59
Report on Corporate Governance	90
Standalone Financial Statements	110
Consolidated Financial Statements	182

Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements written and oral that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially (favorably or against) from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

उद्यमेन हि सिध्यन्ति
कार्याणि न मनोरथैः

20.07.1932 - 18.12.1997

S D SHROFF

(Known to all as 'Sasubhai')

He dared. He cared. He shared.

Vision of inclusive growth continues ....

WHO WE ARE AND WHAT WE DO

At Punjab Chemicals, we are engaged continuously in rebuilding our credible foundation around the needs of today's marketplace

We are questioning every precept, practice and priority with the objective to seek a new way of doing things that enhances innovation and competitiveness

One of the visible manifestations of our transforming organisation is our enhanced investment in research

6 principal messages of this report for stakeholders

This investment is reflected in building new capabilities, creating a new leadership team, inducting technically qualified professionals and automating processes

The green shoots of capability building is accelerated pace of new product development and productivity improvement

These initiatives will become increasingly visible across the future, enhancing stakeholder value

Punjab Chemicals and Crop Protection Limited.

Among the most reliable agro and API chemical companies.

A dependable provider of products for critical downstream uses for the last 47 years.

Now positioned to transform through future-facing investments in talent, research and product mix.

With the objective to emerge among the fastest-growing in its niche, enhancing value in a consistent way.

Across products. Across geographies. Across market cycles. Across stakeholders.

Our mission

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

Our vision

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

Our motto

Customer-centricity

Customer value

Customer life cycle

Customer experience

Business philosophy

At Punjab Chemicals, we are a quality-driven organisation. This feature is reflected not only in what we make and how we make it, but also in how we work across levels and locations. This commitment comprises the capacity to research effectively to customize products, deliver as per expectations, price competitively, operate around with environmental responsibility and enhance value for all stakeholders.

Our background

On 19th November 1975, Punjab United Pesticides and Chemicals Ltd was established in a joint collaboration with Excel Industries Ltd. and Punjab State Industrial Development Corporation. The Company has since evolved into a fast-growing agrochemicals company with a synergic mix of pharmaceutical, intermediates and industrial chemicals. The Company is well accepted by leading multinational both in India and export markets.

Our manufacturing locations

Punjab Chemicals possesses three state-of-the-art manufacturing locations aligned with the most rigorous international standards. The Company's manufacturing units are located at Derabassi and Lalru in Punjab and Pune in Maharashtra while the corporate office is located in Mumbai. The manufacturing units are backed by research (product and process), product development capabilities, pilot plant facilities and safety practices. Our Derabassi and Lalru plants are ISO 9001:2015, ISO 14001:2015 and 45001:2018 certified, whereas Pune plant is ISO 9001:2015, ISO FSSC 22000 (Version 5.1) and FSSAI certifications.

Our products range

The Company manufactures agrochemicals, active pharmaceutical ingredients, pharmaceutical intermediates, specialty and other chemicals and industrial chemicals, phosphorus derivatives and phosphates.

Our talent

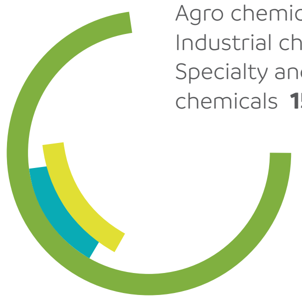
The Company comprised a workforce of 1228 employees as on 31st March, 2023. Our people strategy is guided by our core values, high performance, collaboration, continuous improvement and passion to work hard. The Company ensured that it has a talent pool which has been nurtured to tackle the challenges of tomorrow and deliver the organisational goals today with robust people processes and initiatives that nurture a high-performing, conducive and inclusive work culture. The Company's continuous focus on areas like talent acquisition, workplace culture and honing the skills & competencies in line with our business needs.

Our listing

The Company's shares are listed on the National Stock Exchange and Bombay Stock Exchange. The Company was valued at ₹1015 Crores on NSE as of 31st March, 2023.

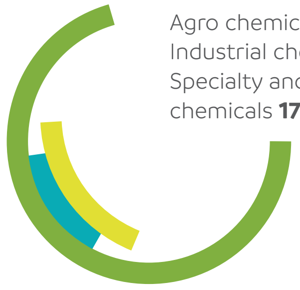
Segment wise revenue sources

FY 2022-23



Agro chemicals **73%**
Industrial chemicals **12%**
Specialty and other chemicals **15%**

FY 2021-22



Agro chemicals **71%**
Industrial chemicals **12%**
Specialty and other chemicals **17%**

MILESTONES

Our multi-decade story of growth and value-creation

1975
Punjab United Pesticides & Chemicals Limited was established as a joint collaboration between Excel Industries Ltd. and PSIDC.

1978
The Company's equity shares were publicly issued.

1983
The Company diversified its product portfolio into specialty chemicals

1995
The Company began to focus on agro chemicals and specialty chemicals

2003
The Company established a new manufacturing facility (pharmaceutical product) following the acquisition of Alpha Drug India.

2006
All group companies were amalgamated under Punjab Chemicals and Crop Protection Ltd.

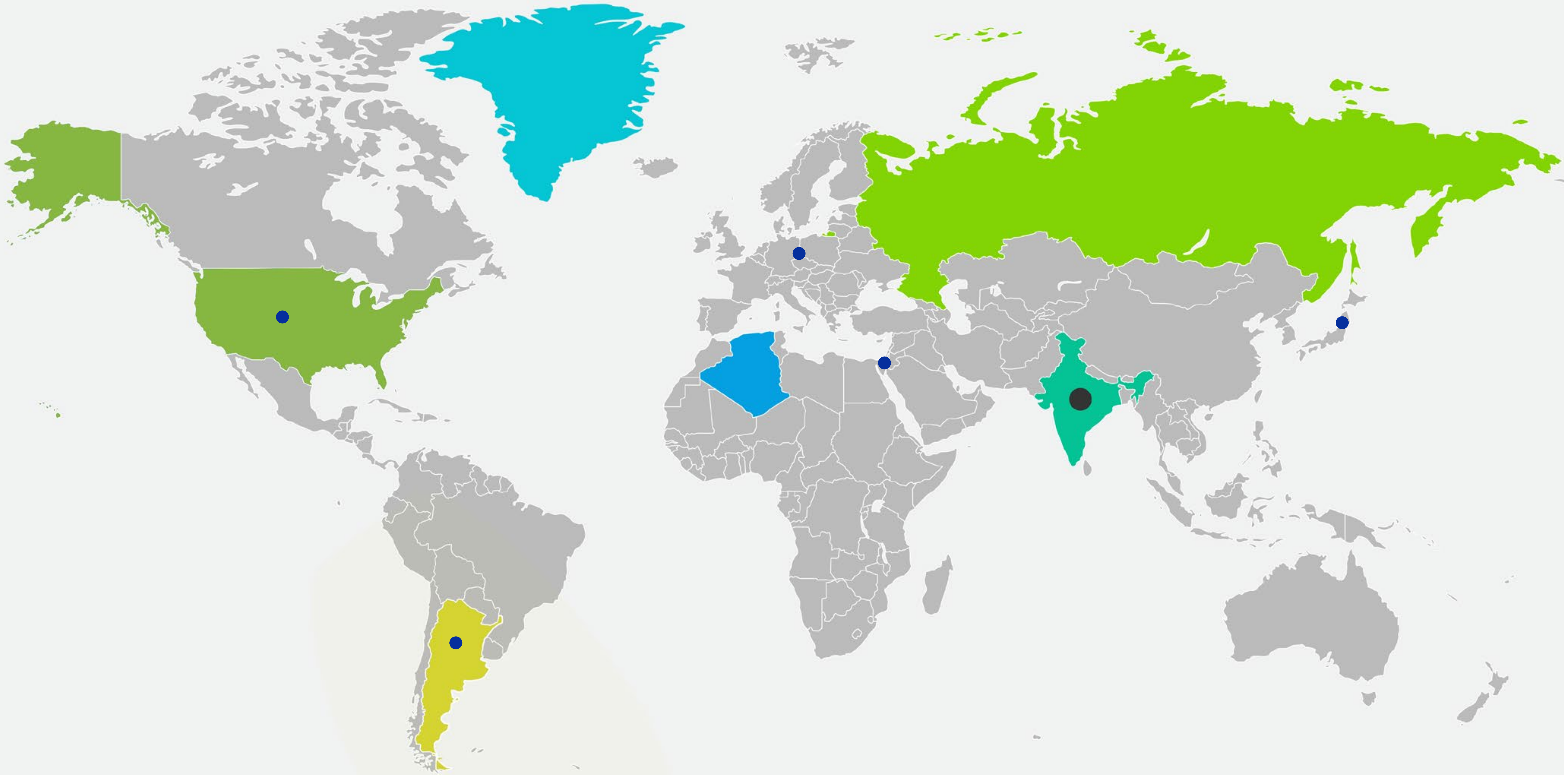
2016
The Company extended into contract research and manufacturing services (CRAMS)

2022
The Company reported its highest EBITDA and PAT

2023
Revenue crossed ₹1000 crore

Our global footprint

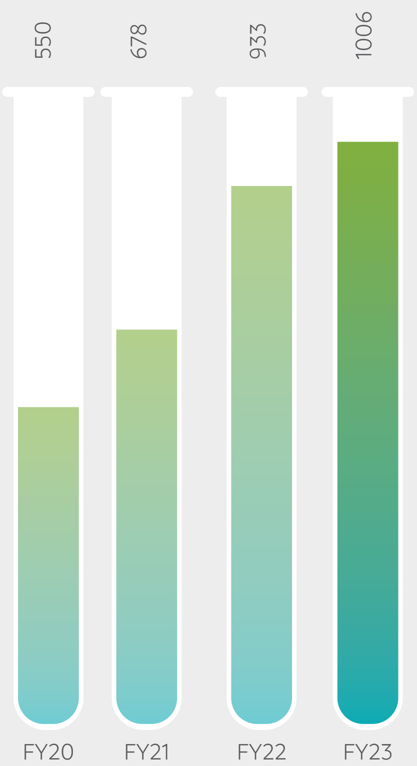
The Company generated 42% of its revenues from within India and 58% from across the world



Share of business across continents

	Europe	India	Japan	Israel	USA	Latin America	Others
Revenue by geography (%)	41	42	5	4	3	3	2

Our financials across the years



Revenues (₹ cr)

Definition

Growth in sales net of taxes.

Why this is measured

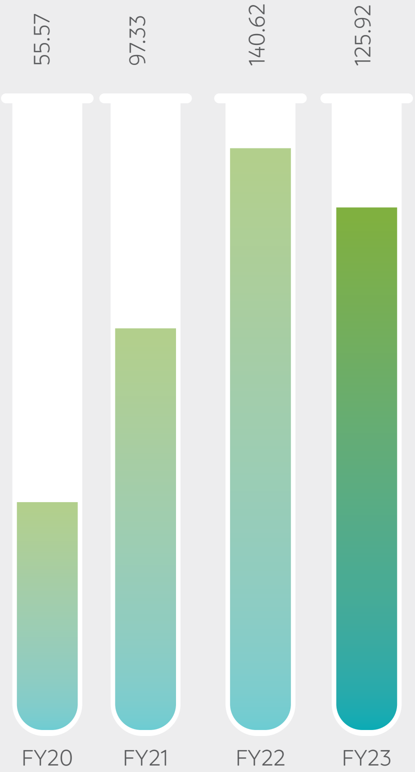
It is an index that showcases the Company's ability to maximise revenues, which provides a basis against which the Company's performance can be compared with sectoral peers.

What this means

Aggregate sales increased 7.82% during the year under review on account of a wider marketing footprint.

Value impact

The volume offtake remained creditable in an otherwise challenging year for the economy, protecting the Company's industry visibility



Operating EBITDA (₹ cr)

Definition

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

Why this is measured

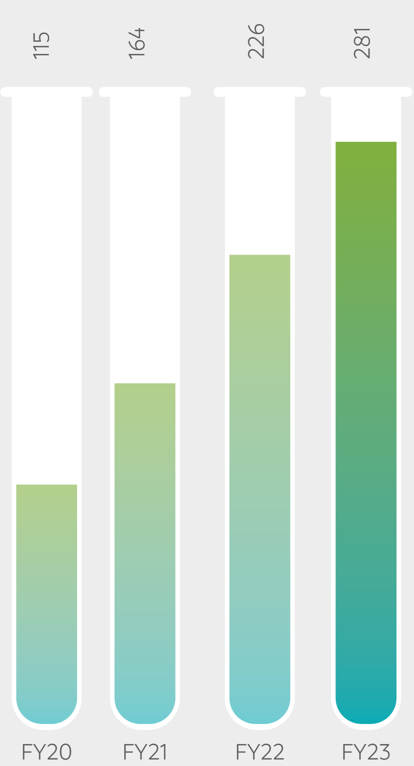
It is an index that showcases the Company's ability to generate a surplus after operating costs, creating a base for comparison with sectoral peers

What this means

Helps create a robust surplus generating engine that facilitates reinvestment.

Value impact

The decrease is mainly on account of high fuel prices and adverse market conditions in Q4. The Company reported a 10.45% decrease in EBITDA in FY 2022-23.



Net worth (₹ cr)

Definition

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

Why this is measured

Net worth indicates the financial soundness of the Company – the higher the better.

What this means

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

Value impact

The Company's net worth strengthened 23.14% during the year under review.

Our performance highlights, **FY 2022-23**

Revenue
1006
₹ crore

EBITDA
125.92
₹ crore

Net profit
61
₹ crore

EBITDA margin %
12.51

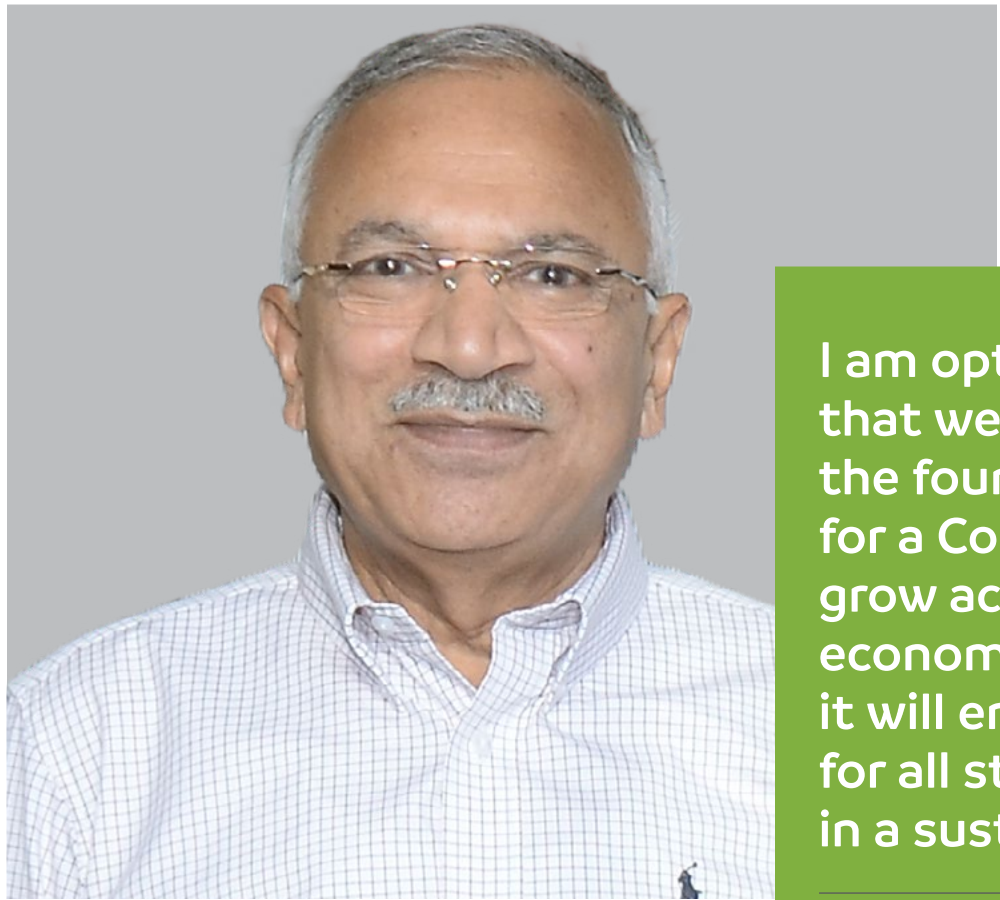
Net profit margin %
6.07

Cash profit
80.11
₹ crore

ROCE %
28.59

Earnings per share ₹
49.84

THE CHAIRMAN'S STATEMENT



I am optimistic that we have set the foundation for a Company to grow across various economic cycles and it will enhance value for all stakeholders in a sustainable way..

Mukesh D Patel
Chairman

Dear shareholders,

Overview

There is a growing focus on global warming, food inflation, economic slowdown and social prosperity across the world.

These factors may appear disconnected at first glance but there is a growing recognition of the inter-connectedness of these realities.

There is increasing evidence that global warming is affecting agriculture through extended droughts, concentrated precipitation and erratic weather changes. One of the lesser recognised realities is the impact of global warming on pest action and its cascading impact on the global economy.

This brings into focus the global agrochemical sector – as distinct from the fertilizer sector – that is committed to moderating pest action, protecting the pricing and volume stability of agricultural produce and protecting socio-economic stability the world over. There is a greater premium in the ability of this sector to protect crops through a timely understanding of evolving pest action, responsive innovation and broad based marketing.

There has never been a bigger priority for this responsiveness than today when we are seeing the first signs of a structural shift in the inter-relatedness of pest action, commodity output, global inflation and general prosperity.

There is a growing concern for global food security aggravated by sustained population growth and malnutrition. 345.2 million people around the world are estimated to be food insecure, more than double the number reported in 2020. Besides, global population is expected to rise from 8 billion today to an estimated 9.7 billion by 2050. There is a growing recognition that food production will need to double to address an existing mismatch and feed a growing population even as farm acreages are declining due to urbanisation and environmental deterioration and about a fifth of the crops produced worldwide is lost due to pest action.

In view of this, there is a growing role for agrochemicals to help make the world a better place.

Our responsibility

At Punjab Chemicals, we recognise the critical reality of the world and our role in it.

If we are to remain relevant in a transforming world, we will need to change as well – faster and effectively. What worked in the past may not work in the future. The priority of the day is not merely to extend the success of yesterday into the formulaic response of tomorrow. There is a growing need to question everything that is working today, infuse a new way of looking at our business, propose future-facing solutions and invest based on our insights of where we need to take the Company.

During the last two years, your Company invested in building new managerial positions, plugged them with subject matter experts and professional talent, invested deeper in cutting-edge research, began the exercise of portfolio modification and strengthened its response to products needed by customers.

Performance, FY 2022-23

The year 2022-23 was one of the most challenging in years for the global agrochemicals sector.

The year was marked by record floods and droughts that impacted farm output across countries, coupled with increased power, fuel and freight costs. Besides, geopolitical challenges affected offtake, resulting in a pricing pressure in markets. Exports were impacted by currency volatility.

These factors affected the sector's earnings, your Company included. There was a premium on remaining nimble and responsive to market developments with the objective to protect the business model and Balance Sheet. A combination of various initiatives helped arrest the full impact of a decline in market sentiment. It is to the management's credit that the Company reported 7.79% revenue growth. The Company's EBITDA margin stood at 12.51% and net profit stood at 6.07%.

Your Company deepened its manufacturing and product development competence across product portfolio. This portfolio addressed a range of crop and vegetables, geographical spread of product and addition of more global registration of our products.

During the last financial year, your Company responded quickly to changes in the operating environment on the one hand and continued to invest in focused areas on the other. The result is that the Company reinforced its manufacturing processes, optimised costs, moderated waste cum energy consumption and increased environment responsibility. In addition to these tactical responses, your Company deepened its environment commitment and continued to build a strong products pipeline.

Your Company continued to transform its approach from mere product sales to solution provider to our partner Companies. Our capabilities in CRAMS is helping our Company to partner with several MNCs in complete value chain development. The outcome of these initiatives was that your Company was able to perform better than the broad market in the face of a weakening trade sentiment during the last financial year. More importantly, your Company is attractively placed to rebound quicker than the broad market as soon as the market sentiment revives.

Knowledge-driven

Your Company is dedicated for driving innovation and excellence in our operations with the latest technologies and research and development to support our focus areas including new product and process development, formulation and removing impurities. We are optimistic that a sustained research spending – in people, equipment, teams, certifications and processes – will widen our products portfolio, enhance the proportion of value-added products, deepen our recall around innovation, translate into first mover launches and strengthen our capital efficiency.

At Punjab Chemicals, our increased positioning as a knowledge-based enterprise is being reinforced by a number of competitive strengths that we have built across the years - a footprint across 29 countries in five continents, moderated excessive dependence on any geography or product. The Company reinforced its supply chain to sustain supplies to downstream customers. The complement of these realities will make it possible for the Company to protect its fundamentals during the downturn and respond with speed as soon as the sector recovers.

Optimism

I am optimistic that as the Company continues to do different things and do things differently, it will enhance value for all its stakeholders in a sustainable way.

How we strengthened our operations at Punjab Chemicals

Overview

At Punjab Chemicals, we progressively deepened our investment in manufacturing technologies. These investments have been marked by the cutting-edge standards of the day, translating into enhanced capacity utilisation, extended uptime, operational safety and attractive yield. The Company's collaborative approach between its research and manufacturing functions represents a responsible life cycle approach that commences with research-based insights (process and product) at one end and consummates in consistent quality manufacturing at the other. At Punjab Chemicals, new product addition and efficiency improvement of existing products are our key growth drivers.

STRENGTHS

Trust: The Company emerged as a dependable products and solutions provider for downstream industries, translating into multi-year customer agreements and revenue visibility

Brand: Punjab Chemicals is not only recognised for thought and market leadership; it is recognised as a business-strengthening brand across stakeholders

Expertise: The Company possesses an established competence in chemical manufacture, making it a turn-to crop protection solutions provider

Scale: The Company invested in different facilities to produce a range of product quantities, servicing the diverse needs of customers and enhancing its respect as a one-stop solutions provider

Manufacturing: The Company continues to invest in state of art manufacturing facilities, upgrades assets and strengthening its capacity to respond to different customer needs around the highest quality standards

Talent: The Company invested in enriching its talent pool through prudent recruitment, renewal (training) and retention across disciplines, strengthening innovative and customised outcomes

Quality: The Company enhanced stakeholder assurance through credible certifications - ISO 45001-2018, ISO 9001-2015 and ISO: 14001-2015

Our research and development competence: The Company focuses on the development of new chemistries, identification of new molecules, as well as the development of cost-effective, safe and eco-friendly products. The effectiveness of the Company's research and development function has enhanced competitiveness across global and national markets. The Company developed a range of new products to drive the next round of revenue growth, enhance technical and commercial competitiveness, product effectiveness, process environment friendliness and manufacturing safety.

The 6 Capitals through which we are structured to enhance value

Our strategy

Our capitals	Key facilitators
Manufacturing capital	Timely investments in mechanisation, automation and digitization Specific outcome-driven projects by the Company to enhance value or integrate the business backwards Building an outperformance-focused culture through training, empowerment, best practices and benchmarking
Intellectual capital	Increased focus on R&D through investments in equipment, infrastructure, projects and people Creation of a robust product portfolio with headroom for scalability Timely investments in technology teams
Financial capital	A robust Balance Sheet, attractive operating margins and offtake visibility from long-standing customers A stringent cost management framework that enhances organisational competitiveness across market cycles
Human capital	Growing focus on building a pool of specialised talent to enhance organisational future-readiness Growing investments in training and development Retention of employees during the year under review, strengthening knowledge-based outcomes
Natural capital	A defined policy to moderate the Company's carbon footprint Moderated water consumption; recycled process water and process waste /zero liquid discharge Deepened culture of statutory compliances coupled with extensive disclosures
Social and Relationship capital	Touching and improving many lives through community development initiatives by CSR engagement driven by a structured policy cleared by the Board of Directors Invested ₹132.57 lakh in CSR activities in FY 2022-23

BUSINESS ANALYSIS

‘At the cusp of resurgence’: Your Company is rebuilding through research to graduate to the next orbit

Revenue
1006
₹ crore, FY 23

A few years ago, your management was faced with the option of running the business as usual or graduating to the next orbit. At that point, business was picking up well but global dynamics were changing rapidly. However, there was a growing recognition of customers seeking progressively advanced products, seeking to buy more from the same vendor, putting a premium on the holistic business sustainability of their vendors (companies like us) and buying from companies that would extend beyond mere supply to helping take their businesses ahead.

In this new normal, your Company recognised that the customer landscape was transforming and we would need to reinvent our business approach to survive and succeed. Your Company has been engaged in that exercise since and one of the manifestations of that transformation is one of enhanced resilience during down markets like the one evident during the last two quarters of the last financial year and the capacity to rebound faster than our competition during periods of recovery.

We believe that the green roots of our transformation were evident during the last financial year. Your Company reported revenues of ₹1006 cr in FY 23 compared with ₹933 cr in FY 22. EBITDA was ₹125.92 cr compared with ₹140.62 Cr in the previous year. The profit after tax reported by your Company was ₹61.10 cr in FY 23 compared with ₹83.46 cr in FY 22. This performance could have been weaker but for the responsiveness of your management during the last two quarters when the agrochemicals sector was affected by a slowdown the world over.

The word that describes the Company is ‘rebuilding’.

At Punjab Chemicals, we possess a credible foundation. During the last few years, we have been engaged in enhancing the contemporariness of this foundation. Our desired outcomes comprise the capacity to deepen our cost leadership to endure our across market cycles, enhance relevance within the businesses of our customers, account for a larger share of their procurement, help enhance the efficacy of their end products, grow our manufacturing capacities in line with their capacity expansions and deepen our positioning as a trusted partner for their growing requirements.

The Company responded with a holistic rebuilding mindset as opposed to making scattered improvements. The Company focused on building a more sustainable organisation by addressing every major business driver. The Company recognised the need to evolve organizational chemistry capabilities, build a new leadership team, induct technically qualified professionals, enhance efficiency gains, automate processes leading to enhanced uptime and people productivity and strengthen certifications that would strengthen our customer confidence. The green shoots of the rebuilding process are visible in enhanced process yield (input-output ratio), decline in energy consumption per unit of output and a broad-based product mix.

Much of the optimism about our capacity to capitalize on market improvements comes from our reading of the changing global scenario.

At Punjab Chemicals, our rebuilding commitment is being taken ahead principally through research. During the last few years, your Company evaluated new technologies to enhance our R&D capabilities to maintain competitiveness by enhancing process efficiency and widening the portfolio towards value-added relevant products.

More specifically, the Company widened its capabilities across more chemistries, making it possible to offer a broader range of capex chemistry-driven solutions. This commitment was sustained during the slowdown, marked by idle manufacturing capacity. Your Company engaged in new product development in existing and adjacent product spaces. This was conducted on its idle capacity and some products are awaiting customer approval while others are at a pilot production stage. The fact that the Company extended its research influence to related products indicates the extent of its de-risking and commitment to capital efficiency.

Going ahead, these initiatives are likely to more than double the proportion of revenues from the launch of new products even as overall volumes continue to grow. This transformation is expected to have cascading outcomes on our margins, capital efficiency, peer respect and position as an employer of superior talent – a virtuous cycle.

Conclusion

Even though the results of the last financial year show moderate growth, there is an underlying optimism that your Company is at the cusp of new opportunities. The Company is extensively under-borrowed, engaged with long standing customers, possesses a robust evolving portfolio and is enriched with new management vigour.

The complement of these realities is expected to graduate the company to the next orbit when the market revive.

We believe that this complement of objectives will enhance value for our stakeholders in a sustainable way.

FINANCIAL ANALYSIS

The Company expects its EBITDA margin from exports to rise following its entry into the Japanese market

0.3X
Debt-equity ratio

Overview

The Company performed creditably in the first three quarters of the year. During the fourth quarter, the Company faced a challenge in reaching its targeted topline and margins due to high raw material costs and inventory build up by our customers to negate the supply chain challenges faced over the last few years. This precipitated revenues and margins in the fourth quarter.

The Company has undertaken several process re-engineering measures to enhance quality and cost outcomes. Besides, the Company utilised this opportunity to make timely infrastructure upgrades, invest in product quality and work on generating superior manufacturing efficiencies.

During the last few years, the Company made sizable investments in research-led product development. This was reflected in an increased proportion of revenues from newly launched value-added products. We believe that this investment will progressively create an innovation-driven enterprise.

The Company has a prudent combination of debt and net worth invested in business growth which will help enhance stakeholder in a sustainable way. The Company's debt-equity ratio improved from 0.36x in FY FY 2021-22 to 0.3x in FY 2022-23.

The Company strengthened its working capital management by better monitoring and incentivising prompt payments from customers and ensuring better delivery timelines.

The Company is expected to further strengthen cost control by working on a new hybrid technology to moderate power and fuel costs. We have taken strategic steps to strengthen & improve our manpower skills and talents.

Besides, the Company monitors forecasted liabilities, procurement, capital expenditure, order book, expenditure and accruals with the objective to ensure comfortable liquidity at all times.

At Punjab Chemicals, we recognise that in a rapidly transforming world, competitiveness will be increasingly derived from our willingness, desire and capability to meet customer expectations.

We have made investments in upgrading our infrastructure. This will help us in improving capacities & efficiency.

This capacity to extend the frontier is expected to strengthen our respect, attract like-minded professionals, reinforce value-addition and strengthen our financials.

Your Company is respected for its holistic ethical approach to business and enhancing customer assurance. The Company's deliveries are marked by a high and consistent quality standard thereby strengthening our prospects.

ESG commitment resides at the core of Punjab Chemicals

Overview

At Punjab Chemicals, a framework of environment-social-governance (ESG) represents the heart of our business. The Company's 'go green' vision aims to improve the safety of its operations, deepen environment integrity and enhance overall responsibility.

The environment component addresses the priority for businesses to utilise environmentally responsible resources, consume an optimal quantum, recycle waste, moderate the use of finite fossil fuels, build resistance to climate change and moderate the carbon footprint.

The social component invests in people, organisational culture, customer relationships and social responsibility.

The governance component enunciates how we will conduct business. It enunciates strategic clarity, ethical values, codes, Board composition and alignment with UNGC principles, evoking a responsible expectation across stakeholders.

The coming together of environment, social and governance priorities represents a platform for our sustainable long-term growth.

Our Governance pillar

At Punjab Chemicals, governance enhances organisational predictability, attracting like-minded stakeholders who believe in doing business our way. Some principles of our governance commitment have been described in this section.

Ethical: We have always focused on building a positive recall across our diverse family of stakeholders. We desire to be spoken of with respect and the highest ethical standard. Across our customers, we are seen as a company that helps take their businesses ahead through superior product quality; our employees see us as a progressive company that provides an invigorating workplace; across the communities of our presence we are seen as a company that utilises safe processes and enhances their prosperity through sensitive interventions; to our shareholders, we are seen as a niche player that enhances value..

Global citizen: We see ourselves as a global citizen operating out of India. While this has been manifested most visibly in our revenue profile (58% global, FY 22-23). Other aspects of our world view are commitment to global best practices, highest standards of integrity, imbibing global quality benchmarks, engaging the best global consultants and investing in the best global technologies.

Integrity: We will do the right things the right way, whether it comprises equitable treatment of talent, gender respect, zero tolerance for sexual harassment and ethical transgressions, recruitment without prejudice, appraisal without partialness, respect for the dignity of people or environment integrity.

Board of Directors: The success of our strategic direction is influenced by our Board of Directors. We place a premium on our Board composition, comprising achievers of standing. These individuals have enriched our bandwidth, business understanding and strategic direction.

Stakeholder value: We focus on enhancing value for all stakeholders: the customer must experience enhanced competitiveness arising out of our products; the employee must derive pride, remuneration and career advancement; the investor must generate a superior return on employed capital over alternative investment opportunities; the community must benefit from our presence; the government must benefit through taxes and livelihood creation; our vendors must benefit through the stable outsourcing of products and services.

Controlled growth: The Company has consciously allocated accruals into business growth without stretching the Balance Sheet. We have remained liquid and profitable through market cycles.

Long-term: We plan for the long-term and our initiatives are not inspired by short-term arbitrage. This has been reflected in our recruitment of professionals, investing in technologies and the building of future-facing infrastructure.

Process-driven: We have deepened investments in processes and systems. As an extension, a framework of checks and balances provide effective de-risking. We strengthened an audit-driven and compliance-driven approach, enhancing the credibility of our reported numbers.

Balanced approach: When faced with an accounting treatment that requires interpretation, we would rather take a conservative view so that our books are a faithful indication of what exists. When faced with market-facing initiatives, we see our approach in opportunity-preparedness.

Our Environment pillar

Our environment approach has been woven around the elements of Plan-Mitigate-Adapt-Resilience.

The Company realises the ever-growing concern about environmental hazards and strives hard to conserve ecological and environmental balance not only in our manufacturing sites but also in society at large. A cleaner and pollution-free environment, proper waste management and emphasis on creating awareness are ingrained in our business ideology. A special team from the company's research and development division, armed with vision and zeal, continuously strives in this direction with the objective to maintain its status as a zero pollution company.

There is a creative side to the team's efforts by way of recovering by-products or converting wastes to valuable by-products which enhances agricultural yield. The Company's mission is to handle waste water with expertise and the latest technique of waste water management. The Company achieved zero liquid discharge status. There is an emphasis on having a workable system optimised for its reliability and efficiency and one that monitors the quality of water for recycle or reuse. The Company has undertaken third party audits for strengthening compliance. The Company installed scrubbers in its boilers to control emissions. Various asset upgradations, such as the installation of multi-effect evaporator, were installed for water treatment.

Our Social pillar

Our transformation is accelerated by a passionate team mix that reconciles energy and experience

Employees: We have invested in a culture of overarching excellence with the objective to emerge as a benchmark in terms of quality (product and process) and resource productivity. The Company made talent investments (recruitment, retention and training) to enhance efficiency and effectiveness. The Company invested in practices that enhanced safety – training, protocols, certifications, investments and awareness-building.

Customers and vendors: The Company deepened relationships with vendors of raw materials, capital equipment and spares as well as with customers.

Community: Our corporate citizenship is defined by a number of priorities. We believe that we are engaged in business to make the world a better place. Our engagement in corporate social responsibility projects is aligned with national and regional priorities. The Company engaged with the community around its manufacturing locations with the objective to widen the circle of prosperity through relevant interventions in the area in line with United Nations' Sustainable Development Goals.

The Company's social initiatives are directed towards contributing to harmonious and suitable societal development. The Company's CSR goal is to create a positive impact on society and deliver value whether social, environmental or economic. The Company focusses on creating value for the business and society to enhance sustainability. The Company aims to keep its surrounding areas conducive in terms of the quality of education, quality of life and a healthy environment.

The Company spent ₹132.57 lakh towards CSR activities during the year under review towards the upgradation of infrastructure in government schools in nearby villages in Punjab and in Mumbai, rural development, organizing medical and blood donation camps and animal husbandry.

The Company's CSR focus covers the following areas:

- Promoting quality and universal education
- Promoting health and sanitation for all
- Ensuring environmental sustainability
- Promoting civic amenities, community service and infrastructure development
- Eradicating poverty and hunger
- Providing relief during natural calamities

Our Environment, Health and Safety framework

Overview

Punjab Chemicals implemented a holistic approach towards the highest standards of Environment, Health and Safety. This approach is defined in the Company's policy, covering the provision of a safe workplace, clean environment and stakeholder health. We believe that the highest standard of EHS reinforces our position as a responsible corporate citizen. This responsible EHS approach strengthens our performance: lower work interruptions, strengthening timely project completion; protects workforce interests, enhancing employee and knowledge retention; helps moderate direct and indirect costs; growing correlation between corporate respect and clean EHS performance, translating into a stronger credit-rating. We are committed to send our employees home with complete safety each day.

Our health commitment

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

- Plants equipped with occupational health facilities, professional trained staff and instituted practices.
- We conducted a biannual medical check for employees and annual check for managers. Employees involved in hazardous processes undergo quarterly checks. The Company conducted periodic health awareness programmes (heart, blood pressure and sugar)
- Conducted preventive medical camps through hospitals.
- Conducted health education addressing diseases like cardio, blood pressure and hyper-tension; organized yoga and food habit awareness.

Our safety commitment

Safety initiatives

- Focus on process safety management (PSM) principles
- Undertook programs on process safety management (including mandatory process safety information, interpretation and validation of process controls).
- Conducted hazard and operability study, hazards identification and risk assessment across processes in addition to audits, training, mock drills, mechanical and reaction integrity (differential scanning calorimetry or accelerating rate calorimetry)
- Implemented a standard operating protocol to address safety violations, monitored in general meetings, processes representative meetings and safety committee meetings with warnings & other action modes
- Followed a safety training calendar around eight hours of training each month per employee with bi-annual mock drills
- Installed various safety equipments.

Our environment safeguards

- Implemented valid air, water and waste management systems at the manufacturing facilities under the guidelines of Punjab Pollution Control Board.
- Upgraded Effluent Treatment Plant with MVRE (Mechanical Vapor Recompression Evaporation technology) to ensure zero liquid discharge.
- Installed a new automated multieffect vacuum evaporator at site
- Monitored scrubbers, vents and dust collector systems at site.
- Adopted a pond near the manufacturing plant for rain water harvesting and increased ground water levels under the guidelines of Punjab Pollution Control Board
- Made a secondary containment and leak proof provision near critical operational areas
- Increased 10% greenery each year inside and outside the plants (village areas) and conducted awareness programs on World Environment Day.

Our manufacturing facilities

Our CSR moments, FY 2022-23

Management discussion and analysis

Global economy

Overview: The global economy was estimated to have grown at a slower 3.2% in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.8% in 2022, among the highest in decades. US consumer prices increased about 6.5% in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years. The result is that the world ended in 2022 concerned that the following year would be slower.

Regional growth (%)

	2023E	2022	2021
World output	2.8	3.6	6.1
Advanced economies	1.3	2.7	6
Emerging and developing economies	3.0	3.4	6

(Source: IMF)

Performance of major economies (%)

Name of the countries	2022	2021
United States	2.1	5.9
China	3	8.1
United Kingdom	4.1	7.6
Japan	1.7	1.6
Germany	1.8	2.6

[Source: PWC report, EY report, IMF data, OECD data]

Outlook: The global economy is projected to grow a weak 2.8% in 2023, marked by sustained Russia-Ukraine conflict and higher interest rates. Global inflation is projected to be 7% in 2023. Inflation's return to target is unlikely before 2025 in most cases. (Source: IMF). On the positive side, the reopening of China's economy after the waning of the pandemic, the decline in the European energy crisis and robust US consumption outlook (despite high inflation) remain positives. Interestingly, even as the global economy is projected to grow less than 3% for five years, India and China are likely to account for half the global growth in 2023 (IMF).

Indian economy

Overview: Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, inflation, cautious government and a sluggish equity market. India reported an estimated GDP growth of 6.5% in FY23. India emerged as the second fastest-growing G20 economy in FY 23. India had retained its position as the fifth-largest global economy and was seen as a principal driver of the global economy (with China).

Growth of the Indian economy

	FY 20	FY 21	FY 22	FY23
Real GDP growth (%)	3.7	-6.6%	8.7	7.2

Growth of the Indian economy quarter by quarter, FY 2022-23

	Q1FY23	Q2FY23	Q3FY23	Q4FY23
Real GDP growth (%)	13.1	6.3	4.4	6.1

(Source: Budget FY24; Economy Projections, RBI projections)

According to the India Meteorological Department, the year 2022 delivered 6% higher rainfall than the long-period average. India's wheat harvest was expected to rise to around 107 million metric tons (MMT) in FY 2022-23 from 102 MMT in the preceding year. Rice production at 122 million metric tons (MMT) was down 6 % due to unseasonal rains. Pulses acreage grew 5 % to 154.80 lakh hectares following better monsoon rains. Due to a renewed focus, the oilseed area increased by 7.31% from 102.36 lakh hectares in FY 2021-22 to 109.84 lakh hectares in FY 2022-23. India's wheat production in crop year FY 2022-23 is expected to be 102.9 million tonnes (mt), less than the government's estimate of 112 mt.

India's exports (merchandise and services) in April-February 2022-23 were estimated to have grown 16.18 % over the same period of the previous year. As India's domestic demand remained steady amidst a global slowdown, imports in April-February 2022-23 were estimated to have grown 19.93 % over the corresponding period of the previous year. India's exports in FY2021-22 were $676 billion and likely to achieve a record $750 billion in FY23.

India moved up in the Ease of Doing Business rankings from 100th in 2017 to 63rd in 2022.

Outlook: According to the World Bank April 2024 projections, India's GDP is projected to expand by 6.3 % In FY24, supported by domestic demand and increased public investment. India's retail inflation rate could decline from 6.6 % to 5.2 % in FY24. The growth could also be driven by broad-based credit expansion, better capacity utilisation and improving trade deficits. Headline and core inflation rates could trend down. Private sector investments could revive.

Global agricultural sector overview

The global agriculture sector is among the world's largest, employing more than a billion people and a third of the economically active population. Agriculture is crucial to economic growth; the sector accounts for 4% of the global gross domestic product (GDP) and accounts for 25% of GDP in some less developed countries. The global agriculture sector is expected to grow from $12,245.63 billion in 2022 to $13,398.79 billion in 2023 at a compound annual growth rate (CAGR) of 9.4% The Asia-Pacific was the largest region followed by North America.

The global population was around 8 billion in 2023, growing at less than 1 % and expected to reach 10 billion by 2050. According to Agricultural Outlook by the Organization for Economic Co-operation and Development (OECD) and FAO (Food and Agriculture Organization), global cereal production was expected to increase by 13% by 2027. During the period between 2023-2026, the size of the agriculture sector is expected to grow to $18,814.21 billion at a CAGR of 10.7%. (Source: Business Research)

Indian agricultural sector overview

Agriculture represents the backbone of the Indian economy, playing a pivotal role in socio-economic development. The sector contributes 19% to the country's GDP and employs over two-thirds of the national workforce. Agriculture registered a gross value added growth of 3.3% in FY 2023 compared to 3.5% in 2022.

The country's total food grain production is estimated to record 3235.54 lakh tonnes, higher by 79.38 lakh-metric tonnes compared to FY 2021-22. India's agricultural and processed food exports registered a growth of 9% from USD 19.69 billion in FY 2021-22 to USD 26.3 billion in FY 2022-23. (Source: ICRA, PIB, Indian Express)

India is the world's largest sugar producer and the second-largest rice producer after China. India also produces a significant amount of wheat and is making progress towards self-reliance in pulses. India is the second-largest producer of rice and wheat in the world after China.

India's spending on agriculture research (as a percentage of agriculture GDP) stood at 0.3% whereas China, US, Brazil and South Africa spent 2x, 4x, 6x and 10x than India respectively. In more than 50 years till FY 2022-23, the number of farms in India more than doubled from 71 million in 1970-71 to 152 million in FY 2022-23 while the average farm size declined from 2.28 hectares to 1.08 hectares, affecting farm spends. (Source: prnewswire.com)

Global crop protection chemical market

The global market for crop protection products was valued at $88.0 billion in 2022 and is anticipated to grow to $116.5 billion by 2028, at a compounded annual growth rate (CAGR) of 4.79%. This was attributed to a growing need for food security due to an increasing global population. The market segment was segmented into herbicides, fungicides, insecticides and others. Herbicides dominated the market, accounting for the largest share of 44.2% in 2022. The growth was attributed to the fact that herbicides eliminate different varieties of unwanted weeds that are responsible for destroying crop yield. The growth is expected to continue due to the growing varieties of herbicides in North and South America.

The United States stood as the largest consumer of crop protection chemicals in North America. The growth is attributed to the increased production of wheat, corn and soybean due to favourable climate conditions prevailing there. United States stood among the top ten food-producing countries, accounting for a major production of maize, sorghum, soybean, blueberry, soybean and almond. According to Frontiers, the total crop acreage was dominated by soybean, corn and wheat, comprising 210.96 billion planted acres or 64.7% of the harvested cropland.

The cereals and grain segment dominated the market with a revenue share of over 41.9% in 2022. The growth was attributed to the rising consumption of cereal and grains like corn, rice, oats, wheat, sorghum and barley in different regions such as North America and Asia Pacific. According to the U.S. Department of Agriculture, the production of grains in North America witnessed an upward trend from 437,578 thousand metric tons in 2018-2019 to 454,922 thousand metric tons in 2021-2022. Therefore, the increasing productivity of cereals and grains is resulting in an increased demand for crop protection chemicals, a virtuous cycle. (Source: prnewswire.com, Grand view research)

Indian agro chemicals market overview

India ranks fourth in the world in the crop protection market after United States, Japan, and China. India's agro-chemicals market reached an estimated value of USD 7.2 billion in FY23. The crop protection market is expected to grow over a CAGR of 3.0% during the forecast period of FY23-28. Due to the rising population and shrinking arable land, demand for food grains is increasing faster than output. The Indian agro-chemical industry has showcased a capacity to produce low-cost, large-scale generic chemicals for agriculture and allied activities.

Paddy accounts for the maximum share of crop protection products consumption in India (26%-28%), followed by cotton (18% -20%). Farmers are spending more money on pesticide seed treatments, which aid with better disease resistance and more uniform germination. Maharashtra uses the largest proportion of chemical pesticides. Gujarat leads with the highest number of chemical factories (including agrochemicals) in the country.

India is the 12th largest exporter of agro-chemicals, exporting mainly to four countries – USA, Japan, China and Brazil. The Indian agrochemicals sector created a trade surplus of ₹23,000 crore in FY 2021, rare feat for any Indian manufacturing sector. As of 2022, the biggest volume of agrochemical exports stood for insecticides, valued at ₹364.97 billion followed by fungicides which were valued at ₹119.75 billion and herbicides worth ₹72.98 billion. (Source: Economic Times, Indian chemical news. com, research and markets .com)

SWOT ANALYSIS

Punjab Chemicals has the advantage of being a go-to CRAMS provider for both domestic & international agrochemical companies, thus positioned to gain further advantages as the industry expands.

S

Strengths

- Developed an efficient cost competitive process with focus on product development to maximize export potential.
- Product registration in key markets.
- A consistent track record with existing clients helped expand base to become a preferred partner of choice for MNC clients
- Expertise in complex chemistries.
- Availability of technically trained manpower ,extra production capacity to fulfil incremental demands.
- New Technologies & Integrated Supply chain

W

Weaknesses

- More dependence on imports of raw materials leading to price volatility and supply chain disruptions.
- The fragmented market, marked by several small players, can lead to price wars and quality erosion

O

Opportunities

- Changing industry dynamics as the global manufacturers are looking to decrease high dependency on China. Poised to benefit from the shift in supply chain
- Diversification & expansion into new geographies with existing and new Product launches
- Expansion of customer base in CRAMS.

T

Threats

- Competition from multinational companies with established brands and significant market presence
- The regulatory environment with respect to registration and compliance is evolving and challenging task.
- Environment concerns and increasing public awareness of the potential risks of agrochemicals may lead to stricter regulations and reduced demand for chemical based products.

Growth drivers

Minimising productivity loss: About 15-25% of the potential crop output is lost due to pests, weeds and disease. The need for improving crop productivity through the effective use of pest control and weed management practices has been recognized as critical to increased agriculture output

Increased crop yield: Use of herbicides has proven to be economically efficient and environment friendly. (Source: Research report; Pesticide Action Network India)

Farmland availability: Rapid urbanisation has had a detrimental impact on land availability. The pressure is therefore to increase yield per hectare which can be achieved through increased use of crop-protecting inputs.

Government push: The Indian government included agriculture as one of the twelve champion sectors can play a significant role in the global supply chain, protecting against crop loss.

Consumer confidence: The implementation of India's Insecticides Act and Rules, coupled with 820 registered pesticide formulations and 939 molecules scheduled, promotes safe and diverse farmer options. Ban on harmful pesticides promote sustainable and responsible industry growth while preventing risks to human beings, animals and the environment. They instil confidence among farmers and consumers regarding the safety and quality of pesticides (Source: mongabay.com)

Impact of climate change: Shifting weather patterns can influence insects, illnesses, weeds, fungus and other pests, catalysing food availability, quality and agricultural output. Crop protection chemicals that help manage pests and diseases are an important offering from the chemical sector.

Integrated Pest Management: The Integrated Pest Management market is expected to grow from $32 billion in 2018 to $49 billion in 2025, at a CAGR of around 6.3%. The biologicals segment is expected to have a higher CAGR of approximately 14.4%, growing from $2.8 billion to $7.1 billion during the same period.

Off-patent molecules: The patent expiry of over 100 agrochemical products until 2023 along with the sales of these products was valued at $11 billion, an opportunity for the agrochemical industry.

China+1 strategy: India's potential to substitute China as the global agrochemical hub is evident as the market is expected to grow from $3 billion to $5 billion. As multinational companies seek to diversify their supply chains from China, Indian companies are witnessing interest and investment. This presents an opportunity for Indian agrochemical companies to expand their market share and compete on a global scale.

Low per-capita consumption: India has one of the lowest per capita pesticide consumption rates in the world, with a per hectare consumption of just 0.6 kg compared to 5-7 kg/hectare in the US and 11-12 kg/ hectare in Japan. This presents an opportunity for the Indian agrochemical industry to grow and increase its market share as farmers seek to improve crop yields and quality with the use of safe and effective pesticides

Speciality chemicals industry overview

The Indian specialty chemicals industry has grown attractively in recent years. It represents 22 % of India's overall chemicals and petrochemicals market and is valued at USD32 billion. The industry is anticipated to reach USD64 billion by 2025 at a CAGR of 12.4%.

The specialty chemicals segment has been one of the fastest growing segments in the Indian manufacturing sector. This expansion can be attributed to increased demand from many end-user sectors, favourable government policies, a growing domestic customer base, and changes in consumer lifestyle among other factors. In terms of global market share, India's specialty chemicals comprise approximately 4%, while China accounts for 26%. India's specialty chemicals industry is predicted to grow rapidly, outpacing China, Japan and the rest of the world in percentage terms. Its market share is estimated to increase from 4 % to 6 % by 2026, on the back of strong estimated revenue growth of 15-20 % in FY2023. (Source: KPMG)

Growth drivers

Research and Development (R&D): The production value chain of specialty chemical companies is widening due to additional R&D investments. These companies have also offered their research capabilities as a part of contract research and manufacturing services, which could enhance margins.

Domestic availability: Various petrochemical intermediates are imported into India due to a growing demand for petrochemical intermediates by domestic specialty chemical companies that manufacture petrochemical intermediates through the diversion of ethylene and propylene.

Cost-effective expertise: The Indian chemicals sector provides efficient and scalable manufacturing facilities at a low cost, skilled manpower, R&D expertise and an established EHS compliance framework

Alternate strategy: India could appear as a feasible specialty chemical manufacturing destination. The cost differential between China and India has moderated due to China's enhanced pollution control regulations (increased costs). As a result of the 'China plus one' supply chain shift, global manufacturers have begun sourcing larger quantities from low-cost countries like India. (Source: Invest India)

Company profile

The Company was incorporated in 1975 as Punjab United Pesticides & Chemicals Limited (PUPCL) and has evolved to become Punjab Chemicals and Crop Protection Limited (Punjab Chemicals), uniting all its divisions – agro-technicals, pharmaceutical intermediates, specialty chemicals, industrial chemicals and international trading under one umbrella corporation. The Company is in the business of performance chemicals which comprises agro-chemicals, specialty-chemicals and other chemicals. The Company is also in contract manufacturing business producing products for Indian and multinational companies. The Company has an established portfolio of more than 12 products in contract manufacturing for multi-national and Indian companies.

Financial overview

Analysis of the profit and loss statement

Revenues: Revenues from operations reported a 7.79% growth from ₹933 crore in FY 2021-22 to reach ₹1006 crore in FY 2022-23, reflecting the Company's strength in its core business operations.

Expenses: Total expenses increased by 11.90% from ₹823 crore in FY 2021-22 to ₹921 crore in FY 2022-23. Raw material costs, accounting for a 65.10 % share of the Company's revenue from operations Increased by 12.76% from ₹581 crore in FY 2021-22 to ₹655 crore in FY 2022-23. Employees expenses accounting for a 8.28% share of the Company's revenues from operations increased by 8.69% from ₹77 crore in FY 2021-22 to ₹83 crore in FY 2022-23.

Analysis of the Balance Sheet

Sources of funds

The capital employed by the Company increased 18.31% to ₹374 crore as on 31 March, 2023 from ₹316 crore as on 31 March, 2022 owing to increased accruals. Return on capital employed, a measurement of returns derived from every rupee invested in the business, declined 27.09% from 39.21% in FY 2021-22 to 28.59 % in FY 2022-23.

The net worth of the Company increased by 24.38% from ₹226 crore as on 31 March, 2022 to ₹281 crore as on 31 March, 2023 owing to plough back of profits. The Company's equity share capital comprised 1,22,62,185 equity shares of ₹10 each.

Long-term debt of the Company increased by 12.92% to ₹62 crore as on 31 March, 2023. The long-term debt-equity ratio of the Company stood at 0.22 in FY 2022-23 compared to 0.24 in FY 2021-22 owing to new borrowings during the year.

Finance costs of the Company increased by 46.11% from ₹12 crore in FY 2021-22 to ₹18 crore in FY 2022-23 owing to more borrowings, especially to fund working capital. The Company's gross debt (including working capital) / equity ratio was a comfortable 0.32 at the close of FY 2022-23, 0.39 at the close of FY 2021-22).

Applications of funds

Fixed assets (net block) of the Company increased by 5.03% from ₹206 crore as on 31 March, 2022 to ₹217 crore as on 31 March, 2023 owing to an increase in capex during the year. Depreciation on assets increased by 14.04% from ₹17 crore in FY 2021-22 to ₹19 crore in FY 2022-23 owing to an increase in fixed assets during the year under review.

Investments

Non-current investments of the Company increased from ₹1.32 crore as on 31 March, 2022 to ₹1.37 crore as on 31 March, 2023 owing to a divestment of the entire stake in one associate company.

Working capital management

Current assets of the Company increased by 12.30% from ₹322 crore as on 31 March, 2022 to ₹362 crore as on 31 March, 2023 owing to increased inventory and debtors. The current ratios of the Company stood at 1.48 at the close of FY 2022-23 compared to 1.29 at the close of FY 2021-22.

Inventories including raw materials, work-in-progress and finished goods among others increased by 9.45% from ₹154 crore as on 31 March, 2022 to ₹168crore as on 31 March, 2023. The inventory turnover ratio reduced from 7.32 in FY 2021-22 to 6.25 in FY 2022-23.

Despite marginal growth in revenues, trade receivables increased by 28.12% from ₹112 crore as on 31 March, 2022 to ₹143 crore as on 31 March, 2023. Trade receivable turnover ratio stood at 7.89 as on 31 March, 2023 as compared to 9.54 as on 31 March, 2022.

Margins

Cost absorption impact due to flat revenues impacted margins during the year. The EBITDA margin of the Company reduced by 255 bps from 15.06% in FY 2021-22 to 12.51% while the net profit margin of the Company reduced by 32.08%.

Key ratios

Ratio analysis (Consolidated)	FY23	FY 22	Explanation for change
Current ratio	1.48	1.29	NA
Debt equity ratio	0.32	0.39	NA
Debt service coverage ratio	3.77	4.47	NA
Return on equity/Return on investment	24.14%	45.09%	The ratio has decreased mainly due to decrease in profit
Inventory turnover	6.25	7.32	NA
Trade receivables turnover ratio	7.89	9.54	NA
Trade payables turnover ratio	5.97	6.17	NA
Net capital turnover ratio	8.58	12.81	NA
Net profit ratio (%)	6.07	8.94	NA
Return on capital employed	28.59	39.21	The ratio has decreased mainly due to decrease in profit and increased in inventories, trade receivables.
Interest coverage ratio	5.98	10.04	NA
Operating profit margin	10.72	13.26	NA
Return on net worth	21.77	36.99	NA

Reason for change less than 25%: NA

Human resources

PCCPL continues to believe that human resource represents a strategic pillar for growth of the Company and remains committed to enable its employees to continuously focus on their growth in knowledge and skill development.

The Company strives to cultivate employee capabilities and competencies to innovate and drive organisational objectives and to leverage synergies of talent acquisition, learning & development, performance management and efficient succession planning.

The Company's focus is to strengthen its HR policies and processes and to develop a value system and behavioural skills aligned with the Company's short- and long-term objectives. The Company aims to provide fair treatment at workplace, a transparent and equitable compensation system, flexible work timings, and an environment that ensures health, safety and well-being of employees.

Internal controls and adequacy

The Company has appropriate internal control systems for business processes with regards to its operations, financial reporting and compliance with applicable laws and regulations. The Audit Committee oversees the internal control system and reviews audit reports submitted by the internal auditors. The committee considers suggestions for improvement and follows up on the implementation of corrective actions. It also meets with the Company's statutory auditors to assess the adequacy of the internal control system and provides regular updates to the board of directors on its observations.

Cautionary statement

The statements in the Management Discussion & Analysis, describing the Company's objectives, expectations and forecasts may be forward-looking within the meaning of applicable securities laws and regulations. The actual results may differ from those expressed or implied, depending upon the economic and climatic conditions, government policies and other incidental factors. All the mandatory information has been included in the MDA section, however if any are unavailable in this section are mentioned elsewhere in the Annual Report.

PUNJAB CHEMICALS AND CROP PROTECTION LIMITED
CIN: L24231PB1975PLC047063
Registered Office: Milestone 18, Ambala Kalka Road, Village & PO Bhankharpur, Derabassi
Dist. SAS Nagar, Mohali (Punjab)- 140201
Telephone Nos.: 01762- 280086, 280094, Fax Nos.: 01762-280070
E-mail: info@punjabchemicals.com, website: www.punjabchemicals.com

NOTICE

NOTICE is hereby given that the 47th Annual General Meeting of the Members of Punjab Chemicals and Crop Protection Limited will be held on Friday, the 4th August, 2023 at 10:00 a.m. (IST) through Video Conferencing /Other Audio-Visual Means ("VC/OAVM") facility, to transact the following business:

ORDINARY BUSINESS

To consider and if thought fit to pass the following resolutions as **Ordinary resolutions**:

1. **To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31st March, 2023 and the Reports of the Board of Directors ("the Board") and Auditors' thereon.**

   "RESOLVED THAT the Audited Financial Statements (Standalone and Consolidated) of the Company, Reports of the Board of Directors and the Auditors' thereon for the financial year ended on 31st March, 2023 along with Annexures as laid before this Annual General Meeting be and are hereby received, considered, approved and adopted."

2. **To declare a dividend on Equity Shares of the Company for the financial year ended 31st March, 2023.**

   "RESOLVED THAT a dividend of ₹3/- (Three rupees) per equity share (30%) recommended by the Board of Directors be and is hereby declared on the equity shares of ₹10/- (Ten rupees) each fully paid-up of the Company for the year ended 31st March, 2023 and be paid, subject to deduction of tax at source and, in accordance with the provisions of Section 123 and the other applicable provisions, if any of the Companies Act, 2013."

3. **To appoint a Director in place of Capt. Surjit Singh Chopra (Retd.) (DIN: 00146490) who retires by rotation and being eligible, offers himself for re-appointment.**

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Capt. Surjit Singh Chopra (Retd.) (DIN: 00146490), a Director of the Company who retires by rotation at this Meeting, being eligible for re-appointment as Director of the Company be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS

4. **Continuation of directorship of Capt. Surjit Singh Chopra (Retd.) (DIN:00146490) as a Non-Executive Non Independent Director of the Company.**

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

   "RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 and as amended, approval of the Company be and is hereby accorded for continuation of directorship of Capt. Surjit Singh Chopra (Retd.) (DIN:00146490), who has already attained the age of 75 years, as a Non-Executive Non Independent Director of the Company, liable to retire by rotation till the expiry of his present term on the existing terms and conditions."

5. **Ratification of the remuneration payable to the Cost Auditors of the Company for the financial year ending 31st March, 2024.**

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and upon recommendation of the Audit Committee and as proposed by the Board of Directors, consent of the Members be and is hereby accorded for the payment of remuneration of ₹1,85,000/- (Rupees One Lakh Eighty Five Thousand only) plus applicable taxes thereon and reimbursement of out of pocket expenses at actuals to be paid to M/s. Khushwinder Kumar & Co., Cost Accountant, Jalandhar, (Firm Registration No.100123) who has been appointed by the Board as the Cost Auditors of the Company for the financial year 2023-24."

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act"), setting out material facts concerning the business under Item No. 4 & 5 of the Notice, is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"] and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ["ICSI"] in respect of the Director seeking re-appointment at this AGM is also annexed.

2. The Ministry of Corporate Affairs ("MCA") has vide its General circular nos. 20/2020 and 10/2022 dated 5th May, 2020 and 28th December, 2022 respectively, and other circulars issued in this respect ("MCA Circulars") allowed, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility on or before 30th September 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No.20/2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

   Hence, in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and above referred MCA Circulars, SEBI Circulars, the 47th AGM of the Company is being held through Video Conferencing/ Other Audio-Visual Means ("VC/OAVM") on Friday, the 4th August, 2023 at 10:00 a.m. (IST). **The deemed venue for the meeting shall be the registered office of the Company at Milestone 18, Ambala Kalka Road, Bhankharpur, Derabassi, Distt. S.A.S. Nagar (Mohali), Punjab -140201**.

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

4. The facility for joining AGM through VC/OVAM will be available for up to 1,000 Members who may join on a first come first serve basis. However, the above restriction shall not be applicable to the members holding more than 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel(s), the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizers etc. Members can login and join 15 (fifteen) minutes prior to the scheduled time of meeting and the window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time.

5. The Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. Institutional Investors / Corporate Shareholders (i.e. other than Individual / HUF / NRI etc.) can appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC / OAVM or to vote through remote e-Voting. They are requested to send a certified copy of the Board Resolution of authorisation to the Scrutinizer by e-mail at cspsdua@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.

7. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote during the AGM.

8. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act will be available for inspection by the Members in electronic mode during the AGM. Members who wish to inspect, may send their request through an email at investorhelp@punjabchemicals.com up to the date of AGM.

9. In line with the MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. The Notice convening the 47th AGM has been uploaded on the website of the Company at www.punjabchemicals.com and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited ["BSE"] and National Stock Exchange of India Limited ["NSE"] at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also available on the website of Central Depository Services (India) Limited at www.evotingindia.com.

10. Book Closure and Dividend

   i) The Register of Members and the Share Transfer Books of the Company will be closed **from Friday, the 28th July, 2023 to Friday, the 4th August, 2023 (Both days inclusive)**. The dividend of ₹3/- (Rupees three only) per equity share of ₹10/- each (i.e. 30%), if declared by the Members at the AGM, will be paid subject to deduction of income-tax at source ('TDS'), wherever applicable, within the time limit prescribed under Companies Act, 2013 and SEBI Listing Regulations as under:

      a. To all the Beneficial Owners as at the end of the day on Thursday, the 27th July, 2023 as per the list of beneficial owners to be furnished by the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") in respect of the shares held in electronic form; and

      b. To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company/ Registrar and Share Transfer Agent on or before the close of business hours on Thursday, the 27th July, 2023.

   ii) Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. 1st April, 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company by sending documents through e-mail by Monday, the 17th July, 2023.

   A communication providing information and detailed instructions with respect to tax on the dividend for the financial year ended 31st March, 2023 is being sent separately to the Members whose email addresses are registered with the Company/DPs.

   iii) Further, in order to receive the dividend in a timely manner, Members holding shares in physical form and not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to mail the following documents to Company's Registrars and Transfer Agents: Alankit Assignments Limited, so that it reaches to them latest by Friday, the 21st July, 2023:

      a. signed request letter mentioning their name, folio number, complete address and following details relating to bank account in which the dividend is to be received:

         • Name and Branch of Bank and Bank Account type;

         • Bank Account Number & Type allotted by the Bank after implementation of Core Banking Solutions;

         • 11 digit IFSC Code.

      b. self-attested copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;

      c. self-attested copy of the PAN Card; and

      d. self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

   Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/ addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective Depository Participants (DPs).

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

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

   v) Members are requested to note that, dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. The Members/ Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. For details of unclaimed dividend and for shares transferred to IEPF, please refer to Company's website viz. www.punjabchemicals.com. The Company has transferred 1,09,179 Ordinary Shares of the face value of ₹10/- per share to the demat account of the IEPF Authority during the financial year 2017-18. The details of such shares transferred to IEPF has been uploaded on the website of the Company at www.punjabchemicals.com. No claim shall lie against the Company in respect of the dividend/ shares so transferred. During the financial year 2022-23, no equity shares or dividend amount was required to be transferred to IEPF.

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

11. In accordance with Regulation 40 of the SEBI Listing Regulations, as amended, the Company has stopped accepting any fresh transfer requests for securities held in physical form. Members holding shares of the Company in physical form are requested to get their shares converted into demat/electronic form to get inherent benefits of dematerialisation.

   Further, Members may please note that SEBI vide its Circular dated 25th January, 2022 mandated listed companies to issue securities in demat form only while processing any service requests viz. issue of duplicate securities certificate; claim from Unclaimed Suspense Account; renewal/exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR–4, the format of which is available on the website of the Company at www.punjabchemicals.com.

12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code etc. to their DPs in case the shares are held in electronic form and to M/s Analkit Assignments Ltd. in case the shares are held in physical form, quoting their folio no.

13. Members may note that SEBI has vide the Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023 read with circulars dated 3rd November, 2021 and 15th December, 2021 mandated the furnishing of PAN, address with PIN, mobile number, bank account details and nomination / opt out of nomination by holders of physical securities. Also, shareholders are requested to register the email ID with the folio, to be able to correspond and receive relevant communication. Further, shareholders are requested to note that the folios where any one of the cited details are not available on or after 1st October, 2023 shall be frozen by the Registrars and Transfer Agent of the Company (RTA) and services will be impacted following : a. Frozen folios will not be eligible to lodge grievance or avail service request b. After 1st April, 2024, frozen folios will not be eligible to receive dividend in physical mode. After 31st December, 2025, frozen folios shall be referred by RTA / Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and / or Prevention of Money Laundering Act, 2002.

    Members holding shares of the Company in physical form are requested to go through the requirements hosted on the website of the Company at www.punjabchemicals.com and furnish the requisite details.

14. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14 as the case may be. The said forms can be downloaded from the website of the Company at www.punjabchemicals.com. Members are requested to submit the requisite form to their DPs in case the shares are held in electronic form and to the Registrar in case the shares are held in physical form, quoting their folio no.

15. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or M/s Alankit Assignments Ltd. the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

16. (i) Members who wish to inspect the relevant documents referred to in the Notice can send an email to investorhelp@punjabchemicals.com by mentioning their DP ID & Client ID/ Physical Folio Number.

    (ii) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Wednesday, the 26th July, 2023 through email on investorhelp@punjabchemicals.com. The same will be replied by the Company suitably.

17. To support the 'Green Initiative', the Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with M/s Alankit Assignments Ltd. in case the shares are held by them in physical form.

18. Remote e-Voting before / during the AGM

    I. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, Secretarial Standard-2 on General Meeting issued by ICSI and Regulation 44 of Listing Regulations (as amended) and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an arrangement with CDSL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by CDSL.

    II. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of **Friday, 28th July, 2023** may cast their vote by remote e-Voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date i.e. **Friday, 28th July, 2023**, may obtain the User ID and Password by sending a request at investorhelp@punjabchemicals.com.

    III. The remote e-Voting period commences on **Sunday, 30th July, 2023 at 09:00 A.M. (IST) and ends on Thursday, 3rd August, 2023 at 05:00 P.M. (IST)**. The remote e-Voting module shall be disabled by CDSL for voting thereafter. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. **Friday, 28th July, 2023**.

    IV. Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who could not cast their vote by remote e-Voting. They will be eligible to exercise their right to vote at the end of discussion on the resolutions on which voting is to be held, upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again. The e-Voting module on the day of the AGM shall be disabled by CDSL for voting 15 minutes after the conclusion of the Meeting.

    V. Pursuant to SEBI Circular No. SEBI/HO/FD/CMD/CIR/P/2020/242 dated 9th December, 2020, under Regulation 44 of the Listing Regulations, listed companies are required to provide remote e-voting facility to its members in respect of all members' resolutions. However, it has been observed that the participation by the public non-institutional members / retail members is at a negligible level. Currently there are multiple e-voting service providers ("ESPs") providing e-voting facility to listed companies in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the members. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication, but also enhancing ease and convenience of participating in e-voting process.

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

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

Type of members		Login methods
Individual member holding shares in demat mode with CDSL	1)	Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach the e-voting page without any further authentication. The URLs for users to login to Easi / Easiest are EasiEasiest (cdslindia.com) or www.cdslindia.com and click on Login icon and select New System Myeasi.
	2)	After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by the company. On clicking the e-voting option, the user will be able to see the e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.
	3)	If the user is not registered for Easi/Easiest, the option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration
	4)	Alternatively, the user can directly access the e-voting page by providing Demat Account Number and PAN from a link on www.cdslindia.com home page or BO Center (cdslindia.com). The system will authenticate the user by sending OTP on registered Mobile & Email ID as recorded in the Demat Account. After successful authentication, users will be provided links for the respective ESP where the e-voting is in progress during or before the AGM.

Individual member holding shares in demat mode with NSDL	1) If you are already registered for the NSDL IDeAS facility, please visit the e-Services website of NSDL. Open a web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see the e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
	2) If the user is not registered for IDeAS e-Services, the option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/ IdeasDirectReg.jsp
	3) Visit the e-voting website of NSDL. Open a web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of the e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL site wherein you can see the e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
Individual member (holding shares in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting options. Once you click on the e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see the e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk Details
Individual members holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.
Individual members holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

Login method for e-voting and joining virtual meeting for members other than individual members and physical members is as under

1. The members should log on to the remote e-voting website www.evotingindia.com.
2. Click on "Shareholders" module.
3. Now Enter your User ID:
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 digits Client ID,
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

   Or

   Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from login myeasi using your login credentials. Once you successfully login to CDSL's EASI/EASIEST e-services, click on e-voting option and proceed directly to cast your vote electronically.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

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

7. After entering these details appropriately, click on "SUBMIT" tab.

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

9. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

10. Click on the EVSN for PUNJAB CHEMICALS AND CROP PROTECTION LIMITED i.e 230626003 on which you choose to vote.

11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

12. Click on the "RESOLUTION FILE LINK" if you wish to view the Resolution details.

13. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

15. You can also take a print of the vote cast by clicking on "Click here to print" option on the voting page.

16. If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

17. Members can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while remote e-voting on your mobile.

18. Note for Non-Individual members and Custodians

    - Remote e-voting

    - Non-Individual members (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com or on scrutinizer mail ID i.e. cspsdua@gmail.com.
    - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance Users would be able to link the account(s) for which they wish to vote on.
    - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney ("POA") which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
    - Alternatively, Non-Individual members are required to send the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorised signatories who are authorised to vote, to the scrutinizer and to the Company, email address, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

    If you have any queries or issues regarding attending AGM & e-voting from the e-voting system, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022- 23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr.Manager, CDSL, A, Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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

I. The procedure for attending the AGM and e-voting on the day of AGM is the same as the instructions mentioned above for remote e-voting.

II. The link for VC / OAVM to attend AGM will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.

III. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

IV. Members are encouraged to join the AGM through Laptops / IPads for better experience.

V. Further, members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.

VI. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches.

VII. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered email address mentioning their name, DP ID and Client ID/Folio number, PAN and mobile number at investorhelp@punjabchemicals.com from Friday, 28th July, 2023 (9.00 a.m. IST) to Monday, 31st July, 2023 (5.00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

VIII. The members who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to the date of the AGM mentioning their name, demat account number / folio number, email id, mobile number at the Company's email ID. These queries will be replied to by the Company suitably by email.

IX. Only those members, who are present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

X. If any votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the AGM through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the AGM is available only to the members attending the AGM.

19. Other instructions

(i) Mr. P.S. Dua, Practicing Company Secretary, (Membership No. 4552, COP No. 3934), have been appointed as the Scrutinizer by the Board to scrutinize remote e-Voting process before the AGM as well as remote e-Voting during the AGM in a fair and transparent manner.

(ii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Members who are present during the AGM through VC/ OAVM but have not cast their votes by availing the remote e-Voting facility.

(iii) The Scrutinizer will submit his report to the Chairman or to any other person authorised by the Chairman after completion of scrutiny of the votes cast through remote e-Voting before/during the AGM, within the time stipulated under the applicable laws. The results declared along with the Scrutinizer's report shall be communicated to the Stock Exchanges on which the Company's shares are listed and will also be displayed on the Company's website at www.punjabchemicals.com; CDSL website at www.evotingindia.com and Notice Board at the Registered Office of the Company.

(iv) Subject to the receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM i.e. Friday, the 4th August, 2023.

By order of the Board of Directors

Rishu Chatley
Company Secretary

Date: 4th May, 2023

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

EXPLANATORY STATEMENT IN RESPECT OF THE BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

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

Item No. 4

Capt. Surjit Singh Chopra (Retd.) (DIN:00146490), (aged around 83 years) was appointed as a Non Executive Non Independent Director of the Company, liable to retire by rotation pursuant to the provisions of the Companies Act and other applicable provisions with effect from 18th August, 2004.

Pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended in 2018, no listed Company should appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect by the members of the Company. The Company has already taken the approval of the members by way of Postal Ballot Notice dated 25th January, 2019 for his existing tenure.

Capt. Surjit Singh Chopra (Retd.) (DIN:00146490) has crossed the age limit prescribed under aforesaid Listing Regulations, therefore, the Company is again seeking approval of the members for his reappointment and continuance of his directorship beyond the age of 75 years as a Director, liable to retire of rotation by way of a special resolution.

Capt. Surjit Singh Chopra (Retd.) is qualified in National Defence Academy (NDA), Khadakvasla and has rich experience of organization capabilities and inspires the management and other executives working in the Company. He has served in the Indian Air Force for 15 years and Air India for 26 years. He served as a Commissioned Officer in the I.A.F. from 1961 to 1976 as a pilot and took part in three wars in 1962, 1965 & 1971. He served as an Examiner and instructor and was also a member of the Air Crew Examining Board. He served in Air India as a pilot from 1976 to 2002.

His professional exposure in Air-force and in Air India makes him a versatile person with vast experience suitable to participate in the Board discussions and advise the Board Members and the Company in various managerial and administrative matters. His analytical approach to the matters brought up before the Board and guidance have always been helpful and beneficial to the Board.

In the opinion of the Board of Directors of the Company, Capt. Surjit Singh Chopra (Retd.) is a person of high repute, integrity with rich and varied experience who provides an invaluable input to the Company's strategic direction and decision making. His contribution and guidance during the deliberations at the Board and Committee meetings has been of immense help to the Company and will be beneficial in future also. He is a member of the Corporate Social Responsibility Committee ["CSR Committee"] of the Company.

In view of the above, the Board of Directors at its meeting held on 4th May, 2023 on the recommendation of the Nomination and Remuneration Committee, have recommended to the shareholders to continue the directorship of Capt. Surjit Singh Chopra (Retd.) (DIN:00146490) as a Non Executive Non Independent Director of the Company on crossing the age limit prescribed subject to their approval by way of a Special Resolution.

Except Capt. Surjit Singh Chopra (Retd.) and Mr. Shalil S Shroff. Managing Director and their relatives, none of the Directors / Key Managerial Personnel (KMP) of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution as set out at item no. 4 of the accompanying Notice.

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

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

Item No. 5

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of M/s Khushwinder Kumar & Co. Cost Accountant, Jalandhar (Firm Registration No. 100123) as the Cost Auditor of the Company to conduct audit of the cost records of all the Divisions of the Company for the financial year 2023-24 on a consolidated remuneration of ₹1,85,000/- (Rupees One Lakh Eighty Five Thousand only) plus GST thereon and reimbursement of out of-pocket expenses.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for approval / ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2024.

None of the Directors / Key Managerial Personnel (KMP) of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice.

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

By order of the Board of Directors

Rishu Chatley
Company Secretary

Date: 4th May, 2023

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

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

Name of the Director	Capt. Surjit Singh Chopra (Retd.)
DIN	00146490
Date of Birth	8th April, 1940
Age	83 years
Date of first appointment	18th August, 2004
Qualifications	National Defence Academy (NDA), Khadakvasla
Expertise in specific functional areas	He has served in the Indian Air Force for 15 years and Air India for 26 years. He served as a Commissioned Officer in the I.A.F. from 1961 to 1976 as a pilot and took part in three wars in 1962, 1965 & 1971. He served as an Examiner and instructor and was also a member of the Air Crew Examining Board. He served in Air India as a pilot from 1976 to 2002.
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies) as on 31st March,2023	Nil
Membership of Committees/ Chairmanship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies) as on 31st March,2023	Nil
Listed entities from which Director has resigned from Directorships in the Last three (3) years.	Nil
Total no. of Board Meetings held during the year	6
Total no. of Board Meetings attended during the year	6
No. of shares held	Nil
Relationships between Directors inter-se	Father in Law of Mr. Shalil S Shroff, who is the Managing Director of the Company.
Terms and conditions of appointment or re-appointment of Director	Continuation of directorship of Capt. Surjit Singh Chopra (Retd.) (DIN:00146490) as a Non Executive Non Independent Director of the Company.
Remuneration last drawn (including Sitting fees, if any)	The Sitting fee along with commission drawn is disclosed in the report on Corporate Governance forming part of the Annual Report of the financial year 2022-23.

BOARD'S REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting the 47th Annual Report of the business and operations of the Company along with the Audited Standalone and Consolidated Financial Statements for the financial year ended on 31st March, 2023.

1. FINANCIAL RESULTS

The financial performance of the Company for the year ended 31st March, 2023 is as below:

(₹ In lakh)

Particulars	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations and Other Income	100956	93439	100770	93129
Earnings before Interest, Depreciation & Tax & Exceptional item (EBIDTA)	**12592**	**14062**	**12553**	**13908**
Depreciation / Amortisation	1901	1667	1901	1667
Finance Cost	1803	1234	1780	1199
Profit / (Loss) before Tax & Exceptional item	**8888**	**11161**	**8872**	**11042**
Profit / (Loss) before Tax (PBT)	**8888**	**11161**	**8872**	**11042**
Income Tax Expenses:				
Current Tax	2626	2695	2626	2840
Deferred Tax	152	120	152	120
Total Income Tax Expenses	**2778**	**2815**	**2778**	**2960**
Profit / (Loss) after Tax (PAT)	**6110**	**8346**	**6094**	**8082**
Other Comprehensive income / (expense) for the year (net of tax)	(242)	8	(92)	(47)
Total comprehensive income for the year	**5868**	**8354**	**6002**	**8035**
Earnings per share (EPS)				
Basic and diluted (in ₹)	49.84	68.07	49.71	65.92
Reserves (excluding Revaluation reserve)	**26836**	**21336**	**28575**	**22941**

2. OPERATIONAL PERFORMANCE

Your Directors are pleased to state that the year under review ended with the highest ever income of the Company on standalone basis at ₹1008 crore with a Profit before Tax (PBT) of ₹89 crore against the income of ₹931 crore and Profit before Tax of ₹110 crore in the previous year.

The sales of the Company was from Agro Chemicals Division, Derabassi with net revenue of ₹739 crore against ₹664 crore of previous year which is 73% of the total revenue. The revenue of Specialty and Other Chemicals Division, Lalru was at ₹153 crore against ₹156 crore of previous year. Industrial Chemical Division Pune recorded a revenue of ₹116 crore against ₹111 crore of previous year. The revenue has shown healthy growth despite tough market conditions. The margins have been under pressure due to increase in energy cost and slow down in market towards end of the year.

The Export of the Company was ₹581 crore against ₹487 crore of the last year, which is up by 19%. It is a matter of satisfaction that the Company continues to meet the requirement of all the customers as per their satisfaction.

3. SUBSIDIARY COMPANIES / ASSOCIATE COMPANIES

As on 31st March, 2023, the Company has only one wholly owned overseas subsidiary namely SD AgChem (Europe) NV, Belgium. The total income of SD Agchem (Europe) NV was ₹17.52 crore with profit/(loss) before tax of ₹0.77 crore as compared to the Income of ₹12.58 crore with net profit of ₹1.45 crore in the previous year. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

In compliance with Section 129 of the Act, a statement containing requisite details including financial highlights of the operation of the subsidiary in Form AOC-1 forming part of the Annual Report.

4. CONSOLIDATED FINANCIAL STATEMENT

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements for the year ended 31st March, 2023 include the consolidated financial statements and related information of the Company. The audited statement of accounts of the subsidiary Company alongwith above information are available on the website of the Company i.e. www.punjabchemicals.com.

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

The Policy for determining material subsidiaries, adopted by the Board of Directors, pursuant to Regulation 16 of the SEBI (LODR) Regulations, 2015 (hereinafter called as "Listing Regulations") can be accessed on the Company's website at https://www.punjabchemicals.com/wp-content/uploads/2018/07/Policy-for-determining-Material-Subsidiary.pdf. The consolidated financial statements of the Company for the year ended on 31st March, 2023 comprises the standalone financial statements of the Company and its subsidiary (together referred to as "the Group").

The consolidated revenue of the Company during the year under review was ₹1010 crore with a profit before tax of ₹89 crore against ₹934 crore and profit before tax of ₹112 crore in the previous year.

5. DIVIDEND

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

The total dividend amount to be paid for the financial year 2022-23 shall be ₹3.68 crore.

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

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 28th July, 2023 to Friday, 4th August,2023 (Both days inclusive) and the record date will be Friday, 28th July, 2023 for the purpose of payment of dividend for the financial year 2022-23.

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

6. OUTLOOK

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

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

Ongoing discussions with several companies to add new products & to increase business is moving in a healthy direction. The Company has proven track record and has long experience in delivering products to many Indian and other MNCs. The Company is working to strengthen this relationship with new products and technological innovation.

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

7. FINANCE

a. SHARE CAPITAL

The paid up Equity Share Capital as at 31st March, 2023 stood at ₹12.26 crore consisting of 1,22,62,185 equity shares of ₹10/- each. During the year under review, the Company did not issue any type of shares or convertible securities or shares with differential voting rights. The Company also did not allot /grant any stock options or sweat equity or warrants to the employees. As on 31st March, 2023, the Company has not issued or outstanding any instrument convertible into Equity Shares of the Company during the Financial year.

b. PUBLIC DEPOSITS

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

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

Particulars relating to loans and guarantees or investments under section 186 of the Companies Act, 2013 are provided at note no. 48 & 47 to the Standalone and Consolidated Financial Statements respectively.

Further, your Company had advanced an amount of ₹40,00,000/- (Rupees Forty Lakhs only) to Rajhans Nutriments Private Limited ("Vendor") on 30th June, 2019 as an advance for availing services. However, the Vendor had treated the advance granted as loan in its books of accounts and had made provisions for interest payable and had paid TDS on the interest payable. Your Company had treated the amount paid to Vendor as an advance towards availing services. Since your Company has not recognized any interest income against the advance granted by the Vendor in its books of accounts, it has not taken credit for TDS paid by the Vendor.

The provisions of Section 186 of the Companies Act, 2013 read with relevant rules made thereunder ("Act") are not applicable in case of grant of advance. Further, no resolution was required to be passed by the Board or the Company nor the Company was required to maintain a register under Section 186 of the Act. Hence, your Company has not violated any of the provisions of the Section 186 of the Act.

Your Company going forward shall execute and maintain sufficient documents for recording any transaction which are in the nature of capital advances.

d. TRANSFER TO RESERVES

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

e. CREDIT RATING

As on 31st March, 2023, your Company has received rating for Long Term Debt: BBB+ /Stable and for Short Term Debt: A2 from CRISIL Rating Limited.

8. ENVIRONMENT, SUSTAINABILITY, HEALTH AND SAFETY

The Company aspires to make an impact in sustainability that helps people and our planet thrive along relevant Environment, Social and Governance (ESG) topics. Our Sustainability, Safety, Health and Environment ("SSHE") ambition is making the Company a healthy and safe place to work while protecting our environment and generating impact in sustainability around the world.

Your Company respects and cares for the environment and the safety, health and wellbeing of people, whether they are employees, contractors, visitors or neighbours. The Company continuously improves its business processes while meeting or exceeding legal and regulatory SSHE requirements and provides an environment for open and transparent communication of SSHE matters and concerns. The Company recognizes that the skills and involvement of its employees are essential for fulfilling its SSHE principles and commitments. The Company's sites are certified to various management systems as follows:

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

By implementing these management systems, the manufacturing plants foster a culture of continual improvement using the PDCA model (Plan-Do-Check-Act) in collaboration with our internal and external stakeholders. Led by the objective to create awareness amongst employees and to engage them for SSHE programs, the World Environment Day, India National Safety Week, Road Safety Week etc are celebrated across the Company. In addition, the Company imparts all required onsite training and defensive driver training to take care of our employees when at our sites and on the road. The Company also ensures safe operations in its value chain by periodically reviewing and creating awareness for third party warehouses, suppliers and contract manufacturers.

The effluent and emissions from the plants are regularly monitored and treated. The Company has an approved Effluent Treatment Plant with an incinerator to treat the waste materials in Derabassi and Lalru units. In addition to this, for the solid waste, the Company has tied up with Common Effluent Treatment Plants set up in the nearby area of the manufacturing sites. Derabassi and Lalru units of the Company have been declared as Zero Liquid Discharge (ZLD) facilities.

9. RESEARCH & DEVELOPMENT AND QUALITY CONTROL

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

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

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

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

11. WELFARE ACTIVITIES AND CORPORATE SOCIAL RESPONSIBILITY

Company's Corporate Social Responsibility (CSR) Policy has been posted on the website at https://www.punjabchemicals.com/wp-content/uploads/2023/03/CSR-Policy.pdf

During the year under review, the Company was required to spend ₹131.86 lakh on CSR activities. The Company has spent ₹132.56 lakh in the financial year 2022-23. The amounts have been spent for promotion of education by upgrading school infrastructure, building computer labs, health care initiatives by organizing various preventive health care medical camps, blood donation camps, eye camps in nearby areas and upliftment of nearby rural areas and helping the needy and disabled by donations.

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

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

12. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

As a conscious and vigilant organisation, the Company believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In its endeavour to provide its employees a secure and fearless working environment, the Company has established the "Whistle Blower Policy". The same can be viewed at https://www.punjabchemicals.com/wp-content/uploads/2018/07/Whistle-Blower-Policy-PCCPL.pdf.

The Whistle Blower Policy and establishment of Vigil Mechanism have been appropriately communicated within the Company. The Whistle Blower Policy is also posted on the website of the Company. The purpose of the policy is to create a fearless environment for the Directors and employees to report any instance of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. It protects Directors and employees wishing to raise a concern about serious irregularities within the Company.

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

13. INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

The internal financial controls of the Company are constantly assessed and strengthened with proper standard operating procedures (SOP). They are reviewed in routine and required modifications in the SOP are carried out as per the requirement. The controls in the system are commensurate with size, scale and complexities of the business operations.

Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Auditor has access to the Chairman of the Audit Committee.

The Audit Committee actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Management Information System of the Company is an integral part of the control mechanism.

The Audit Committee, Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and the corrective actions taken.

14. DEVELOPMENT AND IMPLEMENTATION RISK MANAGEMENT POLICY

Pursuant to Schedule V of Listing Regulations, the Company has constituted a Risk Management Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report, forming part of the Board's Report.

The Company has formulated Risk Management Policy which is posted on the website of the Company at https://www.punjabchemicals.com/wp-content/uploads/2018/07/Risk-Management.pdf. The Audit Committee also oversees the area of financial risks and controls.

The Management is fully aware of its responsibility and review various risks viz. Business, Environmental, manpower, financial and take corrective or appropriate actions as and when required for smooth functioning.

The key features include building an organization wide awareness of risks across businesses and corporate functions; developing formal reporting and monitoring processes; developing risk management maintenance plans to keep the information updated and refreshed; and deploying an ERM framework in key business areas and corporate functions.

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

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

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

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

16. INSURANCE

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

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

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

There are no significant and material orders passed by the Regulators or Courts or tribunals impacting the going concern status and the Company's operations in future.

18. AUDITORS' REPORTS AND AUDITORS

a. STATUTORY AUDITORS

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

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

The Auditors' Report for the financial year 2022-23 does not contain any qualification, reservation or adverse remark, hence no comments required. The report is enclosed with the financial statements in this Annual Report.

b. SECRETARIAL AUDITORS

M/s. P.S. Dua & Associates, Company Secretaries (CP No. 3934) were appointed to conduct the secretarial audit of the Company for the financial year 2022-23 as required under Section 204 of the Companies Act, 2013 and Rules made there under. The Secretarial Audit Report is annexed to this report. The Secretarial Auditors' Report for the year under review does not contain any qualification, reservation or adverse remark, hence no comments required.

Further, the Board upon recommendation of the Audit Committee has reappointed M/s. P.S. Dua & Associates, Company Secretaries (CP No. 3934), as the Secretarial Auditor to undertake the Secretarial Audit of the Company for the financial year 2023-24, in terms of Section 204 of the Companies Act, 2013 and Rules there under.

ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has undertaken an audit for the financial year 2022-23 for all applicable compliances as per SEBI Regulations and Circulars/Guidelines issued there under. The Annual Secretarial Compliance Report has been submitted to the stock exchanges within the prescribed time.

c. COST AUDITORS

M/s Khushwinder Kumar & Co., Cost Accountants were appointed as Cost Auditors of your Company for auditing the cost accounts records for the financial year 2022-23 under provisions of Section 148 of the Companies Act, 2013. Further the Company has made and maintained proper cost records as specified by the central government under sub-section (1) of section 148 of the Companies Act, 2013 for its business activities carried out during the year.

Furthermore, the Board of Directors upon recommendation of the Audit Committee appointed M/s Khushwinder Kumar & Co. Cost Accountant, Jalandhar (Firm Registration No. 100123) as the Cost Auditor of the Company to conduct audit of the cost accounts of all the Divisions of the Company for the financial year 2023-24. They have submitted a certificate of eligibility for the re-appointment.

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

The Cost Audit Report for the financial year 2021-22 was filed with the Ministry of Corporate Affairs and the Cost Audit Report for the financial year 2022-23 will be filed before the due date.

19. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Independent Directors

As on 31st March, 2023, the Company has four Independent Directors on its Board, including a Woman Independent Director. Mr. Mukesh Dahyabhai Patel (DIN:00009605), Mr. Vijay Dilbagh Rai (DIN:00075837), Mr. Sheo Prasad Singh (DIN:06493455) and Ms. Aruna Rajendra Bhinge (DIN:07474950).

The Company has received the necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

In the opinion of the Board, all the Independent directors, possess the requisite qualifications, experience and expertise and hold high standards of integrity.

b) Retirement by Rotation

As per the provisions of the Companies Act, 2013, Capt. Surjit Singh Chopra, (DIN: 00146490), the Non-Executive and Non-Independent Director, whose office is liable to retire at the ensuing AGM, being eligible, seeks reappointment. Based on performance evaluation and the recommendation of the nomination and remuneration committee, the Board recommends his reappointment. The notice convening the 47th AGM, to be held on Friday, 4th August, 2023, sets out the details.

Pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company took the approval of the Members by way of Special Resolution vide Postal Ballot Notice dated 25th January, 2019 for continuation of Directorship of Capt. Surjit Singh Chopra (Retd.) (DIN:00146490), on the Board of the Company as a Non-Executive Non Independent Director, liable to retire by rotation for the current tenure.

The Company has again proposed a Special Resolution for the re-appointment and continuation of his directorship beyond 75 years of age in the ensuing Annual General Meeting.

c) Relationship / Transaction with Company

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

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

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

d) Board Diversity

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

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

e) Number of meetings of the Board of Directors

The Board meetings are planned normally in advance in consultation with the Directors. During the Financial Year 2022-23, the Board met 6 times within the prescribed intervening time gap as provided in the Companies Act, 2013. The details of the Board meetings are given in the Corporate Governance Report that forms part of this Annual Report.

f) Annual Evaluation of Board and its Committees and of Individual Directors

As per Companies Act, 2013 and Listing Regulations, the Board has adopted a formal mechanism for evaluating its performance and as well as that of its committees, individual Directors, including the Chairman of the Board in compliance of Companies Act, 2013 and Listing Regulations. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board, its committee & members, their experience & competencies, performance of specific duties & obligations, governance. Broadly the performance of Non-Independent/Executive/ Whole Time Director(s) was evaluated on the basis of their own performance, expertise, intelligence, their qualitative & quantitative contribution towards operational achievements, organizational performance etc. The performance of Non-Executive Independent Directors were evaluated on the basis of their constructive participation in Board/Committee/ General meetings, their informed & balanced decision-making, ability to monitor financial controls, systems & certain allied parameters. The annual performance evaluation of various Board Committees constituted under Companies Act & Listing Regulations was made on the basis of their respective terms of reference, discharge of functions, governance etc.

The separate Meeting of Independent Directors was held on 27th March, 2023 to review the performance of Non-Independent directors including the Chairman and the Board as a whole as per Code of Independent Directors under Companies Act, 2013 and Listing Regulations. The Independent Directors also reviewed the quality, content and timeliness of follow of information between Management and the Board. The Performance Evaluation Policy of the Board of Directors is uploaded on the Company's website i.e. http://www.punjabchemicals.com/wp-content/uploads/2018/07/Nomination-and-Remuneration-Policy.pdf under corporate policies.

g) Details of Familiarisation Programme

The details of the programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model and related matters are posted on the website of the Company at https://www.punjabchemicals.com/wp-content/uploads/2023/03/Familarisation-Programme-for-Independent-Directors-FY-2022-23.pdf

h) Committees of the Board

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

a. Audit Committee

b. Stakeholders Relationship Committee

c. Nomination & Remuneration Committee

d. Corporate Social Responsibility (CSR) Committee

e. Risk Management Committee

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

Key Managerial Personnel ('KMP')

During the year Mr. V Srinivas, resigned from his position of Company Secretary & Compliance Officer with effect from 24th January, 2023 and Ms. Rishu Chatley was appointed as Company Secretary & Compliance Officer of the Company with effect from 24th January, 2023 and Dr. Sriram Swaminathan superannuated from his position of Chief Financial Officer with effect from 16th March, 2023 and Mr. Ashish R Nayak was appointed as the Chief Financial Officer w.e.f. 16th March, 2023.

As on 31st March, 2023, the Company has the following Key Managerial Personnel as per section 2(51) of the Act:

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

20. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's Board is fully balanced with required numbers of Executive and Independent Directors. As on 31st March, 2023 the Board consists of 8 Members, 1 (one) of whom is Executive Director, 3 (three) Non Executive Non Independent Directors and 4 (four) Independent Directors. The requirement of reconstitution of the Board is evaluated from time to time. Nomination and Remuneration Committee has formulated a Nomination and Remuneration Policy under Section 178 (3) of the Companies Act, 2013 which lays down criteria for determining qualifications, positive attributes and independence of a Director and remuneration for the Directors, Key Managerial Personnel and senior management level including the appointment of personnel one level below the Key Managerial Personnel.

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

21. EMPLOYEES AND INDUSTRIAL RELATIONS

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

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

The Board of Directors are pleased and place on record its appreciation for all categories of employees for their sincere efforts and the sense of belongingness and commitment towards the Company. Their support and sacrifices during COVID-19 had helped the Company to continue its operations. The management took all required efforts to keep them safe and educated.

22. PARTICULARS OF EMPLOYEES

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

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

The Company has created and maintained a secured work environment for the employees. The endeavour of the Company is to give a free and cordial atmosphere without harassment, exploitation and intimidation to all business associates of the Company. To empower women and protect women against sexual harassment, a policy for Prevention and Redress of Sexual Harassment is in place which is posted on the Company's website at https://www.punjabchemicals.com/wp-content/uploads/2023/03/Policy-on-prevention-of-Sexual-Harrasement-at-work-place.pdf.

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

24. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in preparation of the annual accounts for the year ended 31st March, 2023, the applicable accounting standards have been followed along with proper explanation / disclosure relating to material departures, if any;

b) the Directors have selected such accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the profit and loss of the Company for the year ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts of the Company on a 'going concern' basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

25. MANAGEMENT DISCUSSION AND ANALYSIS & CORPORATE GOVERNANCE REPORT, BUSINESS RESPONSIBILITY REPORT

(i) MANAGEMENT DISCUSSION AND ANALYSIS

In terms of Regulation 34 (2) (e) of the Listing Regulations, 2015 read with other applicable provisions, the detailed review of the operations, performance and future outlook of the Company and its business is given in the Management's Discussion and Analysis Report which forms part of this Annual Report and is incorporated herein by reference and forms an integral part of this report.

(ii) CORPORATE GOVERNANCE REPORT

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

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

(iii) BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

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

26. COMPLIANCE WITH SECRETARIAL STANDARDS

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

27. ANNUAL RETURN

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 read with Section 134(3)(a) of the Act, the Annual Return in Form MGT-7 as on March 31, 2023 is available at https://www.punjabchemicals.com/wp-content/uploads/2023/05/MGT-7.pdf.

28. EVENTS AFTER BALANCE SHEET DATE

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

29. OTHER DISCLOSURES

1. There was no change in the nature of business of the Company as stipulated under sub-rule 5(ii) of Rule 8 of Companies (Accounts) Rules, 2014.
2. There is no application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the financial year 2022-23.
3. There was no instance of one-time settlement with any Bank or Financial Institution.
4. During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.
5. The Company's shares are listed on BSE Limited and the National Stock Exchange of India Limited.

30. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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

31. STATE OF AFFAIRS OF THE COMPANY

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

ACKNOWLEDGEMENT

The Board of Directors wish to place on record its deep sense of appreciation for the committed services by all the employees of the Company. The Board of Directors would also like to express their sincere appreciation for the assistance and cooperation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review.

CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

Mukesh Dahyabhai Patel
Chairman
DIN: 00009605

Date: 4th May, 2023
Place: Mumbai

FORM AOC 1

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

Part "A": Subsidiaries

(₹ In lakh)

Sl.	Name of the subsidiary	SD Agchem (Europe) NV	
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same Reporting Period	
		Current Year	Previous Year
2.	Reporting Currency	Euro	Euro
3.	Exchange rate (Closing)	89.58	84.60
4.	Share capital	7000	7000
5.	Reserves & Surplus	(8746)	(8649)
6.	Total Assets	309	223
7.	Total Liabilities	2055	1872
8.	Investments	-	-
9.	Turnover	1752	1258
10.	Profit/Loss before Taxation	0.77	145
11.	Tax Expenses		
	Adjustment of tax relating to earlier periods	-	(144)
	Deferred tax	-	-
12.	Profit after Taxation	0.77	289
13.	Proposed Dividend		
14.	% of Shareholding	100	100
15.	Country	Belgium	Belgium

Part "B" Associates and Joint Ventures

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

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

Date: 4th May, 2023
Place: Mumbai

Mukesh Dahyabhai Patel
Chairman
DIN: 00009605

Shalil Shashikumar Shroff
Managing Director
DIN: 00015621

Vinod Kumar Gupta
Chief Executive Officer

Ashish R Nayak
Chief Financial Officer

Rishu Chatley
Company Secretary

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

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

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

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

2. The Composition of CSR Committee

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

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

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

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

-Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of Section 135: **₹6593 Lakh**
   (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: **₹131.86 Lakh**
   (c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **Nil**
   (d) Amount required to be set-off for the financial year, if any: **Nil**
   (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **₹131.86 Lakh**
6. (a) Amount spent on CSR projects (both ongoing project and other than ongoing project): **₹132.56 Lakh**
   (b) Amount spent in administrative overheads: **Nil**
   (c) Amount spent on impact assessment, if applicable: **NA**
   (d) Total amount spent for the financial year [(a)+(b)+(c)]: **₹132.56 Lakh**
   (e) CSR amount spent or unspent for the financial year:

Total Amount spent for the Financial year (₹ in Lakh)	Amount Unspent (in ₹)				
	Total amount transferred to Unspent CSR Account as per sub section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
₹132.56 Lakh	Nil				

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

S. No.	Particulars	Amount (₹ in Lakh)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	131.86
(ii)	Total amount spent for the financial year	132.56
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.70
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil*

*Excess amount not availed for set-off

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

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

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

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

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility-**N.A.**

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

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

Mukesh Dahyabhai Patel	Shalil Shashikumar Shroff	Vinod Kumar Gupta
Chairman CSR Committee	Managing Director	Chief Executive Officer
DIN: 00009605	DIN: 00015621	

Place: Mumbai
Date: 4th May, 2023

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

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

SECTION A: GENERAL DISCLOSURES

I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Company	:	L24231PB1975PLC047063
2	Name of the Company	:	Punjab Chemicals and Crop Protection Limited
3	Year of Incorporation	:	19-11-1975
4	Registered Address	:	Milestone 18, Ambala Kalka Road, Bhankharpur, Derabassi, Dist. S.A.S Nagar, Mohali-140201 (Punjab)
5	Corporate Address	:	Plot No. 645-646, 5th Floor, Oberoi Chambers II, New Link Road, Andheri (west), Mumbai – 400 053
6	E-mail – Id	:	info@punjabchemicals.com
7	Telephone	:	01762- 280086, 522250
8	Website	:	www.punjabchemicals.com
9	Financial Year reported	:	1st April, 2022 to 31st March, 2023
10	Name of the Stock Exchange(s) where shares are listed	:	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital (in ₹)	:	12,26,21,850
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	:	Name: Mr. Vinod Kumar Gupta Email: info@punjabchemicals.com Telephone: 01762- 280086, 522250
13	Reporting boundary- Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	:	Standalone basis

II. Products/services

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

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

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

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

III. Operations

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

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

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	21
International (No. of Countries)	29

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

– 58% of total turnover

c. A brief on types of customers

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

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	Employees					
1.	Permanent (D)	339	292	86.14%	47	13.86%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%
3.	Total employees (D + E)	339	292	86.14%	47	13.86%
	Workers					
4.	Permanent (F)	889	889	100.00%	0	0.00%
5.	Other than Permanent (G)	530	528	99.62%	2	0.38%
6.	Total workers (F + G)	1419	1417	99.86%	2	0.14%

b. Differently abled Employees and workers:

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

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.50%
Key Management Personnel	3	1	33.33%

20. Turnover rate for permanent employees and workers

	FY 2022-23				FY 2021-22				FY 2020-21			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
Permanent Employees	9.43%	2.36%	0.00%	11.79%	7.02%	0.29%	0.00%	7.31%	3.03%	0.91%	0.00%	3.94%
Permanent Workers	4.05%	0.00%	0.00%	4.05%	3.34%	0.00%	0.00%	3.34%	4.14%	0.00%	0.00%	4.14%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

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

VI. CSR Details

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

(ii) Turnover (₹ In Crore) 1004

(iii) Net worth (₹ In Crore) 298

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	**Yes**, the Senior Leadership team regularly communicates with the representatives of nearby communities including villagers to understand and address their concerns, if any. The contact no., address and email id of different locations have been specified on the following link. https://www.punjabchemicals.com/contact-us/	0	0	–	0	0	–
Investors (other than shareholders)	**Yes**, the contact no., address and email id of different locations have been specified on the following link. https://www.punjabchemicals.com/contact-us/	0	0	–	0	0	–
Shareholders	**Yes**, the Company has a grievance redressal mechanism for shareholders. The Company has appointed Alankit Assignments Limited as the Share Transfer Registrars/Agents. The Alankit Assignments Limited takes care of shareholders' enquiries/queries, requests and complaints. The Share Transfer Registrars/ Agents respond to enquiries/queries, requests and complaints within the framework specified/ defined by SEBI. There is a dedicated email id to receive the grievances from investorhelp@punjabchemicals.com	0	0	-	2	1	-
Employees and workers	**Yes**, the Company has in place Whistle Blower mechanism and Prevention of Sexual Harassment Policy specifying the grievance redressal mechanism. https://www.punjabchemicals.com/company-policies/	1	0	–	0	0	–
Customers	**Yes**, the contact no., address and email id of different locations have been specified on the following link. https://www.punjabchemicals.com/contact-us/	0	0	-	0	0	-
Value Chain Partners	**Yes**, the contact no., address and email id of different locations have been specified on the following link. https://www.punjabchemicals.com/contact-us/	0	0	–	0	0	–
Other (please specify)	**Yes**, the contact no., address and email id of different locations have been specified on the following link. https://www.punjabchemicals.com/contact-us/	0	0	–	0	0	–

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Health and Safety	Risk	Workplace accidents, hazards and injury can affect employees' morale, productivity, finances and asset integrity. There are efforts to develop a safe and healthy environment.	The Company has an ISO 45001 certified occupational health and safety (OH&S) management system which governs all the activities to ensure safe and healthy workplace for employees and to achieve Zero accident / incident adhering to the standards of EHS Management systems. Regular training and awareness, enhancing visual display, housekeeping, good maintenance practices, audits, preventing pollution at all stage of manufacturing etc. Regular review of Safety risk mitigation plans by the Risk Management Committee and the board. On-site and Off-site emergency plans and regular mock drills for emergency preparedness and enhancement of skill in employees.	Negative
2.	Environment and Sustainability	Risk	The environmental risk in relation to emissions, climate change and to preserve nature and its biodiversity.	The Company has an ISO 14001 certification in place and take proper control measures in addressing issues of climate change, pollution management and emission control. The Company has online continuous Emissions Monitoring System connected with Central and/or State Pollution Control Boards to keep a check on emissions and comply with the statutory requirements of the Central and/or State Pollution Control Boards and emphasis on enhancing recycling of water through Zero Liquid Discharge. Planting more trees and increasing the green cover at sites and in the villages / localities adopted under CSR.	Negative
3.	Energy efficiency	Opportunity	Effective energy and waste management systems improves the resource management of the company thereby improving its performance and topline growth.	Explore the use of alternate and renewable energy sources to reduce consumption of fossil fuels. Reuse and recycle solvents to conserve natural resources.	Positive
4.	CSR	Opportunity	Developmental projects to create a positive impact and improve community relations.	Contributions made by the Company towards upliftment of the community through various initiatives and partnerships focusing on the education, health, rural infrastructure development, sanitation, environment conservation among others, elevates the Company's brand value among the local community members as well as contributes towards positive social performance.	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions (Details of P1 to P9 are provided in Section C)	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes.								
b. Has the policy been approved by the Board? (Yes/No)	Yes.								
c. Web Link of the Policies, if available	https://www.punjabchemicals.com/company-policies/								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No								
4. Name of the national and international codes/ certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The company has ISO 9001, ISO 14001 and ISO 45001 certifications in place. The company complies with the Environment Protection Act, 1986, Child Labor (Prohibition and Regulation) Act, 1996 and Minimum Wages Act, 1946. The Company continues to stay committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of honesty, integrity, governance, ethical and transparency in all its business transactions.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company aims to create value for all our stakeholders by striking a balance between sustainability and business activities. The Company is constantly working hard to reduce the energy consumption in an effort to reduce our carbon footprint and adopting and implementing projects that are more sustainable. Proper control measures for health and safety of employees and workers and nearby residents and communities, climate change, pollution management and emission control.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of each of the principles is audited and reviewed periodically by different teams and committees led by the Senior Management.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) The Company is committed to integrate its environmental, Social and Governance (ESG) principles into its businesses which is central to improving the quality of life of the communities it serves. It adheres to the principles of product stewardship by enhancing health, safety and environmental impacts of products and services, wastewater Management, Nature and biodiversity. The company has established policies for Safety, Health and Environment (EHS) and is committed to conducting beneficial and fair business practices to the labor, human capital and to the community. It provides employees and business associates with working conditions that are clean, safe, healthy and fair. It strives to be the neighbor of choice in the communities in which it operates and contributes to their equitable and inclusive development through CSR. Apart from this the company has its separate policy for Code of Conduct, Whistle Blower Policy, and POSH.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	1. Name: Mr. Shalil Shashikumar Shroff Designation: Managing Director DIN:00015621 2. Name: Mr. Vinod Kumar Gupta Designation: Chief Executive Officer								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes, the Company has a committee of Board of Directors for Risk Management which is also responsible for making decisions on sustainability issues.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Board of Directors									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Board of Directors									Annually								

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
No, However, the policies are reviewed periodically from a best practice perspective as well as from a risk perspective. Further, the process and compliance with the policies are also reviewed internally by various departmental heads and business heads.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

a.	The entity does not consider the Principles material to its business (Yes/No)	All the above principles are covered by the policies
b.	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	
c.	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	
d.	It is planned to be done in the next financial year (Yes/No)	
e.	Any other reason (please specify)	

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

Essential Indicators

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

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impacts	% of persons in respective categories covered by the awareness programs
Board of Directors	4	The Company conducts familiarization programs for its Board of Directors at regular intervals which covers topics such as ESG parameters and targets, corporate governance practices, employee well-being, innovation and R&D and various other regulatory updates.	100%
Key Management Personnel	4	Team Management, Unpublished Price Sensitive Information (UPSI), Prevention of Sexual Harassment (POSH).	100%
Employees other than BOD and KMP	43	Team Management, Change Management, Unpublished Price Sensitive Information (UPSI), ISO 45001, Emergency Handling, Documentation, Material Safety Data Sheet (MSDS), Prevention of Sexual Harassment (POSH).	100%
Workers	69	Personal Protective Equipment (PPE), Fire Safety, Material Handling Material Safety Data Sheet (MSDS) ,Loading Unloading, Unsafe Act and Conditions, Work Permit, Chemical Handling etc.	100%

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

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil				
Settlement					
Compounding Fee					

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

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

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

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

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

The anti-corruption or anti-bribery policy is available at https://www.punjabchemicals.com/wp-content/uploads/2023/03/Anti-Bribery-and-Anti-Corruption-Policy.pdf of the Company.

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

Particulars	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMP's	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	–	0	–
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	–	0	–

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

– Not Applicable.

Leadership Indicators

1. Awareness programs conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programs held	Topics / principles covered	Value chain partners covered
Nil		

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

   All the Directors of the Company discloses his/her concern or interest in the Company or companies or bodies corporate, firms, or other association of individuals and any change therein, annually or upon any change, which includes the shareholding.

   Further, a declaration is also taken annually from the Directors under the Code of Conduct confirming that they will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and the role therein. In the Meetings of the Board, the Directors abstain from participating in the items in which they are concerned or interested. For related party transactions, full disclosure is made for all transactions with the audit committee. This is on a prior approval basis and the information is reviewed quarterly. Additionally, the Senior Management also affirms annually that they have not entered into any material, financial and commercial transactions, which may have a potential conflict with the interest of the Company at large.

PRINCIPLE 2 : Businesses should provide goods and services in a manner that are sustainable and safe.

Essential Indicators

1. Percentage of R&D and capital expenditure (Capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts.
R&D	26%	44%	Improvement in Environmental impact parameters such as Water, Air, Hazardous.
Capex	52%	11%	To improvise the Emission absorption system, a healthy and safe environment for workers.

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

   – Yes, To ensure sustainable sourcing, the organization has established a system for carefully reviewing vendor documents prior to material sourcing from vendors. We have vendor qualification SOP for key vendors.

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

   – 100%

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

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

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

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

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

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

   -Yes, the company is registered as per the Extended Producer Responsibility (EPR) plan.

Leadership indicators

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

   N.A.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

   N.A.

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

Indicate Input material	Recycled or reused input material to total material	
	FY 2022-23	FY 2021-22
Benzene	88.29%	87.81%
Toluene	96.85%	95.39%
Denatured Spirt	64.28%	65.56%

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

	FY 2022-23			FY 2021-22		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	35.8MT	36MT	107MT	46MT	47MT	138MT
E-waste	0	0	0	0	0	0
Hazardous waste	NA	NA	485.920MT	0	0	497.610MT
Other Waste like Boiler Ash	0	0	1600MT	0	0	1715MT

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

   – 0.00%.

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

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	292	149	51.03%	292	100%	0	0.00%	0	0.00%	0	0.00%
Female	47	22	46.81%	47	100%	47	100%	0	0.00%	0	0.00%
Total	339	171	50.44%	339	100%	47	13.86%	0	0.00%	0	0.00%
Other than Permanent Employees											
Male	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%

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

Category	% of Workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	889	212	23.85%	889	100%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	889	212	23.85%	889	100%	0	0.00%	0	0.00%	0	0.00%
Other than Permanent Workers											
Male	528	0	0.00%	528	100%	0	0.00%	0	0.00%	0	0.00%
Female	2	0	0.00%	2	100%	2	100%	0	0.00%	0	0.00%
Total	530	0	0.00%	530	100%	2	0.38%	0	0.00%	0	0.00%

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

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100.00%	100.00%	Y	100.00%	100.00%	Y
Gratuity	100.00%	100.00%	Y	100.00%	100.00%	Y
ESI	14.00%	66.00%	Y	13.00%	66.00%	Y
Others : Please Specify.	Nil	Nil	Nil	Nil	Nil	Nil

3. Accessibility of workplaces

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

– Yes, Most of our working locations are accessible to differently abled persons. The Company is working towards further improvement on the same.

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

– No

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

	Permanent Employees		Permanent Workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	0	0	0
Female	100	100	0	0
Total	100	100	0	0

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

– Yes, there is a mechanism available to receive and redress grievances.

Category	Mechanism in Brief
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	On receipt of any grievance through verbal, email, letter or telephonically etc., it is registered at the HR & Admin office and GM (HR & Admn) tries to resolve the same amicably with or without the help of other Senior Officers. For some complaints, if required, further investigation is done through an internal investigator / external investigator. The investigator conducts investigation by gathering the data, validating, analyzing and giving his observations and recommendations. The investigation report is further reviewed by the top Management and the recommendations are acted upon. The documentation of the action taken is filed for records. These are reviewed by the CEO, the Audit Committee and the Board, wherever necessary.

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

Category	FY 2022-23			FY 2021-22		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	339	0	0.00%	342	0	0.00%
Male	292	0	0.00%	292	0	0.00%
Female	47	0	0.00%	50	0	0.00%
Total Permanent Workers	889	863	97.08%	868	846	97.47%
Male	889	863	97.08%	868	846	97.47%
Female	0	0	0.00%	0	0	0.00%

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and Safety Measures		On Skill upgradation		Total (D)	On Health and Safety Measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	292	75	25.68%	103	35.27%	292	70	23.97%	68	23.29%
Female	47	4	8.51%	27	57.45%	50	0	0.00%	10	20.00%
Total	339	79	23.30%	130	38.35%	342	70	20.47%	78	22.81%
Workers										
Male	889	268	30.15%	0	0.00%	868	351	40.44%	0	0.00%
Female	0	0	0	0	0.00%	0	0	0.00%	0	0.00%
Total	889	268	30.15%	0	0.00%	868	351	40.44%	0	0.00%

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	292	163	55.82%	292	165	56.51%
Female	47	33	70.21%	50	35	70.00%
Total	339	196	57.82%	342	200	58.48%
Workers						
Male	889	487	54.78%	868	490	56.45%
Female	0	0	0.00%	0	0	0.00%
Total	889	487	54.78%	868	490	56.45%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).

Yes. Safety Management Framework covers all the business activities and the same are aligned with the EHS Management System as well as ISO 45001:2018 requirements. The coverage is 100% and includes all employees, workers and contractors associated with us. Maintaining and improving the safety and well-being of our people is an integral part of core values of our organization.

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

The Company has a process for Risk Management which is essential for preventing incidents, injuries, occupational disease, emergency control & prevention and business continuity. Considering the hazards associated with operations and hazardous chemicals used, sites have deployed structured Hazard

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

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/No)

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

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

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

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

Safety Incident / Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

   – The Company is committed to continuously employing Environment, Health and Safety (EHS) practices through continual improvements. The Company has integrated EHS (Environment, Health, Safety) Policy, which is implemented across all the three sites. The EHS Policy is aligned to the Group Safety Policy; Corporate Sustainability and the safety of stakeholders. To ensure steady improvement in the EHS performance, the Company has already adopted standards such as ISO 45001 and other Safety guidelines. HIRA i.e. Hazard identification and Risk Assessment and Management is being done in accordance with Hazard Identification and Risk Assessment (HIRA) Procedure. Job Safety Analysis (JSA) Procedure is being followed for nonroutine jobs. HAZOP i.e. Hazard and operability studies are being done to ensure adequate controls are in place to prevent process related events. Hierarchy of controls is being ensured for application of risk control measures. Control measures are in place to bring risks in acceptable range. Deployment of a Safe and Healthy system of work is assured through periodic safety audits and inspections across sites. The controls serve as an essential barrier to protect employees and the environment from potential hazards.Operating Procedures and Safe Work Practices ensures uniform and safe operations and minimise operational errors with consistent performance. Hazard Monitoring and Communication of materials and processes are continuously monitored, reported, and communicated to all employees.All these systems and practices help to ensure availability of a safe and healthy workplace.

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

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health and Safety	0	0	-	0	0	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety Practices	100%
Working conditions	100%

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

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

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

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

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

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

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

	Total No. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	0	0	0	0
Workers	0	0	0	0

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

   – Yes, on case to case basis.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	25%, The Company has practice to visit the customers before purchasing technical products and ensure adequate training is being provided by supply chain partners to handle products safely. For domestic value chain partners also, adequate training is ensured by supply chain partners to handle products safely.
Working conditions	

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

   – Nil

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

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

   – Internal and external group of stakeholders have been identified. Presently, the given stakeholder groups have the immediate impact on the operations and working of the Company. This includes Employees, Shareholders, Customers, Communities, Suppliers, Partners and Vendors.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, pamphlets, advertisements, community meetings, Notice board, website, others).	Frequency of engagement. (Annually, Half Yearly, Quarterly/ others – Please Specify).	Purpose and scope of engagement including key topics and concerns raised during such engagements.
Shareholders	No	Email, SMS, Website & Newspaper, annual/quarterly reports and earning calls, investor presentations and investor conferences	Quarterly/need based	Share price appreciation, dividends, profitability and financial stability, corporate governance, ESG disclosures, regulatory compliance and overall Company performance.
Employees	No	Email & Website, In person meetings	Regularly, an ongoing activity.	Employee engagement initiatives, innovations, achievements, awards, update on policies, operational efficiencies, improvement areas, long-term strategy plans, training, professional growth and development, health, safety and engagement initiatives
Customers	No	Email & Website, In person meetings, con-call meetings	Regularly, an ongoing activity.	Update on Business performance and new product development / initiatives, product quality and availability, responsiveness to needs, after sales service, responsible guidelines.
Suppliers / Partners	No	Email & Website, In person meetings, con-call meetings, Vendor meets	Regularly, an ongoing activity.	Update on Business performance and new product development / initiatives, product quality and availability, timely delivery and payments, ESG consideration (sustainability, safety checks, compliances, ethical behaviour), ISO standards, collaboration and digitalization opportunities
Government	No	Email & Website, meetings, legal submissions and approvals	Periodically, an ongoing activity / as and when required	Regulatory filings, legislations, ESG practices, frameworks for sustainability and beyond compliance, skill and capacity building, employment, environmental measures), policy advocacy, timely contribution to exchequer / local infrastructure, proactive engagement
Communities	No	Email & Website, in person meetings	Periodically, an ongoing activity.	Waste management, integrated water management, clean water, climate change impacts, community development, self-sustainability, livelihood support, disaster relief, CSR activities with a focus on health, education, sanitation and infrastructure development.

Leadership Indicators

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

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

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

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

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

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

PRINCIPLE 5 : Businesses should respect and promote human rights.

Essential Indicators

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	0	0	-	0	0	-
Other than Permanent	0	0	-	0	0	-
Total Employees	0	0	-	0	0	-
Workers						
Permanent	0	0	-	0	0	-
Other than Permanent	0	0	-	0	0	-
Total Employees	0	0	-	0	0	-

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

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/A)	No. (F)	% (F/D)
Employees										
Permanent										
Male	292	0	0.00%	292	100%	292	0	%	292	100%
Female	47	0	0.00%	47	100%	50	0	%	50	100%
Other than Permanent										
Male	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Workers										
Permanent										
Male	889	889	100%	0	0.00%	868	868	100%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Other than Permanent										
Male	528	528	100%	0	0.00%	531	531	100%	0	0.00%
Female	2	2	100%	0	0.00%	0	0	0.00%	0	0.00%

3. Details of Remunerations / salary / wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	7	12,12,500	1	12,12,500
Key Managerial Personnel *	2	-	1	-
Employees other than BoD and KMP	290	379299	46	619821
Workers	889		0	-

* Median of Key Managerial Personnel is not comparable as Chief Financial Officer and Company Secretary worked for the part of year.

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

   – Yes.

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

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

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

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour / Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human Rights related Issues	0	0	-	0	0	-

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

   – As part of Whistleblower Policy and POSH Policy, the Company strictly maintains the protection of identity of the complainant. All such matters are dealt in strict confidence. As a part of our policy on Code of Conduct, the Company does not tolerate any form of retaliation or revenge against anyone reporting legitimate concerns. Anyone involved in targeting such a person is subjected to disciplinary action, wherever found.

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

   – Yes.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100.00%
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others : Please Specify.	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

   – There were no audit concerns in the above areas from assessments in FY 2022-23.

Leadership Indicators

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

   – NIL

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

   – NIL

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

   – Yes.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	0.00%
Discrimination at workplace	0.00%
Child labour	0.00%
Forced/involuntary labour	0.00%
Wages	0.00%
Others : Please Specify.	0.00%

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

   NA

PRINCIPLE 6 : Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

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

Parameters	FY 2022-23	FY 2021-22
Total electricity consumption (A)	36626054000	35556196000
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	1635482000	1092951000
Total energy consumption (A+B+C)	38261536000	36649147000
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	3.79	3.92
Energy intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

– No

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

   – Not Applicable

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

Parameters	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	N.A.	N.A.
(ii) Groundwater	101553.5m3	104659.5m3
(iii) Third party water	N.A.	N.A.
(iv) Seawater / desalinated water	N.A.	N.A.
(v) Others	N.A.	N.A.
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	101553.5m3	104659.5m3
Total volume of water consumption (in kilolitres)	101553.5m3	104659.5m3
Water intensity per rupee of turnover (Water consumed / turnover) KL/Crores	100.75	112.42
Water intensity (optional) - the relevant metric may be selected by the entity	N.A.	N.A.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, water assessment/ evaluation/assurance has been successfully conducted by Thapar University, Patiala.

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

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

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

Parameters	Please specify unit	FY 2022-23	FY 2021-22
NOx	MT	1.57	1.23
Sox	MT	1.1	1.01
Particulate matter (PM)	MT	1.41	1.22
Persistent organic pollutants (POP)	0	0	0
Volatile organic compounds (VOC)	0	0	0
Hazardous air pollutants (HAP)	0	0	0
Others – please specify	0	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

– No.

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

Parameters	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent (Scope 1: Direct emission)	1213.54 MT	1254.25 MT
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent (Scope 2: Indirect emission)	0	0
Total Scope 1 and Scope 2 emissions per rupee of Turnover	MT CO2 /₹	0	0
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable	Not Applicable

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

– No.

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

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

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

Parameters	FY 2022-23	FY 2021-22
Total waste generated (in metric tons)		
Plastic waste (A)	180.01MT	231.25MT
E-waste (B)	0.250	0.200
Bio-medical waste (C)	0.0012	0.0003551
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	Nil	Nil
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)	Nil	Nil
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Nil	Nil
Total (A+B + C + D + E + F + G + H)	180.2612	231.4503

Parameters	FY 2022-23	FY 2021-22
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	Nil	Nil
(i) Recycled	Nil	Nil
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	Nil	Nil
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	642.130	626.824MT
(ii) Landfilling	469.16MT	505.920MT
(iii) Other disposal operations	1161.654MT	494.11MT
Total	2772.94MT	1626.85MT

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

– No

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

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

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

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and Corrective action taken, if any.
1	NA		

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil					

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

   – Yes, the company is Complying with all the above mentioned acts and rules

S. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameters	FY 2022-23 (in gigajoule)	FY 2021-22 (in gigajoule)
From renewable sources	NA	NA
Total electricity consumption (A)		
Total fuel consumption (B)		
Energy consumption through other sources (C)		
Total energy consumed from renewable sources (A+B+C)		
From non-renewable sources		
Total electricity consumption (D)	36626054000	35556196000
Total fuel consumption (E)	0	0
Energy consumption through other sources (F)	1635482000	1092951000
Total energy consumed from non- renewable sources (D+E+F)	38261536000	36649147000

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

– No.

2. Provide the following details related to water discharged:

Parameters	FY 2022-23	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)	NA	NA
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of Treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of Treatment		
(iv) Sent to third-parties (KL released to CETP)		
- No treatment		
- With treatment – please specify level of Treatment Primary, aerobic secondary and tertiary.		
(v) Others		
- No treatment		
- With treatment – please specify level of Treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

– No.

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

   Only water withdrawal and consumption is being carried out in water stress area

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

   (i) Name of the area- Derabassi and Lalru

   (ii) Nature of operations- Manufacturing of Agrochemicals and Specialty Chemicals

   (iii) Water withdrawal, consumption and discharge in the following format:

Parameters	FY (2022-23)	FY (2021-22)
Water withdrawal by source (in kilolitres)		
(i) To Surface water	NA	NA
(ii) To Groundwater	101553.5m3	104659.5m3
(iii) Third party water.	NA	NA
(iv) Sea water / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	101553.5m3	104659.5m3
Total volume of water consumption (in kilolitres)	101553.5m3	104659.5m3

Parameters	FY (2021-22)	FY (2021-22)
Water intensity per rupee of turnover (Water consumed/turnover)	NA	
Water intensity (optional) – the relevant metric may be selected by the Entity.		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of Treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of Treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

– Not Applicable

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

Parameters	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	0	0
Total Scope 3 emissions per rupee of turnover	MT/₹	0	0
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable	Not Applicable

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

– No. The Company is zero liquid discharge unit.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

– Not applicable

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

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Integrated Waste Management	i) Converting Hazardous waste in useable material like: Spent Acetic Acid, Spent Poly aluminium chloride, Spent HCL, Spent NMP, Spent KCL Solution, Spent Oxalic Acid of Layer, Spent Morpholene of Layer.	Conservation of Natural resources/ Raw materials/ Reduction in usage of natural resources.
		ii) Scrubber installation at boiler to avoid air pollution.	Air pollution control.
		iii) New Technology (MVRE) Mechanical Vapor Recompression Evaporation to minimize stream consumption	Conservation of natural resources.

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

Yes, the Company has a business continuity and on-site emergency plan for all its locations. This business continuity plan enables the Company to adapt in situations arising from any natural calamity or an unprecedented event which may disrupt the business operations. The Company continuously enhances its existing plan by incorporating interferences and observations from disruptions faced in the unprecedented situations such as the pandemic. Further the Company's risk management plan enables the minimisation of disaster-linked losses, by assessing the potential for major disruption with its consequent risks to the business, and by providing the appropriate mitigation action plans.

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

– No significant impact.

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

– None.

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

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

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

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

– Not applicable.

Leadership Indicators

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

– Not Applicable

PRINCIPLE 8 : Businesses should promote inclusive growth and equitable development

Essential Indicators

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

   – No assessments carried out

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

   – Not Applicable

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

   – The Senior Leadership team regularly communicates with the representatives of nearby communities including villagers to understand and address their concerns, if any. The Company believes that the overall development of communities is of paramount importance, accordingly it work towards assisting communities with their social and economic well-being. In addition, the Company proactively engages with the community as a part of the CSR initiatives.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	5.70%	4.82%
Sourced directly from within the district and neighboring districts	9.81%	9.45%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

   In the FY 2022-23, there was no Social Impact Assessments Conducted

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

   For this reporting year, the Company did not undertake any CSR projects in designated aspirational districts.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

   No, the Company does not have any preferential procurement policy focusing on suppliers from marginalised vulnerable groups.

   (b) From which marginalized /vulnerable groups do you procure?

   Not Applicable

   (c) What percentage of total procurement (by value) does it constitute?

   Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

   The Company does not derive any benefits from intellectual properties owned or acquired based on traditional knowledge

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

   Not Applicable

6. Details of beneficiaries of CSR Projects:

   Approximate project-wise beneficiaries (including vulnerable and marginalized groups) are mentioned below:

Sr. No.	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Environment Projects	5000	100% Beneficiaries from Rural areas.
2	Medical camp in nearby village.	350	100% Beneficiaries from Rural areas.
3	Education Projects	2000	100% Beneficiaries from Rural areas.
4	Preventive Health Care Projects – Health & Eye Check up Camps	400	100% Beneficiaries from Rural areas.

PRINCIPLE 9 : Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   – The Company has a well-established setup for logging complaints for the existing customers through emails, letters and phone. Complaints are escalated and resolved within the time bound period depending on the nature of the complaint.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percent to total turnover
Environmental and Social parameters relevant to the products	0.00%
Safe and responsible usage	100%
Recycling and/or safe disposal	0.00%

3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil			Nil		NA
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Not Applicable
Forced recalls	Nil	Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

   Yes- https://www.punjabchemicals.com/wp-content/uploads/2023/06/Security-Policy.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   – The Company has policy for the same at place and cyber security has also been outsourced and managed by a leading IT service company. Internally regular reviews are conducted and corrective actions are taken to improve the cyber security as per requirements. Data privacy requirements are being evaluated. Actions will be taken against the guilty as per data privacy law.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

   The information on products and services of the entity can be accessed at https://www.punjabchemicals.com/agrochemical/

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   The Company adheres to relevant regulatory requirements by disclosing information to its stakeholders on the safe and responsible usage of products. The information label attached to each product informs the consumers about pharmacokinetics, instructions for safe use, sourcing of ingredients, composition, mechanism of action, clinical pharmacology, product interactions and side effects, and guidance on appropriate storage conditions, among others.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   – The Company informs through emails and phone calls.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

   – Yes, our product labels are very detailed and carry information about Hazards and safe handling. Address and contact numbers of Manufacturing sites and H.O. is provided on product labels.

5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   – No.

6. Provide the following information relating to data breaches:

   a. Number of instances of data breaches along-with impact : Nil

   b. Percentage of data breaches involving personally identifiable information of customers : Nil

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Punjab Chemicals and Crop Protection Limited
Milestone 18, Ambala Kalka Road,
Village & P.O. Bhankharpur,
Derabassi, Mohali, Punjab –140201.
(CIN: L24231PB1975PLC047063)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Punjab Chemicals and Crop Protection Limited** (hereinafter called 'the Company'). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2023 (the period under review) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:

- There was no Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment, during the period under review as informed to us by the management of the Company.

(v) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not applicable to the Company during the period under review.

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- Not Applicable to the Company during the Review Period.

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not Applicable to the Company during the Review Period.

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client - Not applicable to the Company during the period under review.

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable to the Company during the period under review.

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not Applicable to the Company during the period under review.

(i) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not Applicable to the Company during the period under review.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that we have relied on the representation made and other documents provided by the Company, its officersand certify on the examination of the same on test check basis that the Company has complied with the following laws applicable specifically to the Company as identified and confirmed by the management:

(i) The Boilers Act, 1923;

(ii) The Poisons Act, 1919;

(iii) Insecticides Act, 1968;

(iv) Drugs and Cosmetics Act, 1940;

(v) The Environment (Protection) Act, 1986;

(vi) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;

(vii) The Water (Prevention & Control of Pollution) Act, 1974; and

(viii) The Air (Prevention & Control of Pollution) Act, 1981.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice was given to all the Directors to schedule the Board meetings, and agenda and detailed notes on agenda were sent at least 7 (seven) days in advance, in compliance with the provisions of the Companies Act, 2013.Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions were taken by majority, while the dissenting members' views, if any, were captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For P.S. Dua & Associates
(Company Secretaries)

P.S. Dua
FCS No. 4552
C. P. No. 3934
Peer Review Certificate No. 1296/2021
UDIN: F004552E000253011

Place: Ludhiana
Date: 4th May, 2023

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

Annexure A to Secretarial Audit Report

To,
The Members,
Punjab Chemicals and Crop Protection Limited
Milestone 18, Ambala Kalka Road,
Village & P.O. Bhankharpur,
Derabassi, Mohali, Punjab –140201.
(CIN: L24231PB1975PLC047063)

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained and relied on the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For P.S. Dua & Associates
(Company Secretaries)

P.S. Dua
FCS No. 4552
C. P. No. 3934
Peer Review Certificate No. 1296/2021
UDIN: F004552E000253011

Place: Ludhiana
Date: 4th May, 2023

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A) CONSERVATION OF ENERGY

a) **Steps taken for Conservation of Energy and Impact:**

- Flow meters have been installed in individual plants to monitor the steam consumption.
- Energy meters installed in DG sets to monitor efficiencies.
- Boilers revamped to improve their efficiencies.
- Efficiency monitoring program for chillers implemented.
- Power factor improved from 0.98 to 0.998.
- Operational – moderate modifications, changes in process parameters, changes in design and manpower.
- Single dry vacuum pump has been installed.
- Focused on recycling of water resulting in the reduction of water treatment.
- Solvent recovery systems improved. Old heat exchangers were replaced for better efficiency.
- Increase the size of bus bar transformer-3 to save energy.
- Installation of AC drive in ETHO & oxalic plant cooling tower pumps.

b) **Steps taken by the Company for utilizing alternate sources of energy:**

Energy Audit was conducted and implementation of the suggestions received to save energy are in progress.

c) **Capital investment on energy conservation equipments:**

The Company regularly monitors the energy consumption and make necessary investments by installing energy efficient equipments, wherever required. The capital investment on energy conservation equipment's was ₹2.1 Crore.

Above efforts and monitoring helps in energy conservation and to save cost.

B) TECHNOLOGY ABSORPTION:

(i) **The efforts made towards technology absorption:**

Quality of the products improved by controlling impurities as per norms laid down by the customers.

(ii) **Benefits derived as a result of the above efforts, e.g. Product improvement and cost reduction, product development, import substitution:**

Process modifications being carried to decrease the time cycle, improve efficiency, safety and for cost reduction.

(iii) **Technology imported during the last 3 years:**

The Company has not imported any technology.

(iv) **The expenditure incurred on Research and Development:**

(₹ In lakh)

	2022-23	2021-22
Capital Expenditure	77	145
Revenue Expenditure	224	185
Total R&D Expenditure	301	330
Total R&D expenditure as %age of total turnover	0.30%	0.35%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(₹ In lakh)

	2022-23	2021-22
Foreign Exchange Earned	58078	48721
Foreign Exchange Outgo	13958	11458

For and on behalf of the Board of Directors

Mukesh Dahyabhai Patel
Chairman
DIN:00009605

Place : Mumbai
Date : 4th May, 2023

Disclosure of Managerial Remuneration

[Pursuant to Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1 The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2022-23 as well as the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary is as under:

Name of Director/Key Managerial Personnel	Designation	Ratio to median remuneration	% increase/decrease in remuneration
Mr. Shalil Shashikumar Shroff	Managing Director	90.8x	8.63%
Mr. Mukesh Dahyabhai Patel	Independent Director	4.69x	-0.22%
Capt. Surjit Singh Chopra (Retd.)	Director	1.03x	-19.39%
Ms. Aruna Rajendra Bhinge	Independent Director	1.64x	-11.69%
Mr. Sheo Prasad Singh	Independent Director	1.34x	13.45%
Mr. Shivshankar Shripal Tiwari	Director	9.19x	-2.27%
Mr. Avtar Singh	Director	1.27x	*
Mr. Vijay Dilbagh Rai	Independent Director	4.53x	-1.03%
Mr. Vinod Kumar Gupta	Chief Executive Officer	-	60%
Dr. (HC) Sriram Swaminathan	Chief Financial Officer (upto 16.03.2023)	-	*
Mr. Ashish R Nayak	Chief Financial Officer (w.e.f. 16.03.2023)	-	*
Mr. V Srinivas	Company Secretary (upto 24.01.2023)	-	*
Ms. Rishu Chatley	Company Secretary (w.e.f. 24.01.2023)	-	*

*Since the remuneration is only for part of the year (current/ previous), the percentage increase in remuneration is not comparable and hence not stated

2 The percentage increase/decrease in the median remuneration of employees in the financial year. -13.74%

3 The number of permanent employees on the roll of the Company.

As on 31.03.2023	As on 31.03.2022
1228	1213

4 Average percentile increase already made in the salaries of employees other than the managerial remuneration in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average increase in salary of employees (other than managerial personnel)	12.46%
Average increase / decrease in remuneration of managerial personnel	-18.96%

The unusual decrease in managerial remuneration is due to superannuation of some KMPs in the last year and therefore the remuneration is only for part of the year (current/ previous).

5 Affirmation that the remuneration is as per the remuneration policy of the Company.

Remuneration paid to Directors, KMP's and other employees during the year is as per the Remuneration Policy of the Company.

Note:

1. The Median salary of the staff members is arrived by taking into account the gross salary of the employees who worked through the year. The employees who joined or left in any part of the year have not been considered for computing the median.
2. No Stock option was granted to Directors.
3. Remuneration includes sitting fees and Commission for Non-Executive Directors and Salary and Commision for the Executive Director. Commission relates to FY 2022-23, which will be paid during FY 2023-24.

Statement showing the detail of employes drawing aggregate remuneration exceeding one crore and two lakh rupees as per Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014.

Employee name, designation and age	Educational Qualification	Remuneration (₹ In Lakhs.)	Date of joining and experience	Previous employment and designation	Relation with any other Director / Manager
Shalil Shashikumar Shroff - Managing Director 58 years	Management Diploma from U.S.A. and B.Com	348.00	15. 01. 1992 34 years	STS Chemicals Limited, Director	Son in law of Capt. S.S. Chopra (Retd.), Director
Vinod Kumar Gupta - Chief Executive Officer 53 years	Chemical Engineer, IIT Bombay & Post Graduate Program in Management for Executives, IIM Ahmedabad	228.00	08. 02. 2021 31 years	Archean Chemicals Industries Private Limited - CEO	N.A.
Dr Sriram Swaminathan - Chief Financial Officer 60 years	Hon, Doctorate in Supply Chain Management, Fellow member of the Institute of Cost Accountants of India., Master of Commerce from Mumbai University.	118.00	01. 04. 2020 36 years	Group CFO-Tatva (UPL Group)	N.A.

The Board has recommended / approved a Commission of ₹118 lakh (within the ceiling provided in the Companies Act, 2013) to Mr. Shalil Shashikumar Shroff, Managing Director for the year 2022-23 in accordance with remuneration approved by the shareholders of the Company and shall be paid in the financial year 2023-24, which has been included in his remuneration.

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2023, in terms of Regulation 34(3) read with Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

For years, Punjab Chemicals and Crop Protection Limited ("the Company") has promoted practices, standards and resources that benefit all stakeholders comprising customers, vendors, investors, regulators, employees and the society at large.

Our Board recognises the importance of maintaining high standards of corporate governance, which underpins our ability to deliver consistent financial performance and value to our stakeholders. In line with the above philosophy, the Company continuously strives for excellence and focuses on enhancement of long-term stakeholder value through adoption of best governance and disclosure practices. The Company has a strong legacy of fair, transparent and ethical governance practices and continues to make progressive actions that promote excellence within our business and the marketplace.

The Company maintains a comprehensive set of compliance policies and procedures which assist us to comply with the law and conduct our business in an honest, ethical and principled way.

The Company's Code of Business Conduct and Ethics, Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons as framed under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, demonstrates our values and commitment to ethical business practices, integrity and regulatory compliances.

At PCCPL, we believe Good corporate governance is an essential part of a well-managed, successful business enterprise that delivers value to shareholders. Our governance framework is based on the following principles:

- Fair and equitable treatment towards stakeholders to encourage active co-operation;
- Timely and accurate disclosure of all material matters regarding the corporation, including the financial situation, performance, ownership, and governance of the company;
- Board members act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders and appropriate composition and size of the Board is ensured;
- Channels for disseminating information provide for equal, timely and cost-efficient access to relevant information by users;
- Continually reinforcing a culture across the organisation of acting lawfully, ethically and responsibly;
- Establishing a sound risk management framework and periodically reviewing the effectiveness of that framework;
- As part of Corporate Social Responsibility, PCCPL believes in working and supporting sustainable projects both for people & planet and valuable contribution to social and economic development; and
- Continuous and on-going focus on training, development and integration of employees across all levels to achieve Company's objectives. The Company's vision embraces challenges and provides the impetus in setting highest corporate governance standards.

BOARD OF DIRECTORS

Composition of Board

The Board is responsible for providing strategic direction to the Company, establishing a policy-based governance system, defining a succession plan, providing independent judgement and overseeing the performance of the management and governance of the Company on behalf of the shareholders and other stakeholders.

The composition of the Board of the Company is in conformity with Regulation 17 of Listing Regulations and Section 149 of the Companies Act, 2013 ("the Act"). It is an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities effectively and provide leadership to the business.

As on the date of this Report, the Board has 8 (eight) Directors. There is 1 (one) Executive Director (Managing Director), 3 (three) are Non-Executive and remaining 4 (four) are Independent Directors including one Independent Woman Director. The Chairman is an Independent Director. The Managing Director is the Promoter Director. Three Non-Executive Directors are liable to retire by rotation at the Annual General Meetings to comply with the provisions of the Act. The number of Directorship(s)/ Committee Membership(s)/ Chairmanship(s) of all Directors is within respective limits prescribed under the Listing Regulations and the Act.

The Composition and Category of Directors, their attendance at the Board Meetings and the last Annual General Meeting (AGM) held during the year 2022-23 and the number of Directorships and Committee Chairmanships/ Memberships held by them in other Public Limited Companies as on 31st March, 2023 are as follows:

Name of the Director	Category	Attendance		No. of other directorships and Committee memberships / chairmanships			Directorship in other listed entities and category of directorship*	No. of Shares
		Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanship		
Mr. Mukesh Dahyabhai Patel Chairman (DIN:00009605)	Independent/ Non-Executive	6	Yes	3	4	2	i. Shilchar Technologies Limited - (Independent Director) ii. Banco Products (India) Ltd. – (Independent Director)	400
Mr. Shalil Shashikumar Shroff Managing Director (DIN:00015621)	Promoter / Executive	6	Yes	-	-	-	-	230581
Capt. Surjit Singh Chopra (Retd.) (DIN:00146490)	Non-Independent/ Non-Executive	6	Yes	-	-	-	-	-
Mr. Vijay Dilbagh Rai (DIN:00075837)	Independent/ Non-Executive	6	Yes	2	1	-	-	-
Ms. Aruna Rajendra Bhinge (DIN:07474950)	Independent Woman Director/ Non-Executive	6	Yes	3	3	-	i. Laurus Labs Limited -Independent Director. ii. Mahindra EPC Irrigation Ltd. -Independent Director	Nil
Mr. Sheo Prasad Singh (DIN:06493455)	Independent/ Non-Executive	6	Yes	-	-	-	-	Nil
Mr. Avtar Singh (DIN:00063569)	Non-Independent/ Non-Executive	6	Yes	3	2	-	i Transpek Industries Limited	5861
Mr. Shivshankar Shripal Tiwari (DIN:00019058)	Non-Independent/ Non Executive	6	Yes	-	-	-	-	33,469

*Excludes Directorship in private limited companies, foreign companies, and companies under Section 8 of the Companies Act, 2013.

Notes:

(a) Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies other than PCCPL.

(b) Mr. Shalil Shashikumar Shroff, Managing Director and Capt. Surjit Singh Chopra (Retd.) are related to each other. None of the other Directors are related inter-se.

(c) None of the Directors have received any loans and advances from the Company during the year.

(d) The Board of Directors have noted the declaration received from the Independent Directors pursuant to the Companies Act, 2013 and Listing Regulations with regard to their Independence and are of the opinion that the Independent Directors fulfil the conditions of independence and are independent of the management of the Company.

(e) The Managing Director is paid remuneration as approved by the members of the Company within the overall ceiling prescribed under the Companies Act, 2013. Other Non-Executive Directors are paid sitting fees for attending the Board and Committee Meetings in addition to the Commission in case of sufficient net profit calculated as per the provisions of the Companies Act, 2013.

(f) The Company has no convertible instruments. None of the Directors hold any convertible instruments of the Company.

Familiarisation Programme

Pursuant to the provisions of the Act and Regulation 25 (7) of the Listing Regulations, the Company has, during the year, conducted familiarisation programmes for its Independent Directors and other Directors. Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, among others, and seek their opinions and suggestions on the same. In addition, the Directors are briefed on their specific responsibilities and duties that may arise from time to time.

The details of familiarization programmes imparted to Independent Directors are also disclosed on the Company's website: https://www.punjabchemicals.com/wp-content/uploads/2023/03/Familarisation-Programme-for-Independent-Directors-FY-2022-23.pdf

Directors and Officers Insurance ('D&O')

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has taken adequate D&O insurance for directors, officers and employees of the Company.

Core Skills/Expertise/Competencies available with the Board

The Board evaluates its composition to ensure that the Board has the appropriate mix of skills, experience, independence and knowledge to ensure their continued effectiveness. The Board Members have background that when combined provide a portfolio of experience and knowledge that will serve Raymond's governance and strategic needs. The Directors have demonstrated experience and ability that is relevant to the Board's oversight role with respect to Punjab Chemicals business and affairs.

In terms of Listing Regulations, the following skills, expertise and competencies have been identified by the Board of Directors as required in the context of its business and sector for it to function effectively:

- Global business and Economics
- Management and Leadership
- Strategy and Growth
- Crop Protection Products
- Finance
- Risk, Compliance and Governance

The abovementioned skills / expertise / competencies are available with the Board as a whole.

In the table below, the specific areas of expertise of individual Board members are as under:

Areas/Director	Global business and Economics	Management and Leadership	Strategy and Growth	Crop Protection Products	Finance	Risk, Compliance and Governance
Mr. Mukesh Dahyabhai Patel	√√	√√	√√	√√	√√	√√
Mr. Shalil Shashikumar Shroff	√√	√√	√√	√√	√√	√√
Capt. Surjit Singh Chopra (Retd.)	√	√	√√	√	√	√√
Mr. Vijay Dilbagh Rai	√√	√√	√√	√√	√√	√√
Ms. Aruna Rajendra Bhinge	√√	√√	√√	√√	√	√√
Mr. Sheo Prasad Singh	√	√	√	√	√√	√√
Mr. Avtar Singh	√√	√√	√√	√√	√	√√
Mr. Shivshankar Shripal Tiwari	√√	√√	√√	√√	√	√√

Note: (√√) Possess the skill and has core expertise; (√) Possess the skill

Information to Board/ Committee Members

During the year under review, board/committee meetings were convened by giving appropriate notice of the meeting well in advance. The directors/members of the Committee were provided with appropriate information in the form of agenda items in a timely manner, to enable them to deliberate on each agenda item, make informed decisions and provide appropriate directions to the Management in this regard. Information is provided to the Board members on a continuous basis for their review, inputs and approval. PCCPL ensures that the directors are also provided with all the information as may be called upon by them.

Board/Committee Meetings and Procedures

The Board has constituted various Committees to govern specific areas of operations/functions. All Board and Committee meetings are held in compliance with Secretarial Standard-1 (SS-1) issued by The Institute of Company Secretaries of India.

The Company has moved to a regime of paperless Board and Committee meetings. All the board/committee meetings were held through physically as well as video conferencing as allowed under law.

Scheduling and selection of agenda items for Board and Committee meetings

The Board/Audit Committee annually holds at least four pre-scheduled meetings. Additional Board/Committee meetings may be convened to address the Company's specific needs. In case of business exigencies or urgency, resolutions are passed by circulation. Every quarter, the Board notes compliances of all laws applicable to the Company.

In the Board/Committee meeting, various business heads/ service heads are invited to make presentation on their respective areas.

The Chairman of the Board and Company Secretary, in consultation with other concerned members of the senior management, finalize the agenda for Board/Committee meetings. The agenda is circulated to the Directors well in advance along with all material information pertaining to the agenda items for facilitating meaningful and focused discussions at the meeting.

The broad matters considered by the Board, inter-alia include:

Annual operating plans, capital budgets and updates therein.; Quarterly and annual consolidated and standalone results & financial statements of the Company; Capital/corporate restructuring, mergers and acquisitions related matters; Dividend/bonus related matters; Regular business/function updates; Update from Chairperson of Board Committees; Compliance related matters; Regulatory updates; Human Resource related matters.

Video/teleconferencing facilities are also provided to the Directors to participate in meetings, whenever required. In case of urgent business, if the need arises, the Board's/Committee's approval is taken by passing resolutions through circulation or by calling Board/Committee meetings at short notice, as permitted by law.

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/Committee members for their comments as prescribed under SS-1. The minutes after considering comments of directors, are entered in the minutes book within 30 days from the conclusion of the meeting. The minutes thereafter are signed by the Chairperson of the next meeting. Important decisions taken at Board/Committee meetings are communicated promptly to the concerned departments/ divisions. Action taken on decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/ Committees for noting.

Board Meetings

The Board duly met 6 (Six) times during the year and the gap between the two meetings did not exceed 120 days. The necessary quorum was present for all the meetings. The details of the meetings held are as follows:

Date	Board Strength	No. of Directors present	No. of Independent Directors Present
5th May, 2022	8	8	4
9th August, 2022	8	8	4
9th September, 2022	8	8	4
3rd November, 2022	8	8	4
24th January, 2023	8	8	4
16th March, 2023	8	8	4

During the year, there was full quorum in all board meetings including full attendance of independent directors.

Independent Directors Role

As trustees of shareholders, Independent Directors play a pivotal role in upholding corporate governance norms and ensuring fairness in decision making. Being experts in various fields, they also bring independent judgement on matters of strategy, risk management, controls and business performance. The Directors' Report contains the disclosures regarding fulfilment of the requisite independence criteria by Company's Independent Directors.

Independent Directors and their meeting

The Independent Directors are appointed by the Board to provide their independent judgement on the affairs of the Company. The Independent Directors are appointed by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee.

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided under the law and that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgement and without any external influence.

In the opinion of the Board, the Independent Directors of PCCPL fulfil the conditions specified in the Securities and Exchange Board of India ["Listing Obligations and Disclosures Requirements} Regulations, 2015 ["Listing Regulations]" and the Companies Act, 2013 regarding independence and are independent of the management. Further, pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd October, 2019, all the Independent Directors are registered on the Independent Directors databank maintained by the Indian Institute of Corporate Affairs ('IICA').

At the time of appointment, each Independent Director is issued a formal letter of appointment containing the terms of appointment, roles, duties and code of conduct among other items. The draft letter of appointment is available on the website of the Company under Investors section at https://www.punjabchemicals.com/wp-content/uploads/2022/04/Draft-letter-of-appointment.pdf.

During the year under review, the Independent Directors met on 27th March, 2023, where all the Independent Directors were present. The meeting was conducted to enable the independent directors to discuss the affairs of the Company, outcome of the board/committee evaluation and put forth their views to the Board.

During the year under review, there was no change in Independent Directors.

Code of Conduct

The Company has a Code of Conduct which expresses PCCPL's commitment to conducting business ethically. The Code explains what it means to act with integrity and transparency in everything the Company does and in accordance with its unique culture and values. The Code sets expectations for all those who work with PCCPL. The Code acts as a guideline for Employees, Customers and Suppliers, Communities/ Environment, Governments and Shareholders. The Code of Conduct is available on Company's website at https://www.punjabchemicals.com/wp-content/uploads/2022/05/Code-of-Conduct-and-ethics-PCCPL-f.pdf

As required under Clause D of Schedule V pursuant to Regulation 34(3) of the Listing Regulations, the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management as laid down by the Company for the year ended 31st March, 2023. A declaration to this effect from the Managing Director forms part of this Report.

Succession Planning / Policy

The Company believes succession plans should be proactive and rigorous to identify and secure the best possible talent to oversee and manage the organisation.

The succession planning process of the Board and the senior management is managed by the Nomination and Remuneration Committee ("NRC") and reviewed by the Board. The Nomination and Remuneration Committee ensures orderly / structured succession in appointments to the Board and senior management. The Company strives to maintain an appropriate balance of skills, experience and continuity in the Board.

The Succession Policy is placed on the website of the Company at https://www.punjabchemicals.com/wp-content/uploads/2020/07/Succession-Policy.pdf

Board Independence

Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, Independent Directors including the Chairman are independent in terms of Listing Regulations.

Appointment/ Re-appointment of Directors

As required under Regulation 36 (3) of the Listing Regulations, particulars of the Director seeking reappointment are given in the Explanatory Statement to the Notice of the Annual General Meeting (AGM).

BOARD COMMITTEES

The Board Committees are set up by the Board of Directors and are governed by their respective terms of reference which exhibit the scope and responsibilities of the Committees. Presently, the Board has five committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee. The Committees operate under the direct supervision of the Board.

The terms of reference of all the Committees are revised on a periodic basis to enhance the effectiveness of the Committees and to benchmark it with the best global practices in governance.

AUDIT COMMITTEE

Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the Company's financial reporting process and internal controls. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Act and the provisions of Regulation 18 read with Part C of Schedule II of the Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. It functions in accordance with its charter that defines its authority, responsibility and reporting function.

The broad terms of reference of Audit Committee as adopted by the Board, inter-alia, are as under:

Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible; Reviewing, with the management, the financial statements and financial results and auditor's report thereon before submission to the Board for approval; Recommendation for appointment and remuneration of auditors, reviewing their independence and effectiveness of the audit process; Approval of payment to statutory auditors for any other services rendered by the statutory auditors; Oversee insider trading related matters and provide directions on any penal action to be initiated, in case of any violation of the Insider Trading Regulations; Approval or any subsequent modification of transactions with related parties; Scrutiny of inter-corporate loans and investments of the Company; Valuation of undertakings or assets of the Company, wherever it is necessary; Review the functioning of the vigil policy/whistle blower mechanism.

During FY 2022-23, the Audit Committee met five times i.e. 5th May, 2022, 9th August, 2022, 3rd November, 2022, 24th January, 2023 and 16th March, 2023.

The composition of the Committee comprises of 4 (four) directors all of whom are independent directors and the details of meetings held and attended by the Directors during the financial year 2022-23 are as under:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Mr. Vijay Dilbagh Rai	Non-Executive / Independent	Chairman	5	5
2.	Mr. Mukesh Dahyabhai Patel	Non-Executive / Independent	Member	5	5
3.	Ms. Aruna Rajendra Bhinge	Non-Executive /Independent	Member	5	5
4.	Mr. Sheo Prasad Singh	Non-Executive / Independent	Member	5	5

The composition of the Committee is in compliance with the Act and the Listing Regulations. All the members of the Audit Committee are financially literate and Mr. Vijay Dilbagh Rai has been nominated as the Chairman of the Audit Committee.

Company Secretary of the Company acts as the Secretary to the Audit Committee in conformity with Section 177 of the Act and Regulation 18(1) of the Listing Regulations.

The Audit Committee meetings are attended by the Managing Director, Chief Executive Officer, Chief Financial Officer and the Statutory Auditors of the Company, whenever required. The Internal Auditors and Cost Auditors of the Company are also invited to the meetings, as and when required. The Committee also invites such executives, as it considers appropriate to seek any clarification.

During the year, the Committee reviewed the key audit findings covering operational, financial, compliances, internal financial controls and reporting system. The Chairman of the Audit Committee briefs the Board about the significant discussions at the Audit Committee meetings. The minutes of each of the Audit Committee meetings are placed before the Directors in the next meeting of the Board. During the year, all the recommendations made by the Audit Committee were accepted by the Board. The Chairman of the Committee was present at the previous AGM held on 10th August, 2022.

NOMINATION AND REMUNERATION COMMITTEE

The broad terms of reference of Nomination and Remuneration Committee as adopted by the Board, inter alia, are as under:

Formulation of the criteria for determining qualifications, positive attributes and independence of a director, and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees; Recommending appointment/re-appointment/ removal of any Director or senior management personnel of the Company including their remuneration; Approve criteria for effective evaluation of the performance of the entire Board, its committees and individual directors; Review human resource related matters including talent management and succession planning; Administer and monitor Employee Stock Option Scheme(s) of the Company.

Composition and Attendance at the meetings

The Board has constituted a Nomination and Remuneration Committee ["NRC"] with four Non-Executive Independent Directors. The Company has complied with the requirement of Regulation 19 of Listing Regulations and Section 178 (1) of the Act with respect to the composition of the Nomination and Remuneration Committee.

During the year, all the recommendations made by the NRC were accepted by the Board. Mr Vijay Dilbagh Rai, Chairman of the Nomination and Remuneration Committee was present at the last AGM held on 10th August, 2022 by way of Video Conferencing/Other Audio Visual Means ["VC/OAVM"]. The Committee met three (3) times during the financial year on 5th May, 2022 and 24th January, 2023 and 16th March, 2023.

The composition of the Committee and details of meetings attended by the Directors during the financial year 2022-23:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Mr. Vijay Dilbagh Rai	Non-Executive / Independent	Chairman	3	3
2.	Mr. Mukesh Dahyabhai Patel	Non-Executive / Independent	Member	3	3
3.	Ms. Aruna Rajendra Bhinge	Non-Executive /Independent	Member	3	3
4.	Mr. Sheo Prasad Singh	Non-Executive / Independent	Member	3	3

Company Secretary of the Company acts as the Secretary of the Committee. The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board. The Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013, has been published on the Company website at http://www.punjabchemicals.com/wp-content/uploads/2018/07/Nomination-and-Remuneration-Policy.pdf.

Performance Evaluation and Criteria for Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual Directors pursuant to the provisions of the Act and Listing Regulations. The performance of the board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, among others.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, among others.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India ["SEBI"] on 5th January, 2017.

In a separate meeting of Independent Directors, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, among others.

Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

REMUNERATION OF DIRECTORS

The Board on the recommendation of the Nomination and Remuneration Committee has framed and adopted the policy for selection and appointment of Directors, senior management and their remuneration. The policy lays down criteria for selection of Directors and senior management based on expertise, experience and integrity of the person. It also weighs the independent nature, personal and professional standing for the diversity in the Board composition.

Remuneration to the Managing Director

The Board / Nomination and Remuneration Committee is authorised to decide the remuneration of the Managing Director, subject to the approval of the members and any other approval, if required. The remuneration structure comprises of salary, commission, perquisites and allowances as per applicable law / rules.

Annual increments are decided by the Board on the recommendation of the Nomination and Remuneration Committee on the basis of their contribution to the growth and financial position of the Company. The industrial trend and inflation is also considered.

During the year under review, the remuneration to the Managing Director was paid in accordance with the provisions of the Companies Act, 2013 and as approved by the Shareholders.

Remuneration to Non-Executive Directors

Non-Executive Directors are paid sitting fees of ₹15000/- for each meeting of the Board or its committees attended by them. They are also eligible for commission in case of sufficient and adequate Net Profit available. The commission payable to each Non-Executive Director is determined by the Board, based on the norms and role and contributions of each Director. The commission is distributed in such a manner as determined and decided by the Chairman of the Company and approved by the Board of Directors of the Company. The Company can pay remuneration by way of commission not exceeding 1% of the net profit to all the Non-Executive Directors. The commission for the financial year ended 31st March, 2023 will be paid to Non-Executive / Independent Directors, subject to deduction of tax, after obtaining approval from the members at the ensuing Annual General Meeting and adoption of financial statements by the Members.

The Company has not granted any stock options to the Directors.

Details of Remuneration paid to Directors

The Directors' remuneration and sitting fees paid in respect of the Financial Year 2022-23 are given below:

(Amount in Lakhs)

Name of Director	Sitting fees for Board / Other Committees Meetings	Salaries and other perquisites benefits	Other Commission	Total
Mr. Mukesh Dahyabhai Patel	3.45	-	14.52	17.97
Mr. Shalil Shashikumar Shroff Managing Director	-	230.00	118.00	348.00
Capt. Surjit Singh Chopra (Retd.)	1.05	-	2.90	3.95
Mr. Vijay Dilbagh Rai	2.85	-	14.52	17.37
Ms. Aruna Rajendra Bhinge	2.40	-	3.87	6.27
Mr. Sheo Prasad Singh	2.25	-	2.90	5.15
Mr.Shivshankar S Tiwari	1.35	-	33.88	35.23
Mr. Avtar Singh	1.95	-	2.90	4.85
TOTAL	15.30	230.00	193.49	438.79

Notes:

a. There are no stock options, fixed component and performance linked incentives along-with the performance criteria to the Directors.

b. The commission of ₹75.49 lakhs has been approved for the Non Executive Directors for the financial year 2022-23. The same shall be distributed among them after adoption of financial results in the ensuing Annual General Meeting, which has been included in the above table.

c. The Board has recommended / approved a Commission of ₹118 lakh to Mr. Shalil Shashikumar Shroff, Managing Director of the Company for the year 2022-23 in accordance with remuneration approved by the shareholders of the Company, shall be paid/ distributed during the financial year 2023-24 which has been included in the remuneration of Managing Director.

d. The Company has no pecuniary relationship / transaction with any of the Non-Executive Directors other than those disclosed elsewhere in this Annual Report.

Service Contracts, Severance fees and notice period for the Managing Director

Name	Period of Contract	Severance fees/notice period
Mr. Shalil Shashikumar Shroff, Managing Director	3 years from 15.01.2021 to 14.01.2024	The contract may be terminated by either party by giving the other party ninety days' notice in writing or such shorter notice as may be mutually agreed between the Managing Director and the Company.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The broad terms of reference of Stakeholders Relationship Committee as adopted by the Board, inter-alia, are as under:

Review statutory compliance relating to all shareholders; Consider and resolve the grievances of shareholders of the Company, including complaints related to transfer / transmission of securities, non receipt of annual report/ declared dividends/ notices/ balance sheet, issue of new/duplicate certificates, general Meetings, among others; Review measures taken for effective exercise of voting rights by shareholders; Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund ["IEPF"]; Oversee compliances in respect of transfer of shares to the Investor; Education and Protection Fund, in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder, as applicable from time to time; Review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; Oversee and review all matters related to the transfer of securities of the Company; Approve issue of duplicate certificates of the Company; Review movements in shareholding and ownership structures of the Company; Ensure setting of proper controls, review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agents and oversee performance of the Registrar and Share Transfer Agents; Recommend measures for overall improvement of the quality of investor services.

Composition and Attendance at the meetings

Pursuant to provisions of Section 178(5) of the Act read with Regulation 20 of the Listing Regulations, Committee of Directors (Stakeholders Relationship Committee) of the Board has been constituted .This Committee comprises of four Directors. The Chairman of the Committee is a Non-Executive Independent Director of the Company. During the financial year 2022-23, four (4) meetings of the Committee were held on 5th May, 2022, 9th August, 2022, 3rd November, 2022 and 24th January, 2023.

The composition of the Committee and detail of meetings attended by the Directors during the financial year 2022-23:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Mr. Mukesh Dahyabhai Patel	Non-Executive / Independent	Chairman	4	4
2.	Mr. Shalil Shashikumar Shroff	Executive / Non Independent	Member	4	4
3.	Mr. Vijay Dilbagh Rai	Non-Executive / Independent	Member	4	4
4.	Mr. Avtar Singh	Non-Executive / Non Independent	Member	4	4

The Chairman of the Committee was present at the previous AGM held on 10th August, 2022.

Name, designation and address of Compliance Officer

Ms. Rishu Chatley

Company Secretary and Compliance Officer

Punjab Chemicals and Crop Protection Limited

Registered Office: Milestone 18,

Ambala Kalka Road Bhankharpur,

Derabassi Dist. S.A.S Nagar, Mohali-140201

Tel: 01762- 280086, 522250 Tel : + 91 22 6665 2700

Email: investorhelp@punjabchemicals.com

The details of shareholders' complaints received and disposed off during the year under review are as follows

Particulars	Number of Complaints
Pending at the beginning of the financial year	1
Received during the financial year	0
Disposed off during the financial year	1
Pending at the end of the financial year	0

The complaints were majorly relating to IEPF, dividend, etc

OTHER COMMITTEES

a) RISK MANAGEMENT COMMITTEE

The broad terms of reference of Risk Management Committee as adopted by the Board, inter-alia, are as under:

Framing risk management plan and policy and reviewing it periodically, at least once in two years; Review of cyber security risks, data privacy, environmental, social, and governance (ESG) related risks, other internal and external risks; Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; Evaluate its own performance annually; Review the adequacy of its Charter annually.

Composition and attendance at the meeting

The Risk Management Committee is comprised of four Directors and the Chief Executive Officer of the Company including one Independent Director. The composition of the Committee is in compliance with the Listing Regulations. The Company Secretary acts as the Secretary to the Committee.

During the financial year under review, 3 (three) meetings of the Risk Management Committee were held on 5th May, 2022, 27th October, 2022 and 24th January, 2023.

The composition of the Committee and details of meetings attended by the Directors during the financial year 2022-23 are:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Mr. Shalil Shashikumar Shroff	Executive / Non Independent	Chairman	3	3
2.	Mr. Mukesh Dahyabhai Patel	Non-Executive / Independent	Member	3	3
3.	Mr. Avtar Singh	Non-Executive / Non Independent	Member	3	3
4.	Mr. Shivshankar S Tiwari	Non-Executive/ Non Independent	Member	3	3
5.	Mr. Vinod Kumar Gupta	Chief Executive Officer	Member	3	2

b) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The broad terms of reference of Corporate Social Responsibility Committee as adopted by the Board, inter alia, are as under:

Formulate and recommend Corporate Social Responsibility ["CSR"] policy to the Board; Recommend budget to be incurred on CSR expenditure and monitor the CSR activities; Approve Corporate Social Responsibility Report, Business Responsibility Report and Corporate Sustainability Report.

Composition and Attendance at the meeting

The Board of the Company has constituted a Corporate Social Responsibility Committee in accordance with the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, comprises of four Directors. During the financial year under review, 1 (one) meeting of the Corporate Social Responsibility Committee was held on 5th May, 2022.

The composition of the Committee and details of meetings attended by the Directors during the financial year 2022-23 are:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Mr. Mukesh Dahyabhai Patel	Non-Executive / Independent	Chairman	1	1
2.	Mr. Shalil Shashikumar Shroff	Executive / Non Independent	Member	1	1
3.	Capt. Surjit Singh Chopra (Retd.)	Non-Executive / Non Independent	Member	1	1
4.	Ms. Aruna Rajendra Bhinge	Non-Executive / Independent	Member	1	1

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company at https://www.punjabchemicals.com/wp-content/uploads/2023/03/CSR-Policy.pdf. A Report giving details of the CSR activities undertaken by the Company during the year along with the amount spent on CSR activities forms a part of the Board's Report.

GENERAL BODY MEETINGS

Location and Time of the last three Annual General Meetings and Special Resolutions passed

Year	Location	Day, Date and Time	Special Resolutions
2019-20	Registered Office of the Company, Milestone –18, Ambala Kalka Road, Bhankharpur, Derabassi through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility at 10:00 a.m.	Friday, 25th September, 2020	1. Continuation of directorship of Capt. Surjit Singh Chopra (Retd.) (DIN:00146490) as a Non Executive Non Independent Director of the Company, who has already attained the age of 75 years. 2. To re-appoint Mr. Sheo Prasad Singh (DIN: 06493455) as an Independent Director for the second term.
2020-21	Registered Office of the Company, Milestone –18, Ambala Kalka Road, Bhankharpur, Derabassi through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility at 10:30 a.m.	Thursday, 12th August, 2021	There was no matter that required passing of Special Resolution.
2021-22	Registered Office of the Company, Milestone –18, Ambala Kalka Road, Bhankharpur, Derabassi through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility at 10:30 a.m.	Wednesday, 10th August, 2022	1. To revise the terms of remuneration of Mr. Shalil Shashikumar Shroff (DIN:00015621), Managing Director.

Postal Ballot

During the year under review, no Special Resolutions was passed by the members through Postal Ballot. The details of the postal ballots are available on the Company's website at https://www.punjabchemicals.com/wp-content/uploads/2022/09/Postal-Ballot-Notice-2022.pdf.

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020, Circular No. 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020, 10/2021 dated 23rd June, 2021, 20/2021 dated 8th December, 2021 and 3/2022 dated 5th May, 2022 issued by the Ministry of Corporate Affairs.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a Special Resolution through Postal Ballot.

MEANS OF COMMUNICATION

a) All price-sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges, where the securities of the Company are listed. All submissions to the Exchanges are made through the respective electronic filing systems. They are also uploaded on the website of the Company.

b) The Company intimates un-audited quarterly, half-yearly and audited quarterly and annual financial results to the Bombay Stock Exchange & National Stock Exchange of India Ltd. [collectively called as "Stock Exchanges"] immediately after these are approved and taken on record by the Board. These financial results are normally published in the Financial Express (all Edition in English), Jansatta (Chandigarh Edition in Hindi) and Rozana Spokesman (Chandigarh edition in Punjabi).

The quarterly results, Shareholding Pattern, quarterly/half yearly/annual compliances and all other material events or information as detailed in Regulation 30 of the Listing Regulations, are filed electronically with National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited through BSE Online portal. These communications are also posted on the Company's website www.punjabchemicals.com.

The Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors / analysts after the declaration of the quarterly, half-yearly and annual results are submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as well as uploaded on the Company's website.

c) Management Discussion and Analysis forms part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date, Time and Venue :	Friday, the 4th August, 2023 at 10:00 a.m. (IST) at Derabassi through Video Conferencing pursuant to the MCA Circular No. 2/2022 dated 5th May, 2022, Circular No. 10/2022 dated 28th December, 2022 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023
Financial Year :	2022-23
Date of Book Closure :	Friday, 28th July, 2023 to Friday, 4th August, 2023 (Both days inclusive)
Dividend payment date :	The Dividend, if approved shareholders at AGM, will be paid within stipulated time.

b) Listing on Stock Exchanges

1. BSE Limited (BSE), 1st Floor, New Trading Wing, P.J. Towers, Dalal Street, Fort, Mumbai-400 001.	2. National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai-400 051.

The Company has paid the Annual Listing fees to the Stock Exchanges.

c) Stock Codes /Symbol (for shares)

BSE Limited (Code): 506618

National Stock Exchange of India Ltd. (symbol): PUNJABCHEM

Demat ISIN Number in National Securities Depository Limited ["NSDL"] & Central Depository Services (India) Limited ["CDSL"]: INE277B01014

d) Volume of Shares traded during F.Y. 2022-23

On BSE: 3,10,365

On NSE: 28,26,917

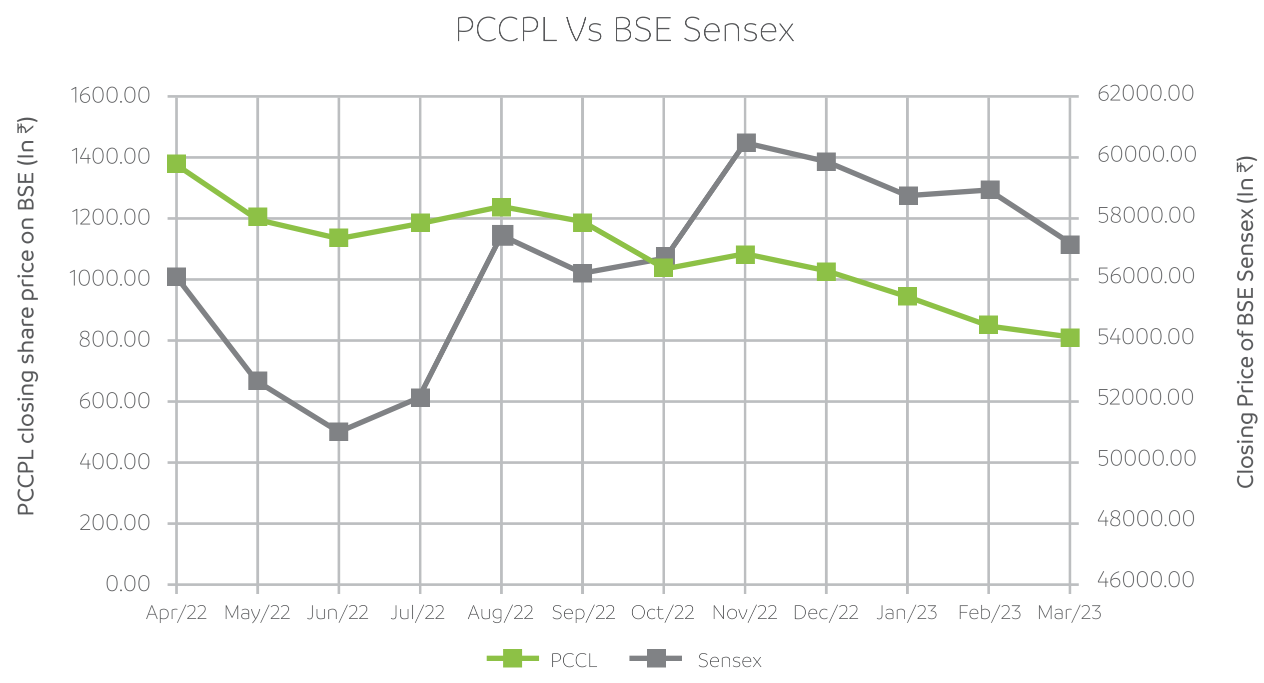
e) Market Price Data

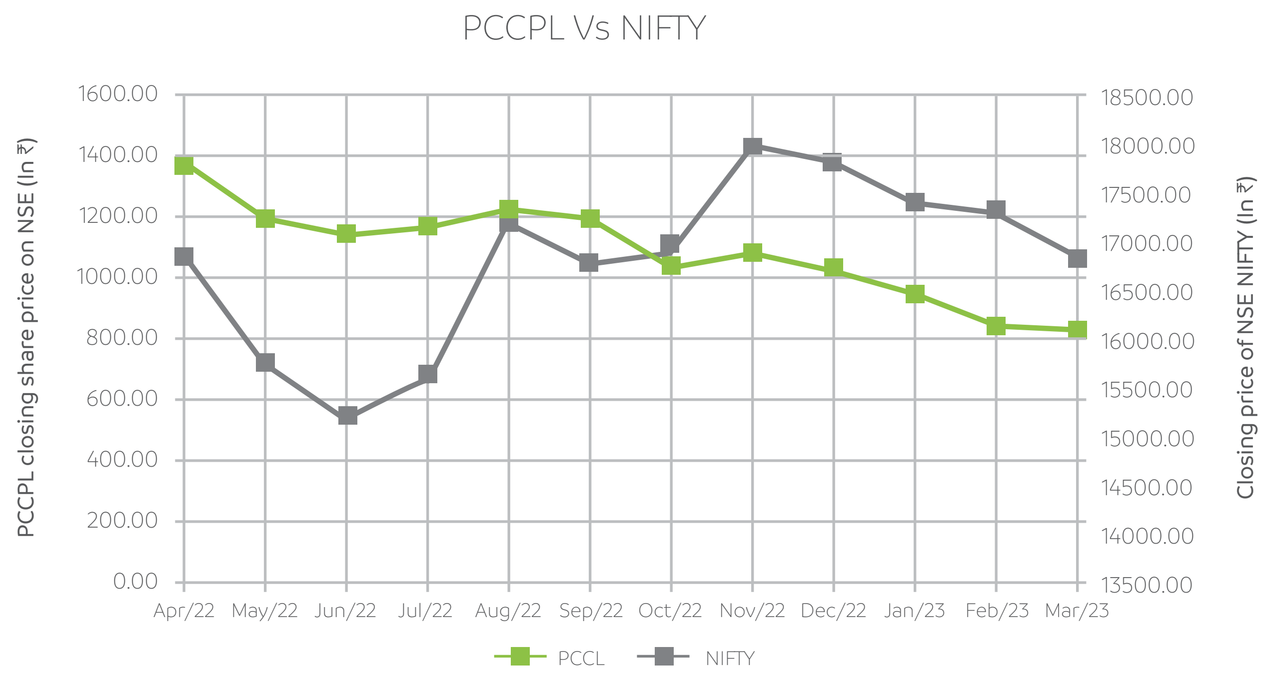
Market price data-monthly high/ low of BSE/ NSE depicting liquidity of the Company's Equity Shares on the said exchanges is given hereunder:

Month	BSE (in ₹)		NSE (in ₹)	
	High	Low	High	Low
April, 2022	1,565.35	1,373.95	1,597.95	1,378.00
May, 2022	1,430.00	1,192.55	1,426.20	1,182.40
June, 2022	1,310.00	1,127.00	1,315.00	1,137.20
July, 2022	1,344.00	1,170.15	1,367.00	1,166.15
August, 2022	1,449.95	1,241.85	1,399.00	1,234.25
September, 2022	1,390.00	1,185.00	1,390.00	1,183.10
October, 2022	1,375.00	1,026.00	1,279.90	1,023.00
November, 2022	1,249.55	1,082.05	1,259.85	1,081.00
December, 2022	1,230.40	1,032.10	1,267.00	1,032.00
January, 2023	1,150.50	945.90	1,150.00	948.00
February, 2023	1,018.00	848.00	1,018.80	847.60
March, 2023	972.80	821.70	989.00	824.00

f) Share Price performance in comparison to broad based indices

The charts given hereunder plots the movement of the Company's Equity share prices on BSE versus BSE SENSEX and Company's Equity share prices on NSE versus NSE NIFTY, respectively, for the year 2022-23:





During the financial year ended 31 March, 2023, securities of the Company have not been suspended from trading on any of the stock exchanges where they are listed.

g) Registrar and Share Transfer Agent (RTA)

M/s Alankit Assignments Ltd., 4E/2, Jhandewalan Extension, New Delhi-110055 is the Registrar and Share Transfer Agent "RTA" of the Company.

h) Share Transfer Process

In terms of Regulation 40(1) of Listing Regulations, as amended from time to time, securities can be transferred only in dematerialised form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) within the statutory time limit from the date of receipt of Share Certificates provided the documents are complete in all respects.

A summary of transfer / transmission of shares, among others, so approved by the Company Secretary is placed before the Stakeholders Relationship Committee and thereafter in the Board Meeting.

i) Secretarial Audit and Annual Secretarial Compliance Report

a) As per Regulation 40(9) of the Listing Regulations, a Certificate from the Practising Company Secretary has been submitted to the Stock Exchanges within the stipulated time on yearly basis confirming due compliance of share transfer formalities by the Company.

b) Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

c) Mr P. S. Dua of M/s. P. S. Dua & Associates, Practising Company Secretaries, has conducted a Secretarial Audit of the Company for FY 2022-23. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made thereunder, its Memorandum and Articles of Association, Listing Regulations. The Secretarial Audit Report forms part of the Board's Report.

d) Pursuant to the SEBI circular no. CIR/CFD/CMD1/27/2019, dated 8th February, 2019, the Company has obtained an Annual Secretarial Compliance Report from M/s P. S. Dua & Associates, Practising Company Secretaries, confirming compliance of SEBI Regulations/Circulars/Guidelines issued thereunder and applicable to the Company. There are no observations or adverse remarks in the said report.

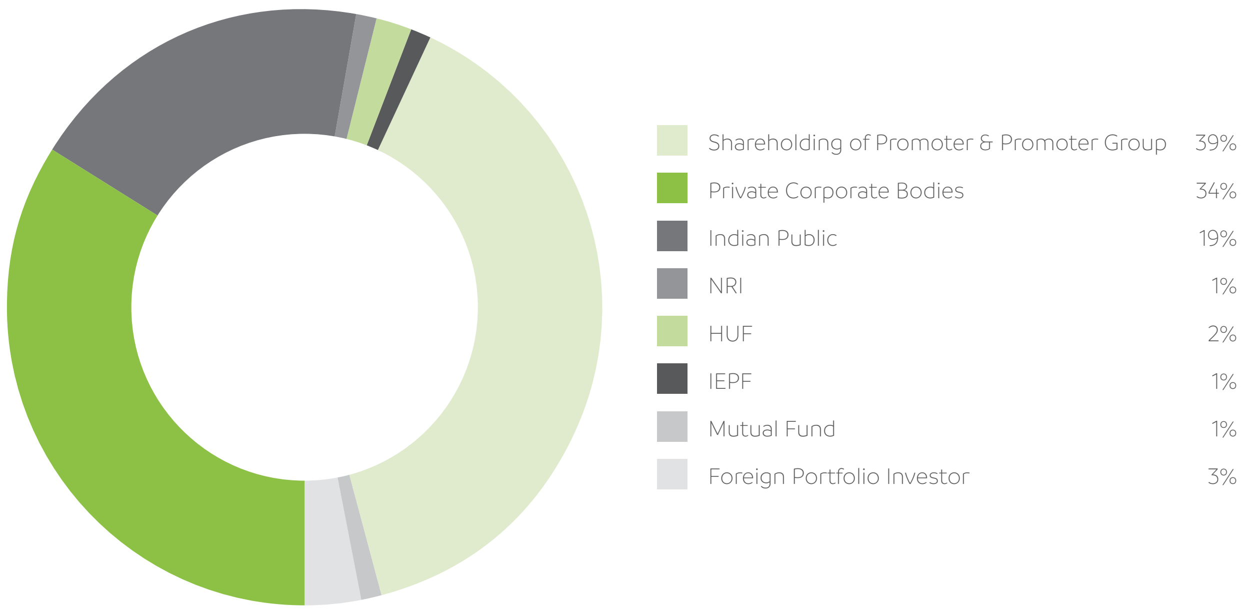
j) Distribution of Shareholding as on 31st March, 2023

FROM-TO	NO. OF SHAREHOLDERS		NO. OF SHARES	
Number of Shares	Number	%	Number	%
1-500	20229	96.20	864527	7.05
501-1000	391	1.86	291623	2.38
1001-2000	189	0.90	277108	2.26
2001-3000	68	0.32	167447	1.37
3001-4000	35	0.17	120093	0.98
4001-5000	22	0.10	98226	0.80
5001-10000	42	0.20	292143	2.38
10001 & above	53	0.25	10151018	82.78
TOTAL	21029	100.00	12262185	100.00

k) Categories of Shareholders as on 31st March, 2023

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding (%)
A.	Shareholding of Promoter and Promoter Group		
1)	Indian	4808890	39.22
2)	Foreign	-	-
	Total Shareholding of Promoter and Promoter Group	4808890	39.22
B.	Public Shareholding		
1)	Institution:		
a)	Mutual Funds	96847	0.79
b)	Financial Institutions/Banks	1,029	0.01
c)	Foreign Portfolio Investors	366282	2.99
d)	Alternate Investment Funds	21500	0.18
	Sub total (B) (1)	485658	3.96
2)	Non-Institutions		
a)	Private Corporate Bodies	4146142	33.81
b)	Directors & their Relatives	50142	0.41
c)	Indian Public	2307843	18.82
d)	NRIs	51102	0.42
e)	Trust	3700	0.03
f)	HUF	291340	2.38
g)	IEPF	106011	0.86
h)	Clearing member	723	0.01
i)	Unclaimed or Suspense or Escrow Account	10634	0.09
	Sub Total (B) (2)	6967637	56.82
	Total Public Shareholding (B)(1)+(B)(2)	7453295	60.78
	TOTAL	12262185	100.00

Distribution of Shareholding



l) Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories viz. NSDL and CDSL.

Percentage of shares held in:

Physical form : 0.84%

Electronic form with NSDL : 87.56%

Electronic form with CDSL : 11.48%

The Company's shares are regularly traded on the BSE and NSE.

m) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any other convertible instruments, conversion dates and likely impact on equity

None

n) Commodity price risk or foreign exchange risk and hedging activities

The export of finished goods is much higher than the import of Raw material and other material. Therefore, there is a natural hedge available to the Company. The Company has not entered into any hedging activities and not dealt in commodity price or foreign exchange risk activities during the financial year 2022-23.

o) Plant locations

Indian manufacturing locations:

Agro Chemicals Division : Milestone-18, Ambala Kalka Road, P. O. Bhankharpur Derabassi, Distt. SAS Nagar, Mohali (Punjab) - 140201

Specialty and Other Chemicals Division : Villages: Kolimajra & Samalheri, P.O.: Lalru, Distt. SAS Nagar, Mohali (Punjab) - 140501

Industrial Chemical Division : Site No. I & II, H.A. Ltd., Compound Pimpri, Pune (Maharashtra) - 411019

Overseas Subsidiaries: SD Agchem (Europe) NV Uitbreidingstraat 84/B3, 2600, Berchem (Antwerp), Belgium

p) Address for Correspondence

1. Investor Correspondence : For shares held in physical form Alankit Assignment Ltd, 4E/2, Jhandewalan Extension, New Delhi-110055, Tel: 011-42541234, 011-42541953 Fax: 011-23552001 E-mail: info@alankit.com

   For shares in Demat form To the Depository Participants viz. NSDL and CDSL

2. Any query on Annual Report/other matters relating to the Company

   Registered Office & Works : Milestone-18, Ambala Kalka Road, Village & Post Office Bhankharpur, Derabassi, Distt. SAS Nagar (Mohali) - 140201 Tel: 01762-280086/280094, Fax : 01762-280070 E-mail: info@punjabchemicals.com

   Corporate Office : Plot No. 645-46, 5th Floor, Oberoi Chambers II, New Link Road, Andheri (W), Mumbai-400053. Ph: 022-26747900 (30 lines), Fax:022-26736013, 26736193 Email:enquiry@punjabchemicals.com

3. Compliance Officer

   Ms. Rishu Chatley, Company Secretary

4. Exclusive e-mail ID for the grievance redressal mechanism: investorhelp@punjabchemicals.com

5. Corporate website : www.punjabchemicals.com

   Nomination Facility: Members are allowed to nominate any person to whom they desire to have the shares transmitted in the event of death. Desirous Members may approach the Company or to the Registrar & Share Transfer Agents of the Company, for the shares held in physical form and to the respective Depository Participant for shares held in demat form, for availing the same facility.

q) The details of credit rating of the Company as at, 31st March, 2023 is given below

Long Term Debt : CRISIL BBB+ /Stable, Short Term Debt: CRISIL A2

OTHER DISCLOSURES

a) Related Party Disclosures

All related party transactions that were entered into during the financial year 2022-23 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Persons or other designated persons which may have a potential conflict with the interest of the Company at large. Suitable disclosure as required by the Accounting Standards (IND AS 24) has been made in the Financial Statements. As required under Listing Regulations, detailed related party disclosures as per Accounting Standards, please refer to Note No. 43 of the Standalone and Consolidated Financial Statements. The policy on related party transactions as approved by the Board is uploaded on the Company's website https://www.punjabchemicals.com/wp-content/uploads/2022/04/Related-Party-Policy-2022.pdf.

b) Statutory Compliance, Strictures and Penalties

The Company has complied with the requirement of the Stock Exchanges, SEBI and other statutory authority on matters related to capital markets during the last three years. No strictures or penalties have been imposed on the Company by these authorities in the past three years. However during 2020-21, the Company and Managing Director & Whole Time Directors have settled the alleged violation of the certain regulations of Listing Regulations with SEBI by paying settlement charges of ₹21.67 Lakh and ₹14.45 Lakh each respectively. SEBI has thereafter settled the matter vide its order passed on 25th March, 2021.

c) Vigil Mechanism / Whistle Blower Policy

The Company has adopted a Whistle blower policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Conduct or Ethics policy. The policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. The said policy is placed on the website of the Company http://www.punjabchemicals.com/wp-content/uploads/2018/07/Whistle-Blower-Policy-PCCPL.pdf and no personnel of the Company have been denied access to the Audit Committee.

d) IND-AS

The Company adopted Indian Accounting Standards (Ind-AS) from 1st April, 2017 with the transition date of 1st April, 2016 and accordingly the financial results of the Company for all the quarters / annual have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind-AS).

e) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

Not Applicable

f) A Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority

The Company has taken the required certificate from M/s. P.S. Dua & Associates, Company Secretary in Practice.

g) Total fees for all services paid by the listed entity and its subsidiaries, to the Statutory Auditor (Standalone payment)

The detail of payment of total fees to the Statutory Auditor is as under:

Amount in Lakh

Statutory Audit	23
Limited Review	15
Total	38

h) Policy on Prevention of Sexual Harassment at Workplace

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the integrity and dignity of its employees and also to avoid conflicts and disruptions in the work environment due to such cases. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment at the Workplace (Prevention, Prohibition and Redressal Act, 2013) ["Sexual Harassment Act"]. The Company has a 'Policy for prevention of Sexual Harassment ["POSH"] for Punjab Chemicals and its subsidiary companies. As per the Sexual Harassment Act, the policy mandates strict confidentiality and recognises the right of privacy of every individual. As per the policy, any employee may report a complaint to the 'Internal Complaints Committee' formed for this purpose. We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy. During the year, one complaint was received by the Company pertaining to sexual harassment and same was resolved. There was no complaint pending at the end of year under POSH.

i) The policy for determining 'material' subsidiaries can be viewed at http://www.punjabchemicals.com/wp-content/uploads/2018/07/Policy-for-determining-Material-Subsidiary.pdf.

j) Mandatory Requirements

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

k) Non Mandatory requirements

The Company has complied with the following non-mandatory requirements of the Listing Regulations relating to Corporate Governance. The status of compliance with non-mandatory requirements listed in Regulation 27(1) read with Part E of Schedule II of the Listing Regulations are as under:

i. Chairman of the Board: The Chairman of the Company is a Non-Executive Independent Director.

ii. **Shareholder Rights**: The Company does not send the Half yearly results to the households of the shareholders of the Company. However they are published in English newspapers circulated all over India and in a Hindi and Punjabi newspaper (circulated in Punjab and Chandigarh) and are also posted on the website of the Company www.punjabchemicals.com.

iii. **Qualified Opinion**: Not Applicable.

iv. **Reporting of Internal Auditors**: The Internal Auditor reports to the Managing Director and also has direct access to the Chairman, Audit Committee.

l) **Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year**

Not Applicable

m) **Disclosure by the Company and its subsidiaries of loans and advances in the nature of loans to firms/companies in which Directors are interested**

Necessary disclosures relating to loans and advances in the nature of loans to firms/companies in which Directors are interested are provided in the financial statements in Note No.43

MARKET CAPITALISATION AND PRICE-EARNINGS RATIO

		As on 31st March, 2023	As on 31st March, 2022
a.	Closing Price (BSE)	827.95	1456.90
b.	Market Capitalisation (Rs. in crore)	1015.25	1786.48
c.	Price-Earnings Ratio	16.65	22.10

UNCLAIMED SHARES

Pursuant to Regulation 39(4) read with Schedule VI of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense accounts:

Sr. No.	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the beginning of the year as on 01.04.2022	230	10764
(ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	2	130
(iii)	Number of shareholders to whom shares were transferred from Suspense Account during the year.	2	130
(iv)	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year as on 31.03.2023.	228	10634

The voting right on these outstanding shares (lying in the suspense account) shall remain frozen till the rightful owner of such shares claim the shares.

CEO/CFO CERTIFICATION

In terms of Regulation 17(8) of the Listing Regulations, the Certificate duly signed by Mr. Shalil Shashikumar Shroff, Managing Director, Mr. Vinod Kumar Gupta, Chief Executive Officer and Mr. Ashish R Nayak, Chief Financial Officer was placed before the Board of Directors along with the financial statements for the year ended 31st March, 2023 at its meeting held on Thursday, 4th May, 2023 forms part of this report.

GENERAL

The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) of the Listing Regulations.

DECLARATION

As provided under Clause D of schedule V pursuant to Regulation 34 (3) of Listing Regulations, the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management laid down by the Company for the financial year ended 31st March, 2023.

On behalf of the Board of Directors
Punjab Chemicals and Crop Protection Limited

Shalil Shashikumar Shroff
(Managing Director)
(DIN: 00015621)

Place: Mumbai
Date: 4th May, 2023

COMPLIANCE CERTIFICATE

Pursuant to Regulation 17 (8) of Listing Regulations

We, Shalil Shashikumar Shroff, Managing Director, Vinod Kumar Gupta, Chief Executive Officer and Ashish R Nayak, Chief Financial Officer do hereby certify that in respect of the annual accounts and cash flow statement for the financial year ending on 31st March, 2023:

a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

   i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee that:

   i) There has not been any significant changes in internal control over financial reporting during the year under reference;

   ii) There has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii) There has not been any instances of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting during the year.

Shalil Shashikumar Shroff
Managing Director
(DIN: 00015621)

Vinod Kumar Gupta
Chief Executive Officer

Ashish R Nayak
Chief Financial Officer

Place: Mumbai
Date: 4th May, 2023

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

[Pursuant to Regulation 34(3) and Schedule V Para E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
Punjab Chemicals and Crop Protection Limited
(CIN: L24231PB1975PLC047063)

1. We have been approached by Punjab Chemicals and Crop Protection Limited ("Company") to examine the compliance with the conditions of corporate Governance by the Company, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 (the "Listing Regulations"), as amended from time to time, for the financial year ended on 31st March,2023 .

2. Management's Responsibility

The compliance of the conditions of CorporateGovernance is the responsibility of the management of the Company. The management shall devise adequate systems, internal controls and processes to monitor and ensure the same.

3. Our Responsibility

Our responsibility is limited to conduct an examination of the systems , internal controls and processes adopted by the Company and implementation thereof to monitor and ensure with the conditions of Corporate Governance and report thereon.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on 31st March 2023.

5. Disclaimer

5.1 We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5.2 The report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of theCompany.

For P. S. Dua & Associates
(Company Secretaries)

P.S. Dua
FCS No. 4552
C. P. No.3934
Peer Review Certificate No. 1296/2021
UDIN: F004552E000253130

Date: 4th May, 2023
Place: Ludhiana

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
THE MEMBERS OF PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Punjab Chemicals and Crop Protection Limited having CIN L24231PB1975PLC047063 (hereinafter referred to as 'the Company') and having registered office at Milestone 18, Ambala Kalka Road, Bhankharpur, Derabassi, Dist. S.A.S Nagar, Mohali-140201 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me/us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below and who were on the Board of Directors of the Company as on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Particulars	DIN	Date of appointment in Company
1.	Shri Mukesh Dahyabhai Patel	00009605	19-02-1985
2.	Shri Shalil Shashikumar Shroff	00015621	15-01-1998
3.	Capt. Surjit Singh Chopra (Retd.)	00146490	18-08-2004
4.	Shri Vijay Dilbagh Rai	00075837	28-02-1985
5.	Smt. Aruna Rajendra Bhinge	07474950	29-05-2018
6.	Shri Sheo Prasad Singh	06493455	28-05-2015
7.	Shri Avtar Singh	00063569	14-11-1996
8.	Shri Shivshankar Shripal Tiwari	00019058	28-05-2015**

** Shri Shivshankar Shripal Tiwari ceased to be the Whole-Time Director of the Company w.e.f 28-05-2015 and was appointed as an Additional Director on the same date i.e. 28-05-2015 by the Board of Directors and was regularized as Director in the 39th Annual General Meeting of the Company held on 11-09-2015.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P. S. Dua & Associates
(Company Secretaries)

P.S. Dua
FCS No. 4552
C. P. No.3934
Peer Review Certificate No. 1296/2021
UDIN: F004552E000253130

Date: 4th May, 2023
Place: Ludhiana

Independent Auditor's Report

To the Members of
Punjab Chemicals and Crop Protection Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Punjab Chemicals and Crop Protection Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

See Note 2(j) and 28 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company recognizes revenue from the sales of products and services when control over goods is transferred to the customer/ services are rendered based on the specific terms and conditions of the sale/service contracts entered into with respective customers. We have identified recognition of revenue as a key audit matter as– • revenue is a key performance indicator; and • there is a presumed fraud risk of revenue being overstated through manipulation of the timing and amount of revenue recognized due to pressures to achieve performance targets as well as meeting external expectations.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We assessed the compliance of the revenue recognition accounting policies against the requirement of Ind AS 115 i.e. Revenue from contracts with customers. • We evaluated the design, implementation and operating effectiveness of key financial controls with respect to revenue recognition on selected transactions (using random sampling). • We performed substantive testing by using statistical sampling for revenue transactions recorded during the financial year. For such samples, verified the underlying documents, including invoices, goods dispatch notes, customer acceptances, shipping documents (as applicable) and subsequent receipts in the bank statements to assess whether these are recognized in the appropriate period in which control is transferred or services are provided. • We carried out analytical procedures on revenue recognized during the year to identify unusual variances. • We tested specific item on manual journals posted to revenue ledger selected based on specified risk-based criteria to identify unusual items. • We selected revenue transactions on a sample basis recorded during specified period around the year end date and checked whether revenue has been recognised in the correct reporting period by examining the underlying documents. • We assessed the adequacy of disclosures in the financial statements against the requirement of Ind AS 115.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 01 April 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 42 (a) to the standalone financial statements.

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

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 50 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 50 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 40 (ii) to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Gaurav Mahajan
Partner
Membership No.: 507857
ICAI UDIN: 23507857BGYNVY7387

Place: Mumbai
Date: 4th May, 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Punjab Chemicals and Crop Protection Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in phased manner over the period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly adjusted in the books of account.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Lease Agreement for Industrial Building at H.A. Limited Compound, Pimpri, Pune, Maharashtra	Not Applicable. Lease premiseshas immovable property plant and equipment of ₹173 Lakhs (Net Value ₹Nil)	Excel Phospho Chem (Sole Propreitors)	No	17 years	Excel Phospho Chem was merged with STS Chemicals and STS Chemical was merged with Punjab Chemicals and Crop Protection in 2005. As informed by the Company Civil Appeal is pending in the district court, Pune under the Public Premises Act, 1971. Also refer note 42 (a) (iii) of the financial statements. Next hearing is expected to be in September 2023.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investment in companies, firms or limited liability partnerships or provided guarantee or security or granted any advances in the nature of loans (secured or unsecured), to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in other parties and granted loans to its employees during the year. The requisite information on loans to employees is stated in paragraph (iii)(a) below.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to employees as below:

Particulars	Interest bearing loan to employees (Amount in INR lakhs)
Aggregate amount of Loan granted during the year	13
Balance outstanding as at balance sheet date	6

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made during the year and loans granted during the year are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not provided guarantees, given security or granted advance in the nature of loan during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not provided guarantees, given security or granted advance in the nature of loan during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amounts for more than ninety days in respect of loans given. Further, the Company has not given any advance in the nature of loan to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any guarantee or security as specified under Section 185 and 186 of the Act. According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of loans, and investments by the Company, in our opinion the provisions of Section 185 and 186 of the Act have been complied.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of professional tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount disputed (Amount in INR lakhs)*	Amount deposited (Amount in INR lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	1,371	-	Assessment Year 2008-2009, 2009-2010 and 2017-2018	Income Tax Appellate Tribunal (ITAT)	
Income Tax Act, 1961	Income Tax	144	70	Assessment Year 2007-2008, 2011-2012 to 2016-2017 and 2018-2019 to 2021-2022	Commissioner of Income tax (Appeals)	
Central Excise Act, 1944	Service Tax	1	-	1999-2000	High Court	
The Punjab Sales Tax Act, 2005	Sales Tax	11	-	2004-2005	High Court	

* amount as per demand orders including interest and penalty, whereever indicated in the order.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act. Further, the Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2023.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. Further, the Company does not hold any investment in any associate or joint venture (as defined under. the Act) during the year ended 31 March 2023.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) Based on the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company as detailed in note 54 (xii) to the financial statements. For reporting on this clause / sub clause, while we have performed audit procedures set out in the Guidance Note on CARO 2020, we have relied on and not been able to independently validate the information provided to us by the management of the Company with respect to entities outside the consolidated Group but covered in the Core Investment Companies (Reserve Bank) Directions, 2016.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Gaurav Mahajan
Partner
Membership No.: 507857
ICAI UDIN: 23507857BGYNVY7387

Place: Mumbai
Date: 4th May, 2023

Annexure B to the Independent Auditor's Report on the standalone financial statements of Punjab Chemicals and Crop Protection Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Punjab Chemicals and Crop Protection Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Gaurav Mahajan
Partner
Membership No.: 507857
ICAI UDIN: 23507857BGYNVY7387

Place: Mumbai
Date: 4th May, 2023

Balance sheet as at 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	21,655	20,618
Right of use assets	4	475	479
Capital work-in-progress	3	1,855	675
Other intangible assets	5	74	88
Intangible assets under development	5	100	49
Financial assets			
- Investments	6	137	132
- Other financial assets	7	380	352
Other tax assets (net)	8	649	649
Other non-current assets	9	47	424
Total non-current assets		25,372	23,466
Current assets			
Inventories	10	16,824	15,372
Financial assets			
- Investments	6	112	5
- Trade receivables	11	14,350	11,176
- Cash and cash equivalents	12	745	692
- Bank balances other than above	13	271	283
- Loans	14	2,009	1,940
- Other financial assets	7	874	690
Other current assets	15	2,844	3,813
		38,029	33,971
Assets classified as held for sale	16	30	-
Total current assets		38,059	33,971
Total Assets		63,431	57,437
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	1,226	1,226
Other equity	18	28,575	22,941
Total equity		29,801	24,167
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	19	6,161	5,456
- Lease liabilities	20	225	387
Provisions	21	1,929	1,680
Deferred tax liabilities (net)	22	530	410
Other non-current liabilities	23	207	267
Total non-current liabilities		9,052	8,200
Current liabilities			
Financial liabilities			
- Borrowings	19	2,721	3,272
- Lease liabilities	20	290	217
- Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	24	855	689
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	12,944	12,439
- Other financial liabilities	25	4,720	3,618
Other current liabilities	26	1,069	2,190
Provisions	21	426	530
Current tax liabilities (net)	27	1,553	2,115
Total current liabilities		24,578	25,070
Total liabilities		33,630	33,270
Total equity and liabilities		63,431	57,437

Significant accounting policies 2
Notes to the standalone financial statements 3-56
The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors
Punjab Chemicals and Crop Protection Limited

Gaurav Mahajan
Partner
Membership No.: 507857

Mukesh D Patel
Chairman
DIN: 00009605
Place: Mumbai

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer

Rishu Chatley
Company Secretary & Compliance Officer

Ashish R Nayak
Chief Financial Officer

Place: Mumbai
Date: 4th May, 2023

Place: Mumbai
Date: 4th May, 2023

Place: Mumbai

Place: Mumbai

Statement of Profit and Loss for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
INCOME			
Revenue from operations	28	1,00,373	93,057
Other income	29	397	72
Total income		1,00,770	93,129
EXPENSES			
Cost of materials consumed	30	65,507	58,093
Purchases of stock-in-trade	31	348	625
Changes in inventories of finished goods, stock-in- trade and work-in progress	32	(2,239)	(1,780)
Employee benefits expense	33	8,328	7,662
Finance costs	34	1,780	1,199
Depreciation and amortization expense	35	1,901	1,667
Other expenses	36	16,273	14,621
Total expenses		91,898	82,087
Profit before tax		8,872	11,042
Tax expense	37		
Current tax		2,626	2,840
Deferred tax charge		152	120
Total tax expense		2,778	2,960
Profit for the year		6,094	8,082
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		(129)	(67)
- Fair value change on equity investments through other comprehensive income		5	4
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		33	17
- Fair value change on equity investments through other comprehensive income		(1)	(1)
Other comprehensive income / (loss) for the year (net of tax)		(92)	(47)
Total comprehensive income for the year		6,002	8,035
Earning per equity share (nominal value of ₹10 (previous year ₹10)	38		
Basic (Rs.)		49.71	65.92
Diluted (Rs.)		49.71	65.92

Significant accounting policies 2
Notes to the standalone financial statements 3-56
The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors
Punjab Chemicals and Crop Protection Limited

Gaurav Mahajan
Partner
Membership No.: 507857

Mukesh D Patel
Chairman
DIN: 00009605
Place: Mumbai

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer

Rishu Chatley
Company Secretary & Compliance Officer

Ashish R Nayak
Chief Financial Officer

Place: Mumbai
Date: 4th May, 2023

Place: Mumbai
Date: 4th May, 2023

Place: Mumbai

Place: Mumbai

Statement of Cash Flow for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

	Year ended 31.03.2023	Year ended 31.03.2022
A. Cash flow from operating activities		
Profit before tax	8,872	11,042
Adjustments for:		
Depreciation and amortization expense	1,901	1,667
Liability no longer required written back	(209)	(6)
Other operating income	(284)	-
Reversal of impairment loss on doubtful advance and trade receivable	(84)	(4)
Interest income	(41)	(39)
Amortization of government grants	-	(2)
Finance cost	1,780	1,199
Unrealised foreign exchange (gain) net	(22)	(13)
Advances written off	36	-
Property, plant and equipment written off	20	-
Loss/(gain) on sale of property, plant and equipment (net)	43	33
Gain on fair valuation of investments	(7)	(5)
Expected credit loss on trade receivable	4	35
Provision for capital advance	-	40
Rental income	(2)	(1)
Operating cash flow before working capital changes	12,007	13,946
Changes in working capital:		
(Increase) in trade receivables	(3,108)	(2,811)
(Increase) in inventories	(1,453)	(5,242)
Decrease/(increase) in other current and non-current assets	1,253	(1,769)
(Increase) in current and non-current other financial assets	(216)	(23)
(Increase)/decrease in current and non-current loans	(76)	140
(Decrease)/increase in trade payables and other liabilities	(294)	561
Increase in other current financial liabilities	1,050	415
Increase/(decrease) in long-term and short-term provisions	16	(14)
Cash generated from operating activities	9,179	5,203
Income tax paid (net)	(3,510)	(2,018)
Net cash generated from operating activities (A)	5,669	3,185
B. Cash flow from investing activities		
Acquisition of property, plant and equipment (including capital advances)	(3,735)	(3,266)
Proceeds from sale of property, plant and equipment	128	62
Proceeds from insurance claim		467
Proceeds from sale of other investments	1,500	-
Acquisition of other investments	(1,600)	-
Movement in other bank balances	12	4
Decrease/(increase) in deposits with original maturity of more than 12 months	7	(39)
Interest received	38	28
Rental income	2	1
Net cash flows (used in) investing activities (B)	(3,648)	(2,743)

Statement of Cash Flow for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

	Year ended 31.03.2023	Year ended 31.03.2022
C. Cash flow from financing activities		
Proceeds from non-current borrowings	76	152
Repayments of non-current borrowings	(1,307)	(1,050)
Payment of lease liabilities (including interest on lease liabilities)	(335)	(256)
Proceeds from current borrowings (net)	1,385	1,487
Payment of dividend	(365)	(243)
Finance cost paid	(1,422)	(980)
Net cash flows (used in) financing activities (C)	(1,968)	(890)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	53	(448)
Cash and cash equivalents at the beginning of the year	692	1,140
Cash and cash equivalents at the end of the year	745	692
Notes :		
1. Cash and cash equivalents include :		
Balances with banks		
- In current accounts	716	685
- Deposits with original maturity of less than three months	17	-
Cash on hand	12	7
	745	692

2. The above cash flow statement has been prepared under the indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows". Also, refer to note 2(s).
3. Refer note 19 for reconciliation of movements of liabilities to cash flows arising from financing activities.
4. During the year, the Company paid in cash ₹133 (previous year: Rs.76) towards corporate social responsibility (CSR) expenditure (included in Corporate social responsibility expenditure - Refer note 45).

Significant accounting policies 2
Notes to the standalone financial statements 3-56
The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Gaurav Mahajan
Partner
Membership No.: 507857

Place: Mumbai
Date: 4th May, 2023

For and on behalf of the Board of Directors
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place: Mumbai

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer
Place: Mumbai
Date: 4th May, 2023

Rishu Chatley
Company Secretary & Compliance Officer
Place: Mumbai

Ashish R Nayak
Chief Financial Officer
Place: Mumbai

Statement of Changes in Equity for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

a. Equity share capital:

Equity share capital:	Note	
Balance as at 1 April 2021	17	1,226
Changes in equity share capital due to prior period errors		-
Changes in equity share capital during the year		-
Balance as at 31 March 2022	17	1,226
Changes in equity share capital due to prior period errors		-
Changes in equity share capital during the year		-
Balance as at 31 March 2023		1,226

b. Other Equity:

	Note	Reserves and surplus						Other comprehensive income	Total
		Capital reserve	Securities premium	Capital redemption reserve	Capital reduction reserve	Amalgamation reserve	Retained earnings	Equity instruments through other comprehensive income	
Balance as at 1 April 2021		309	5,707	28	21	19	9,057	10	15,151
Total comprehensive income for the year ended 31 March 2022									
- Profit for the year		-	-	-	-	-	8,082	-	8,082
- Dividend							(245)	-	(245)
- Other comprehensive (expense) (net of tax)	18	-	-	-	-	-	(50)	3	(47)
Total comprehensive income for the year		-	-	-	-	-	7,787	3	7,790
Balance as at 31 March 2022		309	5,707	28	21	19	16,844	13	22,941
Total comprehensive income for the year ended 31 March 2023									
- Profit for the year		-	-	-	-	-	6,094	-	6,094
- Dividend		-	-	-	-	-	(368)	-	(368)
- Other comprehensive income (net of tax)	18	-	-	-	-	-	(96)	4	(92)
Total comprehensive income for the year		-	-	-	-	-	5,630	4	5,634
Balance as at 31 March 2023		309	5,707	28	21	19	22,474	17	28,575

Significant accounting policies 2
Notes to the standalone financial statements 3-56
The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors
Punjab Chemicals and Crop Protection Limited

Gaurav Mahajan
Partner
Membership No.: 507857

Mukesh D Patel
Chairman
DIN: 00009605
Place: Mumbai

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer

Rishu Chatley
Company Secretary & Compliance Officer

Ashish R Nayak
Chief Financial Officer

Place: Mumbai
Date: 4th May, 2023

Place: Mumbai
Date: 4th May, 2023

Place: Mumbai

Place: Mumbai

Notes to the Standalone Financial Statements for the year ended 31 March 2023

Note 1. Corporate Information

Punjab Chemicals and Crop Protection Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is situated at Milestone 18, Ambala Kalka Road, Village & P.O. Bhankharpur, Derabassi, Distt. SAS Nagar, Mohali (Punjab)-140201.

The Company is engaged in business of manufacturing of agro chemicals, speciality chemicals and bulk drugs and its intermediates.

Note 2. Significant accounting policies

(a) Basis of preparation

(i) Statement of compliance

These standalone financial statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013, ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

Effective 01 April 2016, the Company had transitioned to Ind AS while the financial statements were being prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP) till 31 March 2017 and the transition was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition, in addition to the mandatory exemptions, the Company had elected to certain exemption which are listed as below:

a. The Company had opted to continue with the carrying value for all of its property, plant and equipment, intangible assets and investment property as recognized in the financial statements prepared under previous GAAP and use the same as deemed cost in the financial statement as at the transition date.

b. The Company had opted to carry the assessment whether a contract or arrangement contains a lease on the basis of and circumstances existing at the date of transition except where the effect is not expected to be material. In accordance with Ind AS 17, this assessment should be carried out (at the inception of the contract or arrangement).

c. The Company had opted to measure its investment in SD Agchem (Europe), subsidiary of the Company, at its fair value on transition date which will be regarded as it's deemed cost at the transition date.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months. The standalone financial statements for the year ended 31 March 2023 were approved for issue by the Company's Board of Directors on 04 May 2023.

(ii) Functional and presentation currency

The functional currency of the Company is the Indian rupee. These standalone financial statements are presented in Indian rupees. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

(iii) Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following Items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefits (assets)/liability	Fair value of the plan assets less present value of defined benefits obligations

(iv) Use of estimates and judgments

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The Management believes that the estimates used in preparation of these financial statements are prudent and reasonable. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effects on the amounts recognized in the standalone financial statements is included in the following notes:

- Note 2(c) and 3 – Assessment of useful life and residual value of Property, plant and equipment
- Note 2(d) and 4 – Lease Classification and assessment of lease term, useful life of right-to-use asset, discount rate
- Note 2(e) and 5 – Assessment of useful life of Intangible assets
- Note 2(n), 2(o), 21 and 42 – Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- Note 2(m), 27, and 37 – Recognition and estimation of tax expense including deferred tax; recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used, future recoverability been probable;
- Note 2(l) and 41 – Measurement of defined benefit obligations: key actuarial assumptions
- Note 2(h) – Impairment of financial assets; impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Note 2(g) – Valuation of inventories

(v) Current versus non-current classification

The Company presents assets and liabilities in the Statement of Assets and Liabilities based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(vi) Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's board of directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred. Further information about the assumptions made in measuring fair values used in preparing these standalone financial statements is included in the note 41(a).

(b) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However trade receivables that do not contain a significant financing component are measured at transaction price.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through

Notes to the Standalone Financial Statements for the year ended 31 March 2023

the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Investments in subsidiaries

Equity investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises

Notes to the Standalone Financial Statements for the year ended 31 March 2023

an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(c) Property, plant and equipment ('PPE')

Recognition and measurement

Items of PPE are stated at cost, which includes capitalized finance costs, less accumulated depreciation and or accumulated impairment loss, if any.

Cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes after deducting any trade discounts and rebates and any directly attributable cost of bringing the asset to its working condition for its intended use.

The cost of a self-constructed item of PPE comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Advances paid towards acquisition of PPE outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

Any gain or loss on disposal of an item of PPE is recognised in the Statement of Profit and Loss.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Statement of Profit and Loss.

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with the notification dated 29 August 2014 of the Ministry of Corporate Affairs except for certain classes of PPE which are depreciated based on the internal technical assessment of the management. The estimated useful lives of items of PPE for the current and comparative periods are as follows:

Notes to the Standalone Financial Statements for the year ended 31 March 2023

Particulars	Useful life as per Schedule II	Management estimate of useful life
Building - Factory	30 Years	5 - 28 Years
Building - Office	60 Years	5 - 58 Years
Plant and equipment	3 - 15 Years	1 - 20 Years
Electrical installations	10 Years	4 - 10 Years
Vehicles	8 Years	8 Years
Furniture and fittings	10 Years	2 - 10 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Derecognition

An item of PPE is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

(d) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases in which the Company is a lessee

The Company's lease asset classes primarily consist of leases for buildings, furniture and fixture and leasehold land. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company recognises a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Company recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

Leases in which the Company is a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

(e) Other Intangible assets

Internally generated intangible assets

Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:

- Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.
- Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

  After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

Acquired Intangible

Intangible assets that are acquired (including implementation of software system) are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Advances paid towards acquisition of intangible assets outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as intangible assets under development.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expense in Statement of Profit and Loss.

The estimated useful lives are as follows:

- Computer software	3 - 5 Years
- Product registrations (including task charges, task force studies and other related expenses)	10 Years
- Technical know-how	5 Years

Derecognition

Intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

(f) Non-current assets held for sale

Non-current assets, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit and Loss.

Once classified as held-for sale, property, plant and equipment, and investment property and intangible assets are no longer amortised or depreciated.

(g) Inventories

Inventories are valued at lower of cost or net realisable value. The methods of determining cost of various categories of inventories are as follows:

Raw materials (except goods in transit)	Weighted average method
Finished goods	Weighted average method
Packing material	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Variable cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Goods in transit	Specifically identified purchase cost

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The Company reviews the condition of its inventories and makes provision against obsolete and slow moving inventory items which are identified as no longer suitable for sale or use.

The comparison of cost and net realisable value is made on an item-by-item basis.

(h) Impairment

Impairment of financial assets

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset

Notes to the Standalone Financial Statements for the year ended 31 March 2023

is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Company in accordance with the contract and the cash flow that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

Notes to the Standalone Financial Statements for the year ended 31 March 2023

The Company's corporate assets (e.g head office building for providing support to CGU) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

(j) Revenue from contract with customers

Under Ind AS 115, the company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by geography.

Use of significant judgements in revenue recognition:

a) The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c) The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

d) The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

e) Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

f) Contract fulfilment costs are generally expensed as incurred except for certain expenses which meet the criteria for capitalisation. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Sale of services

The Company offers services in fixed term contracts and short-term arrangement. Revenue from service is recognized when obligation is performed or services are rendered.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except where the rentals are structured to increase in line with expected general inflation.

Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Export incentives

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Insurance and Other Claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

(k) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(l) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Post-employment benefits

Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. Certain employees of the Company are also participants in the superannuation plan ('the Plan'), a defined contribution plan. The Company makes contributions to Life Insurance Corporation of India (LIC). Contribution made by the Company to the plan during the year is charged to Statement of Profit and Loss.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC') for certain employees. The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Other long-term employee benefits

Compensated absences

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Company's obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Such obligation such as those related to compensate absences is measured on the basis of an actuarial valuation performed annually by a qualified actuary using the projected unit cost credit method.

Termination benefits

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are

Notes to the Standalone Financial Statements for the year ended 31 March 2023

included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(m) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions or make reversals of provisions made in earlier years, where appropriate, on the basis of amounts expected to be paid to / received from the tax authorities.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets, recognized or unrecognized, are reviewed at each reporting date and recognised / reduced to the extent that it has become probable / no longer probable respectively that future taxable profits will be available against which they can be used.

Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Company has opted for this benefit in earlier years.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

(n) Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

A provision for onerous contract is recognised when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognises any impairment loss on assets associated.

(o) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

(p) Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

(q) Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

(r) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(s) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(t) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(u) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(v) Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Company is charged to the Statement of the Profit and Loss.

(w) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(x) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 3: Property, plant and equipment and capital work-in-progress

Gross carrying amount

	Freehold Land	Leasehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total
Balance as at 1 April 2021	5,395	-	2,662	13,165	350	1,158	391	23,121
Additions	-	-	585	2,963	20	236	113	3,917
Disposals /other adjustments	-	-	-	64	-	90	118	272
Balance as at 31 March 2022	5,395	-	3,247	16,064	370	1,304	386	26,766
Balance as at 1 April 2022	5,395	-	3,247	16,064	370	1,304	386	26,766
Additions	-	-	354	2,377	14	113	69	2,927
Disposals /other adjustments	-	-	55	259	5	183	13	515
Assets classified as held for sale (refer note 16)	-	-	41	-	-	-	-	41
Balance as at 31 March 2023	5,395	-	3,505	18,182	379	1,234	442	29,137
Accumulated depreciation								
Balance as at 1 April 2021	-	-	578	3,568	119	453	172	4,890
Depreciation for the year	-	-	134	1,069	31	134	67	1,435
Disposals /other adjustments	-	-	-	30	-	43	104	177
Balance as at 31 March 2022	-	-	712	4,607	150	544	135	6,148
Depreciation for the year	-	-	137	1,265	35	145	87	1,669
Disposals /other adjustments	-	-	47	146	5	116	10	324
Assets classified as held for sale (refer note 16)	-	-	11	-	-	-	-	11
Balance as at 31 March 2023	-	-	791	5,726	180	573	212	7,482
Carrying amounts (net)								
As at 31 March 2022	5,395	-	2,535	11,457	220	760	251	20,618
As at 31 March 2023	5,395	-	2,714	12,456	199	661	230	21,655

Notes:

a. Plant and equipment includes ₹44 (previous year: ₹44) worth of equipment acquired under United Nations Industrial Development Organization grant scheme.

b. Plant and equipment includes ₹77 (previous year: ₹145) of capitalization towards research and development.

c. Refer note 19 for information on property, plant and equipment pledged as security by the Company.

d. Refer note 42 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

e. The Company has capitalized the following expenses to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	127	127
Power and fuel	145	14
Finance costs	91	56
	363	197

f As at 31 March 2023,all the title deeds of immovable property are held in the name of the Company. During the previous year, following title deed were not held in the name of the Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee"	Period held indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Three Residential flats at Tarapur, Palghar, Maharashtra	18 lakhs	STS Chemicals Limited	No	17 Years	STS Chemicals Limited was merged in Punjab Chemicals and Crop Protection Limited in 2005. The Company had initiated the process of filing for transfer of ownership which was completed during the year ended 31 March 2023.There was no dispute in relation to ownership of these flats.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 3: Property, plant and equipment and capital work-in-progress (Contd.)

g. Capital work in progress

	Freehold Land	Leasehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total
Balance as at 1 April 2021	-	-	287	1,209	-	-	-	1,496
Additions	-	-	260	1,866	-	-	-	2,126
Disposals /other adjustments	-	-	-	-	-	-	-	-
Capitalisations	-	-	439	2,508	-	-	-	2,947
Balance as at 31 March 2022	-	-	108	567	-	-	-	675
Additions	-	-	491	2,804	-	-	-	3,295
Disposals /other adjustments	-	-	-	-	-	-	-	-
Capitalisations	-	-	335	1,780	-	-	-	2,115
Balance as at 31 March 2023	-	-	264	1,591	-	-	-	1,855

Capital-work- in progress ageing schedule as at 31 March 2023

CWIP	Amount in CWIP for a period of					
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total	Remarks
Projects in progress	1,855	-	-	-	1,855	Refer note below
Projects temporarily suspended	-	-	-	-	-	
Total	1,855	-	-	-	1,855	

Capital-work- in progress ageing schedule as at 31 March 2022

CWIP	Amount in CWIP for a period of					
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total	Remarks
Projects in progress	610	65	-	-	675	Refer note below
Projects temporarily suspended	-	-	-	-	-	
Total	610	65	-	-	675	

Note: During the previous year, capital work in progress amounting to Rs 65 was overdue for more than 1 year which has been capitalised during the current financial year.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 4: Right of use asset

	Leasehold Land	Building	Plant & Machinry	Furniture and fixtures	Total
Balance as at 1 April 2021	3	503	-	20	526
Additions	-	130	-	-	130
Depreciation for the year	-	174	-	3	177
Balance as at 31 March 2022	3	459	-	17	479
Balance as at 1 April 2022	3	459	-	17	479
Additions	-	-	198	-	198
Depreciation for the year	-	181	20	1	202
Balance as at 31 March 2023	3	278	178	16	475

Notes:

a. The Company has also taken or leases certain office premises with contract terms of one year. These leases were short-term in nature and the Company had elected not to recognise right-of-use assets and lease liabilities for those leases. The Company incurred ₹81 (previous year ₹46) towards expenses relating to short-term leases for which the recognition exemption has been applied.

b. The total cash outflow for leases, including cash outflow for short term and low value leases, is ₹416 (previous year ₹302).

c. Lease agreement not held in the name of Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Lease agreement for Industrial building at H.A.Limited Compound Pimpri, Pune, Maharashtra	Not applicable. Lease premises has immovable Property plant and equipment of Rs.173 lakhs (Net Value Rs.Nil.)	Excel Prospho Chem (Sole Proprietors)	No	17 Years	Excel Phospho Chem was merged with STS Chemicals Limited and STS Chemicals Limited was merged with Punjab Chemicals and Crop Protection Limited in 2005. The appeal is pending in the District Court, Pune under the Public PremisesAct1971.Nexthearingisexpected to be in September 2023. Also refer to note 42(a) (iii) of the financial Statements.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 5: Other intangible assets and intangible assets under development

Gross carrying amount

	Computer Software	Product registrations	Technical know how	Total
Balance as at 1 April 2021	181	718	320	1,219
Additions - internally generated	-	-	-	-
Additions - acquired	11	-	-	11
Disposals	-	-	-	-
Balance as at 31 March 2022	192	718	320	1,230
Balance as at 1 April 2022	192	718	320	1,230
Additions - internally generated	-	-	-	-
Additions - acquired	12	4	-	16
Disposals	-	-	-	-
Balance as at 31 March 2023	204	722	320	1,246
Accumulated amortisation				
Balance as at 1 April 2021	132	650	305	1,087
Amortisation for the year	37	12	6	55
Disposals	-	-	-	-
Balance as at 31 March 2022	169	662	311	1,142
Balance as at 1 April 2022	169	662	311	1,142
Amortisation for the year	16	9	5	30
Disposals	-	-	-	-
Balance as at 31 March 2023	185	671	316	1,172
Carrying amounts (net)				
As at 31 March 2022	23	56	9	88
As at 31 March 2023	19	51	4	74

Note:

a. As at 31 March 2023, the estimated remaining amortization period for intangible assets are as follows:

	As at 31 March 2023	As at 31 March 2022
Computer Software	0 to 3 years	0 to 3 years
Product registrations	0.05 to 8 years	0.17 to 9 years
Technical know how	0 to 1 years	0 to 1 years

b. Intangible assets under development

	Computer Software	Product registrations	Technical know how	Total
Balance as at 1 April 2021	7	47	-	54
Additions	-	2	-	2
Disposals	-	-	-	-
Capitalisations	7	-		7
Balance as at 31 March 2022	-	49	-	49
Additions	-	55	-	55
Disposals	-	-	-	-
Capitalisations	-	4	-	4
Balance as at 31 March 2023	-	100	-	100

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 5: Other intangible assets and intangible assets under development (Contd.)

c. Intangible assets under development ageing schedule as on 31 March 2023:

Intangible assets under development	Amount in intangible assets under development for a period of					
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total	Remarks
Product registration projects	54	3	-	43	100	Refer note below
Total	54	3	-	43	100	

Intangible assets under development ageing schedule as on 31 March 2022:

Intangible assets under development	Amount in intangible assets under development for a period of					
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total	Remarks
Product registration projects	3	-	3	43	49	Refer note below
Total	3	-	3	43	49	

Note: These projects relate to certain product registration submission to regulatory authority for which the necessary approvals are currently awaited. These approval are expected to be received in the near term basis which these will be capitalised as product registration.

Note 6: Investments

A. Non- current investments

	As at 31 March 2023	As at 31 March 2022
Investments in equity shares		
Quoted equity shares		
Equity shares (at fair value through other comprehensive income)		
- Bank of Baroda 187 (31 March 2022: 187) equity shares of ₹10 each fully paid-up	0.31	0.21
- Canara Bank 63 (31 March 2022: 63) equity shares of INR 10 each fully paid-up	0.18	0.14
	0.49	0.35
Unquoted equity shares		
Subsidiary companies (at cost)		
- SD Agchem (Europe) N.V. 16,612 (31 March 2022: 16,612) equity shares of Euro 615 each fully paid-up	2,595	2,595
Other Companies (fair value through other comprehensive income)		
- Nimbua Green Field (Punjab) Limited 84,375 (31 March 2022: 84,375) equity shares of INR 10 each fully paid-up	127	122
- Mohali Green Environment Private Limited 100,000 (31 March 2022: 100,000) equity shares of INR 10 each fully paid-up	10	10
- SVC Cooperative Bank Limited 100 equity shares (31 March 2022: 100) equity shares of INR 25 each fully paid-up	0.03	0.03
	2,732	2,727
Impairment in value of investments		
Subsidiary Companies :		
- SD Agchem (Europe) N.V 16,612 (31 March 2022: 16,612) equity shares of Euro 615 each fully paid-up	2,595	2,595
	2,595	2,595

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 6: Investments (Contd.)

A. Non- current investments

	As at 31 March 2023	As at 31 March 2022
Total non-current investments	137	132
Aggregate book value of quoted investments ^	0.49	0.35
Aggregate market value of quoted investments ^	0.49	0.35
Aggregate value of unquoted investments	2,732	2,727
Aggregate amount of impairment in value of non-current investments	2,595	2,595

^ Value of investment is less than ₹1 lakh(previous year: less than ₹1 lakh).

B. Current investments

	As at 31 March 2023	As at 31 March 2022
Quoted		
Investments in mutual funds measured at fair value through statement of profit and loss		
3,110.70 (31 March 2022: 36.2) units of INR 3,474.60 in Nippon India Mutual Fund.	108	2
Nil (31 March 2022: 23,864.8) units of INR Nil in IDFC Mutual Fund.	-	3
29,723.54 (31 March 2022: Nil) units of INR 12.98 in Bandhan Mutual Fund.	4	-
Total current investments	112	5
Aggregate book value of quoted investments ^	112	4.62
Aggregate market value of quoted investments ^	112	4.81

^ Value of investment is less than ₹1 lakh(previous year: less than ₹1 lakh).

Note 7: Other financial assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Security deposits	325	77	290	76
Deposits with remaining maturity of more than 12 months	55	-	62	-
Interest receivable	-	33	-	31
Export incentive recoverable	-	105	-	442
Due from customer (refer note 53)	-	509	-	-
Other receivable	-	150	-	141
	380	874	352	690

Refer note 39(b) for information about credit risk and market risk of other financial assets.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 8: Other tax assets (net)

	As at 31 March 2023	As at 31 March 2022
Advance income-tax and tax deducted at source (net of provision of ₹1,456 (31 March 2022: ₹1,456)	649	649
	649	649

Note 9: Other non-current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Capital advances		
- to others considered good	47	424
- to others considered doubtful	-	40
Less- Provision for doubtful	-	(40)
	47	424

Note 10: Inventories

(At lower of cost and net realizable value)

	Note	As at 31 March 2023	As at 31 March 2022
Raw materials	(a),(b)	8,308	9,152
Work-in-progress	(b)	4,175	1,903
Finished goods	(a)	3,247	3,269
Stock-in-trade		-	11
Stores and spares		890	847
Packing material		204	190
		16,824	15,372

Notes:		
(a) Includes goods-in-transit:		
- raw materials	692	1,482
- finished goods	1,809	1,913
(b) Refer note 19(C) for hypothecation of current assets against term loan.		

Note 11: Trade receivables

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2023 Current	As at 31 March 2022 Current
Trade receivables	14,311	11,274
Trade receivables from related party (refer note 43)	142	47
Less: expected credit loss allowance	(103)	(145)
	14,350	11,176
Break-up of trade receivables:		
Trade receivable considered good - Secured	-	-

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 11: Trade receivables (Contd.)

	As at 31 March 2023 Current	As at 31 March 2022 Current
Trade receivable considered good - Unsecured	14,422	11,249
Trade receivable which have significant increase in credit risk	8	51
Trade receivable - credit impaired	23	21
Total	14,453	11,321
Less: expected credit loss allowance		
-Trade receivable considered good - secured	-	-
-Trade receivables considered good - unsecured	(72)	(73)
-Trade receivables which have significant increase in Credit risk	(8)	(51)
-Trade Receivables – credit impaired	(23)	(21)
Total trade receivables	14,350	11,176

Trade receivables ageing schedule:

As at 31 March 2023	Outstanding for following periods from due date of payment									
	Unbilled	Not due	< 6 months	6 months -1 year	1 year - 2 years	2 year - 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Undisputed Trade Receivable - considered good	891	10,642	2,212	118	420	4	135	14,422	72	14,350
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	23	23	23	-
Disputed Trade Receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	8	8	8	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-		-	-	-
Total	891	10,642	2,212	118	420	4	166	14,453	103	14,350

As at 31 March 2022	Outstanding for following periods from due date of payment									
	Unbilled	Not due	< 6 months	6 months -1 year	1 year - 2 years	2 year - 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Undisputed Trade Receivable - considered good	1,191	7,675	2,220	17	4	14	128	11,249	73	11,176
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	43	43	43	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	21	21	21	-
Disputed Trade Receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	8	8	8	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-		-	-	-
Total	1,191	7,675	2,220	17	4	14	200	11,321	145	11,176

Refer note 39(b) for information about credit risk and market risk of trade receivables.

Refer note 19(C) for hypothecation of current assets against term loan.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 12: Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- Current accounts	716	685
- Fixed deposits with original maturity upto three months	17	-
Cash on hand	12	7
	745	692

Refer note 19(C) for hypothecation of current assets against term loan.

Note 13: Bank balances other than above

	As at 31 March 2023	As at 31 March 2022
Deposit accounts with original maturity more than 3 months and upto 12 months from the reporting date #	264	278
Balance in unclaimed dividend accounts	7	5
	271	283

These deposits include restricted bank deposits ₹186 (31 March 2022: ₹203) pledged as margin money.

Note 14: Loans

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Advances recoverable from related party (refer note 43)				
- considered good	-	2,003	-	1,934
Advances recoverable from others				
- considered doubtful	16	24	16	24
Less: expected credit loss allowance	(16)	(24)	(16)	(24)
Loans to employee	-	6	-	6
	-	2,009	-	1,940

Refer note 39(b) for information about credit risk and market risk of loans.

Refer note 19(C) for hypothecation of current assets against term loan.

Note 15: Other current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Recoverable from/ balances with government authorities		
- considered good	1,957	2,392
- considered doubtful	-	41
Less : provision for doubtful balance recoverable from government authorities	-	(41)
Advances for supply of goods and services	246	667
Export benefit receivable on advance licecne	276	171
Prepaid expenses	270	223
Contract assets	95	359
Others	-	1
	2,844	3,813

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 16: Assets classified as held for sale

	As at 31 March 2023	As at 31 March 2022
Assets classified as held for sale	30	-
	30	-

In August 2022, management committed to a plan to sell its office building located in Ahmedabad ('Asset'). Efforts to sell this Asset has started and sales is expected by September 2023. There is no impairment loss or cumulative income or expenses included in OCI in relation to the Asset Accordingly, in the current year the Asset has been classified as "Assets classified as held for sale" in accordance with Ind AS 105.

Note 17: Equity Share capital

(i) Details of share capital

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹10 each	1,98,00,000	1,980	1,98,00,000	1,980
9.8% redeemable cumulative preference shares of ₹100 each	20,000	20	20,000	20
	1,98,20,000	2,000	1,98,20,000	2,000
Issued Shares				
Equity shares of ₹10 each	1,22,77,218	1,228	1,22,77,218	1,228
	1,22,77,218	1,228	1,22,77,218	1,228
Subscribed and fully paid up				
Equity shares of ₹10 each fully paid up	1,22,62,185	1,226	1,22,62,185	1,226
	1,22,62,185	1,226	1,22,62,185	1,226

(ii) Reconciliation of number of shares outstanding at the beginning and end of the year

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning and at the end of the year	1,22,62,185	1,226	1,22,62,185	1,226

(iii) Rights, preference and restriction attached to shares

The Company has only one class of equity shares having a par value of ₹10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders (except for interim dividend) in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of shareholders holding more than 5% shares in the company

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of ₹10 each fully paid				
Hem-sil Trading and Manufacturing Private Limited	40,17,318	32.76%	40,17,318	32.76%
Gowal Consulting Services Private Limited	30,00,000	24.47%	30,00,000	24.47%

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 17: Equity Share capital (Contd.)

(v) Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2023

During the five years immediately preceding 31 March 2023, neither any bonus shares have been issued nor any shares have been bought back. Further, no shares have been issued for consideration other than cash.

(vi) Promotors Shareholdings

S. no.	Promoter's name	As at 31 March 2023		As at 31 March 2022		
		No. of shares	% of total shares	No. of shares	% of total shares	% change during the year
1	Rupam Shalil Shroff	2,07,293	1.69	2,07,293	1.69	-
2	Shalil Shashikumar Shroff	2,30,581	1.88	2,30,581	1.88	-
3	Salil Shashikumar Shroff HUF	77,652	0.63	77,652	0.63	-
4	Hemal Raju Shete	2,12,812	1.74	2,12,812	1.74	-
5	Malvika Shalil Shroff	35,340	0.29	35,340	0.29	-
6	Inshika Shalil Shroff	27,894	0.23	27,894	0.23	-
7	Hem-sil Trading and Manufacturing Pvt Ltd.	40,17,318	32.76	40,17,318	32.76	-
Total		48,08,890	39.22	48,08,890	39.22	-

Note 18: Other equity

(i) Capital reserve

Capital reserve represents the forfeited share application money of ₹185 received for preferential convertible warrants in 2008-2009 and ₹124 received for equity convertible warrant in 2009-2010.

(ii) Securities premium

Securities premium represents the excess consideration received by the Company over the face value of the shares issued to shareholde₹This will be utilized in accordance with the applicable provisions of the Companies Act, 2013.

(iii) Capital redemption reserve

Capital redemption reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(iv) Capital reduction reserve

Capital reduction reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(v) Amalgamation reserve

Amalgamation reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(vi) Retained earnings

Retained earnings represents the profits that the Company has earned till date less any transfer to general reserve, less any dividends, or other distributions paid to shareholders.

(vii) Equity instruments through Other Comprehensive Income

The Company has elected to recognize changes in the fair value of certain investments in equity securities of other comprehensive income. These changes are accumulated within the equity instrument through OCI within equity. The company transfers amounts there from to retained earnings when the relevant equity securities are derecognised.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 19: Borrowings

A. Non-current borrowings

	Note	As at 31 March 2023	As at 31 March 2022
Secured			
From Banks			
Term loan	(a), (b)	3,694	4,954
Working capital term loan (ECLGS Scheme)	(c)	1,500	-
Vehicle finance scheme	(d)	187	158
		5,381	5,112
Unsecured			
From Others			
Inter-corporate deposits - from related party (refer note 43)	(e)	1,585	1,585
		1,585	1,585
Total non current borrowings (including current maturities)		6,966	6,697
Less : Current maturities of non-current borrowings		805	1,241
		6,161	5,456

Notes:

(a) Term loan from RBL Bank amounting to ₹ Nil (31 March 2022: ₹496) carrying interest rate of Nil (31 March 2022: 11.25%) has been repaid fully during the year. The satisfaction of charge has been filed with respect to hypothecation on all current assets of the Company, both present and future as well as mortgage on factory land and building situated at Lalru, Punjab and hypothecation on all movable property including plant and machinery situated at lalru, Punjab with the Ministry of Corporate Affair.

(b) Term loan from SVC Co-operative Bank Ltd. amounting to ₹3,694 (31 March 2022: ₹4,458) carrying interest rate of 10.85% p.a. (31 March 2022: 9.70%) is secured by exclusive charge by way of hypothecation on all movable property including Plant & Machinery situated at Company's unit at Derabassi, Punjab both present and future. It is further secured by way of equitable mortgage on factory land and building situated at Company's unit at Derabassi, Punjab. The loan is repayable in 58 (31 March 2022: 70) equal monthly installments.

(c) During the year, the Company has on 20 April 2023 availed working capital term loan (WCTL) under emergency credit line guarantee scheme (ECLGS scheme) from SVC Co-operative Bank Ltd. amounting to ₹1,500 (31 March 2022: ₹ Nil) carrying interest rate of 9.25% p.a. (31 March 2022: Nil) is secured by 100% guarantee coverage from Naional Credit Guarantee Trustee Company Limited (NCGTC) and 2nd charge on existing prime & collateral securities of the Company. The loan has a moratorium of 2 years from the date of first disbursement and is thereafter repayable in 48 (31 March 2022: Nil) equal monthly installments.

(d) - Loan from Indostar Capital Finance Limited under vehicle finance scheme amounting to Nil (31 March 2022: ₹7) carrying interest rate of Nil (31 March 2022: 11.03%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in Nil (31 March 2022: 5) equal monthly installments.

- Loan from SVC Co-operative Bank Limited under vehicle finance scheme amounting to ₹187 (31 March 2022: 151) carrying interest rate of 8.75% (31 March 2022: 7.75%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in 48 (31 March 2022: 60) equal monthly installments.

(e) Inter-corporate deposits amounting to ₹1,585 (31 March 2022: INR 1,585) is carrying interest rate of 12.75% to 16.50% p.a (31 March 2022: 12.75% to 16.50% p.a).

B. Current borrowings

		As at 31 March 2023	As at 31 March 2022
Loans repayable on demand			
- from banks (secured)	(a)	1,916	2,031
Others			
- Current maturity of non-current borrowings		805	1,241
		2,721	3,272
		8,882	8,728

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 19: Borrowings (Contd.)

Notes:

(a) Cash credit amounting to ₹1,916 (31 March 2022: 2,031) carrying interest rate of 9.90% p.a. (31 March 2022: 8.75%) is secured by exclusive charge by way of hypothecation on all current assets of the Company, both present and future. It is further secured by exclusive charge by way of registered mortgage on factory land and building situated at Derabassi, Punjab and exclusive charge by way of hypothecation on all movable property, including plant and machinery, situated at Derabassi, Punjab.

C. Assets pledged as security

Assets with following carrying amounts are pledged as collateral/security against loans and borrowings at year end:

	As at 31 March 2023	As at 31 March 2022
Property, plant and equipment	20,938	19,838
Inventory	16,824	15,372
Other current assets (including financial assets)	21,264	18,599
	59,026	53,809

D. Reconciliation of movements of liabilities to cash flows arising from financing activities

	As at 31 March 2023	As at 31 March 2022
Borrowings at the beginning of the year (current and non-current borrowings)	8,728	8,141
Proceeds from non-current borrowings	76	152
Repayment of non-current borrowings	(1,307)	(1,052)
Proceeds from current borrowings (net)	1,385	1,487
Borrowings at the end of the year (current and non-current borrowings)	8,882	8,728

Note 20: Lease liabilities

	As at 31 March 2023	As at 31 March 2022
Non-current		
Total non current lease liability (including current maturities)	515	604
Less : Current maturities of non-current lease liabilities	290	217
Total non current lease liability	225	387
Current		
Current maturities of Non-current lease liabilities	290	217
	290	217

* Current and non-current classification of lease liabilities is based on contractual maturities.

(a) The Company has entered into agreements for leasing office premises on lease and license basis. The leases typically run for a period of 5 years with no restriction placed upon the Company for entering into said lease.

(b) Loan from Siemens Financial Services Private Limited under lease financing scheme amounting to Rs.192 (31 March 2022 : Rs.Nil) carrying interest rate of 7.09% (31 March 2022: Nil) for purchase of machineries. The loan is repayable in 36 (31 March 2022 : Nil) equal monthly instalments.

Information about leases for which the Company is a lessee is presented below:

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 20: Lease liabilities (Contd.)

(i) The following are the amounts recognised in statement of profit and loss:

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on lease liabilities	57	70
Expenses relating to short-term leases	81	46
	138	116

(ii) The following is the break-up of current and non-current lease liabilities

	As at 31 March 2023	As at 31 March 2022
Non-current lease liabilities	225	387
Current maturities of lease liabilities	290	217
	515	604

(iii) The weighted average incremental borrowing rate applied to lease liabilities is 11.25%

(iv) As at 31 March 2023, the Company has a lease liability balance of ₹515 (previous year Rs.604). During the year, the Company entered into new leases agreement of ₹192 (previous year Rs.130).

(v) The following is the information regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at 31 March 2023	As at 31 March 2022
Less than one year	329	217
One to five years	235	479
Total	564	696

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(vi) There are no leases not yet commenced to which the Company is committed.

Note 21: Provisions

	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Provision for employee benefits (refer note 41)				
Liability for gratuity	1,536	252	1,316	347
Liability for compensated absences	393	174	364	183
	1,929	426	1,680	530

Note 22: Deferred tax

	As at 31 March 2023	As at 31 March 2022
Deferred tax assets on account of:		
- Expenses allowable on payment basis	424	450
- Expected credit loss allowance	55	86
- Expenses allowed on deferred basis under income tax	6	6
- Lease liabilities	20	33
Deferred tax asset (A)	505	575
Deferred tax liabilities on account of:		
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	1,035	985
Deferred tax liability (B)	1,035	985
Deferred tax (liability) (net) (A-B)	(530)	(410)

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 22: Deferred tax (Contd.)

Movement in temporary differences:

2021-2022	As at 1 April 2021	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2022
Deferred tax assets:				
- Expenses allowable on payment basis	451	(17)	16	450
- Expected credit loss allowance	100	(14)	-	86
- Expenses allowed on deferred basis under income tax	6	-	-	6
- Lease liabilities	23	10	-	33
Deferred tax liabilities:				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(886)	(99)	-	(985)
	(306)	(120)	16	(410)

2022-2023	As at 1 April 2022	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2023
Deferred tax assets:				
- Expenses allowable on payment basis	450	(58)	32	424
- Expected credit loss allowance	86	(31)	-	55
- Expenses allowed on deferred basis under income tax	6	-	-	6
- Lease liabilities	33	(13)	-	20
Deferred tax liabilities:				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(985)	(50)	-	(1,035)
	(410)	(152)	32	(530)

Note 23: Other non-current liabilities

	As at 31 March 2023	As at 31 March 2022
Deferred revenue	-	2
Advance from customers	207	265
	207	267

Note 24: Trade payables

	As at 31 March 2023	As at 31 March 2022
(a) Total outstanding dues of micro enterprise and small enterprises	855	689
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	12,944	12,439
	13,799	13,128

Refer note 39(b) for information about liquidity risk and market risk of trade payables.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 24: Trade payables (Contd.)

Trade payables ageing schedule as at 31 March 2023:

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	364	491	-	-	-	855
Total outstanding dues of creditors other than micro enterprises and small enterprises	142	8,775	3,589	187	131	120	12,944
Disputed dues of micro enterprises and small enterprises		-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises		-	-	-	-	-	-
Total	142	9,139	4,080	187	131	120	13,799

Trade payables ageing schedule as at 31 March 2022:

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	429	260	-	-	-	689
Total outstanding dues of creditors other than micro enterprises and small enterprises	174	6,300	5,460	315	159	31	12,439
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	174	6,729	5,720	315	159	31	13,128

Also refer to note-51

Note 25: Other financial liabilities

	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Interest accrued and due on borrowings	-	63	-	84
Unpaid dividend #	-	7	-	5
Payable to government (revenue department)	-	-	-	215
Interest bearing security deposits from customers	-	61	-	63
Security deposit from employees	-	77	-	188
Due to subsidiaries (refer note 43)	-	1,505	-	1,422
Due to customer (refer note 53)		1,063	-	-
Employee related liabilities	-	828	-	742
Capital creditors of micro enterprise and small enterprises		74		44
Capital creditors other than micro enterprise and small enterprises	-	383	-	313
Others	-	659	-	542
	-	4,720	-	3,618

not due for deposit to investor education and protection fund

Refer note 39(b) for information about liquidity risk and market risk of other financial liabilities.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 26: Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Advance from customers	489	1,595
Deferred revenue	-	12
Deferred government grant	2	2
Statutory dues	578	581
	1,069	2,190

Note 27: Current tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Provision for income tax (net of advance tax of ₹6,812 (31 March 2022: ₹3,289))	1,553	2,115
	1,553	2,115

Note 28: Revenue from operations

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products		
Finished goods	86,371	77,431
Traded goods	1,513	1,375
Sale of services	9,736	12,611
Other operating revenues:		
Scrap sales	332	127
Export incentive	1,631	1,326
Product development charges	494	163
Others	296	24
	1,00,373	93,057

Revenue disaggregation by geography (location of destination of shipment) is as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Geography:		
India	39,542	42,696
Outside India		
Europe (including united kingdom)	41,199	35,782
Japan	5,433	8,980
Israel	4,003	1,048
USA	2,936	181
Latin America	2,722	490
Others	1,785	2,240
Total	97,620	91,417

Information about major customers:

Revenue from 2 customer of the Company amounting to ₹41,444 (previous year: ₹50,371) and ₹13,868 (previous year: ₹7,583) respectively, constitute more than 10% of the total revenue of Company.

Changes in Unbilled revenue are as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	1,191	398
Invoices raised during the year	(1,191)	(398)
Revenue recognised during the year (yet to be invoiced)	891	1,191
Balance at the end of the year	891	1,191

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 28: Revenue from operations (Contd.)

Changes in Deferred revenue are as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	14	30
Revenue recognised during the year	(14)	(16)
Balance at the end of the year	-	14

Reconciliation of revenue recognised with the contracted price is as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Contracted price	97,682	91,464
Reductions towards variable consideration components*	(62)	(47)
Revenue recognised	97,620	91,417

*The reduction towards variable consideration comprises of trade discount.

	Year ended 31 March 2023	Year ended 31 March 2022
Contract balances		
Trade receivables	14,350	11,176
Trade receivables-Unbilled	891	1,191
Contract Liabilities- Current	489	1,595
Contract Liabilities- Non-current	207	265

Contract liabilities primarily relate to advance consideration received from customers against supply of goods for which revenue is recognised at a point in time.

Trade receivables are net of expected credit loss and loss allowance on credit impaired assets.

Timing of revenue recognisition:

	Year ended 31 March 2023	Year ended 31 March 2022
Product transferred at a point in time	74,016	71,223
Products and services transferred over time	23,604	20,194
Revenue from contracts with customers	97,620	91,417

Note 29: Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income		
- on fixed deposits	18	8
- others	23	31
Reversal of impairment loss on doubtful advances	84	4
Liability no longer required written back	209	6
Rental income	2	1
Amortization of government grant	-	2
Exchange gain on foreign exchange fluctuation (net)	51	-
Gain on fair valuation of mutual fund	7	5
Insurance claim	-	12
Others	3	3
	397	72

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 30: Cost of materials consumed

	Year ended 31 March 2023	Year ended 31 March 2022
Inventory of raw material at the beginning of the year	9,152	6,068
Add: Purchases of raw materials	64,663	61,177
Less: Inventory of raw material at the end of the year	(8,308)	(9,152)
	65,507	58,093

Note 31: Purchases of stock-in-trade

	Year ended 31 March 2023	Year ended 31 March 2022
Chemicals	348	625
	348	625

Note 32: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2023	Year ended 31 March 2022
Opening stock		
Work-in-progress	1,903	1,353
Finished goods	3,269	2,012
Stock-in-trade	11	38
Less:	5,183	3,403
Closing stock		
Work-in-progress	4,175	1,903
Finished goods	3,247	3,269
Stock-in-trade	-	11
	7,422	5,183
	(2,239)	(1,780)

Note 33: Employee benefits expense

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	7,061	6,532
Contribution to provident and other funds	710	718
Staff welfare expenses	557	412
	8,328	7,662

Note 34: Finance costs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on financial liabilities measured at amortized cost	1,313	900
Interest expenses on lease liabilities	57	70
Other borrowing cost	410	229
	1,780	1,199

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 35: Depreciation and amortization expense

	Note	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant and equipment	3	1,669	1,435
Depreciation of right of use assets	4	202	177
Amortization of intangible assets	5	30	55
		1,901	1,667

Note 36: Other expense

	Year ended 31 March 2023	Year ended 31 March 2022
Stores and spares consumed	385	305
Power and fuel	7,061	6,010
Repairs and maintenance	1,695	1,507
Sub-contracting charges	793	747
Rent	81	46
Rates and taxes	31	277
Insurance charges	265	315
Traveling and conveyance	707	493
Commission on sales	78	66
Packing expenses	770	798
Freight and handling expenses	1,389	1,495
Job work expenses	396	285
Legal and professional fees (refer note (a) below)	383	370
Director's sitting fees	15	13
Commission to director	189	230
Charity and donations (other than political parties)	8	8
Corporate Social Responsibility expenditure (refer note 45)	133	76
Advances written off	36	-
Property, plant and equipment written off	20	-
Loss on sale of plant, property and equipment (net)	43	33
Expected credit loss on trade receivables and advances	4	35
Provision for capital advance	-	40
Marketing and promotional expenses	188	86
Exchange loss on foreign exchange fluctuations	-	56
Pollution control expenses	280	173
Factory Maintenance and housing charges	251	217
Quality control expenses	180	135
IT and communication expenses	117	64
Miscellaneous expenses	775	741
	16,273	14,621

(a) Payments to the statutory auditor (excluding taxes as applicable):

	Year ended 31 March 2023	Year ended 31 March 2022
As auditor		
Statutory audit	23	19
Limited review of quarterly results	15	15
	38	34

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 37: Tax expense

a) Amount recognized in statement of profit and loss

	Year ended 31 March 2023	Year ended 31 March 2022
Current tax:		
- Current year	2,240	2,779
- Adjustments in respect of current tax of previous year	386	61
	2,626	2,840
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	152	120
	152	120
Total tax expense recognised	2,778	2,960

b) Reconciliation of effective tax rate

	Year ended 31 March 2023	Year ended 31 March 2022
Accounting profit before income tax	8,872	11,042
Tax at India's statutory tax rate of 25.168% (31 March 2022: 25.168%)	2,233	2,779
Effect of expense that are non-deductible expenses in determining taxable profits	152	112
Effect of change in estimate related to previous year	386	61
Others	7	8
Income tax expense recognised in the statement of profit and loss	2,778	2,960

c) Income tax expense recognised in other comprehensive income

	Year ended 31 March 2023	Year ended 31 March 2022
Arising on income and expenses recognized in other comprehensive income		
Remeasurement of defined benefit obligation	33	17
Equity investments through other comprehensive income- net change in fair value	(1)	(1)
Total income tax recognised in other comprehensive income	32	16
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	32	16
	32	16

Note 38: Earnings per share

	Year ended 31 March 2023	Year ended 31 March 2022
Profit after tax for basic and diluted EPS per share	6,094	8,082
Weighted average number of equity shares for basic and diluted EPS per share	1,22,62,185	1,22,62,185
Basic and diluted earnings per share (face value of ₹10 each)	49.71	65.92

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 39 (a): Fair values

Financial instruments by category and fair values	Note	Level of hierarchy	As at 31 March 2023			As at 31 March 2022		
			FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI
Financial assets (non-derivative)								
Non current								
Investment in quoted equity shares ^	(a)	1	-	-	-	-	-	-
Investment in unquoted equity shares - Subsidiary	(b)		-	-	-	-	-	-
Investment in unquoted equity shares - Others	(a)	3	-	-	137	-	-	132
Loans	(c)		-	-	-	-	-	-
Other financial assets	(c)		-	380	-	-	352	-
Current								
Trade receivables	(d)		-	14,350	-	-	11,176	-
Cash and cash equivalents	(d)		-	745	-	-	692	-
Other bank balances	(d)		-	271	-	-	283	-
Loans	(d)		-	2,009	-	-	1,940	-
Other financial assets	(d)		-	874	-	-	690	-
Total financial assets			-	18,629	137	-	15,133	132
Financial liabilities (non-derivative)								
Non-current								
Borrowings	(e)	3	-	6,966	-	-	6,697	-
Lease liability				225			387	
Other financial liabilities	(c)		-	-	-	-	-	-
Current								
Borrowings	(d)	3	-	1,916	-	-	2,031	-
Lease liability				290			217	
Trade payables	(d)		-	13,799	-	-	13,128	-
Other financial liabilities	(d)		-	4,720	-	-	3,618	-
Total financial liabilities			-	27,916	-	-	26,078	-

(a) For quoted investments, market value is taken as fair value. The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at net book value as per the latest audited financial statements available.

(b) As per paragraph D 15 of Ind AS 101, the Company has elected to measure its investment in SD Agchem (Europe) (Subsidiary of the Company), at its fair value on transition date which will be regarded as it deemed cost.

(c) Fair value of non-current financial assets and financial liabilities has not been disclosed as there is no significant differences between carrying value and fair value.

(d) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(e) The Company's non-current borrowings have been contracted at market rates of interest. Accordingly, the carrying value of such non-current borrowings approximates fair value. Further, fair value measurement of lease liabilities is not required.

There are no transfers between level 1, level 2 and level 3 during the current year and previous year.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 39 (a): Fair values (Contd.)

Reconciliation of fair value measurement of unquoted equity shares classified as FVOCI

	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	132	128
Re-measurement recognized in OCI	5	4
Balance at the end of the year	137	132

^ Value of investment is less than ₹1 (previous year: ₹1).

Note 39(b): Financial risk management

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to audit committee.

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

- Credit risk (see (ii));
- Liquidity risk (see (iii));and
- Market risk (see (iv))

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Company's receivable from customers and loans. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	As at 31 March 2023	As at 31 March 2022
- Investments	249	137
- Trade receivables	14,350	11,176
- Cash and cash equivalents	745	692
- Other bank balances	271	283
- Loans	2,009	1,940
- Other financial assets	1,254	1,041

Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 39 (b): Financial risk management (Contd.)

The Company's exposure to credit risk for trade receivables by geographic region is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Within India	9,025	7,038
Outside India	5,325	4,138

The carrying amount of the Company's most significant customer is ₹5,144 (31 March 2022: ₹4,521).

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

Particulars	Gross carrying amount	Expected credit loss allowance	Carrying amount
31 March 2023			
Less than 6 Months	14,250	-	14,250
More than 6 Months	203	103	100
	14,453	103	14,350
31 March 2022			
Less than 6 Months	11,086	60	11,026
More than 6 Months	235	85	150
	11,321	145	11,176

The movement in the allowance for impairment in respect of trade receivables is as follows

	Year ended 31 March 2023	Year ended 31 March 2022
Balance as at the beginning of the year	145	114
Provision made during the year	2	35
Amounts written back	(44)	(4)
Balance as at the end of the year	103	145

The loans primarily represents security deposits and advances recoverable. The management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these deposits and loans have been given have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for excepted credit loss has been provided on these financial assets. Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

Cash and cash equivalents

The Company holds cash and cash equivalents of ₹745 at 31 March 2023 (31 March 2022: Rs.692). The cash and cash equivalents are held with scheduled banks.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet it's liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 39 (b): Financial risk management (Contd.)

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities. The Company will continue to consider various borrowings or leasing options to maximize liquidity and supplement cash requirements as necessary.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

	Less than 1 year	1 to 5 years	> 5 years	Total
As at 31 March 2023				
Borrowings (including current maturities)	2,721	6,161	-	8,882
Trade and other payables	13,799	-	-	13,799
Other financial liabilities	4,720	-	-	4,720
	21,240	6,161	-	27,401
As at 31 March 2022				
Borrowings (including current maturities)	3,272	5,456	-	8,728
Trade and other payables	13,128	-	-	13,128
Other financial liabilities	3,618	-	-	3,618
	20,018	5,456	-	25,474

(iv) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material prices under check to the extent possible.

(b) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

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

	As at 31 March 2023	As at 31 March 2022
Fixed rate borrowings	6,966	6,697
Floating rate borrowings	1,916	2,031
Total borrowings (gross of transaction cost)	8,882	8,728

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 39 (b): Financial risk management (Contd.)

Interest rate sensitivity analysis

A reasonably possible change of 0.50 % in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
Year ended 31 March 2023				
Interest rate (0.5% movement)	10	(10)	2	(2)
Year ended 31 March 2022				
Interest rate (0.5% movement)	10	(10)	3	(3)

c) Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

Unhedged foreign currency exposure

The following table provides details of the Company's exposure to currency risk:

Foreign Exchange Exposures outstanding at the year end	Currency	As at 31 March 2023		As at 31 March 2022	
		Amount in indian currency	Amount in foreign currency	Amount in indian currency	Amount in foreign currency
Trade receivable	EUR	348	4	1,153	14
	USD	4,261	52	3,419	45
	GBP ^	54	1	4	-
Trade payable	EUR	110	1	103	1
	USD	872	25	2,552	34
Advances recoverable from related party	EUR	2,003	22	1,934	23
Due to subsidiaries	EUR	1,505	17	1,422	17
Investments (at historical cost)	EUR	5,463	102	5,463	102

^ amount is less than ₹1

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2023 and 31 March 2022 would have affected the measurement of financial instruments denominated in foreign currency and affected Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2023				
USD (2% movement)	(44)	44	(33)	33
EURO (2% movement)	(198)	198	(148)	148
GBP (2% movement)	(1)	1	(1)	1
31 March 2022				
USD (2% movement)	(17)	17	(13)	13
EURO (2% movement)	(199)	199	(149)	149
GBP (2% movement)	-	-	-	-

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 40: Capital management

(i) Risk management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company monitors capital using a ratio of 'total debt' to 'total equity'. For this purpose, total debt is defined as total borrowings. Equity comprises all components of equity (as shown in the Balance Sheet).

The Company's debt to equity ratio was as follows.

	As at 31 March 2023	As at 31 March 2022
Total debt	8,882	8,728
Total equity	29,801	24,167
Debt to equity ratio	0.30	0.36

(ii) Dividends

	As at 31 March 2023	As at 31 March 2022
Final dividend for the year ended 31 March 2022 of ₹3.00 (31 March 2021: ₹2.00) per fully paid equity share *	368	245
Dividend not recognised at the end of the year		
In addition to the above dividend, since year end the Board of Directors have recommended payment of final dividend of ₹3.00 (31 March 2022: ₹3.00) per fully paid equity share. The proposed dividend is subject to the approval of the shareholders in the ensuing annual general meeting. The dividend declaration is in accordance with section 123 of the companies Act, 2013 to the extent its applies to declaration of dividend	368	368

* Final dividend has been paid on the number of shares issued by the Company till the date of annual general meeting after approval of shareholders and is in accordance with section 123 of Companies Act, 2013.

Note 41: Employee benefits

A. Assets and liabilities relating to employee benefits

	As at 31 March 2023	As at 31 March 2022
Non-current		
Liability for gratuity	1,536	1,316
Liability for leave encashment	393	364
	1,929	1,680
Current		
Liability for gratuity	252	347
Liability for leave encashment	174	183
	426	530
	2,355	2,210

For details about the related employee benefit expenses, refer to note 33.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 41: Employee benefits (Contd.)

B. Defined contribution plan

a. Provident fund and employee's state insurance

The Company's provident fund scheme and employee's state insurance (ESI) fund scheme are defined contribution plans. Under the scheme, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes. The contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due.

b. Superannuation Fund

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has recognised following amounts as expense in the Statement of Profit and Loss :

	Year ended 31 March 2023	Year ended 31 March 2022
Amounts included in contribution to provident and other funds (refer note 33)		
Provident Fund	442	435
Superannuation Fund	234	251
ESI contribution	31	30
	707	716

C. Defined benefit plan - Gratuity

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benWefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

(a) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Company does not expect any significant liquidity risks.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 41: Employee benefits (Contd.)

The following table sets out the status of the defined benefit plan as required under Ind AS 19 - Employee Benefits:

Particulars	As at 31 March 2023	As at 31 March 2022
(b) Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	2,115	2,064
Interest cost	151	140
Current service cost	126	107
Past service cost	-	-
Benefits paid	(337)	(261)
Actuarial loss recognised in other comprehensive income		
- from changes in financial assumptions	(30)	(13)
- from changes in demographic assumptions	-	-
- from experience adjustments	155	78
Balance at the end of the year	2,180	2,115
(c) Reconciliation of the present value of plan assets		
Balance at the beginning of the year	453	527
Expected Interest Income	27	34
Contributions paid by the employer	193	115
Benefits paid	(281)	(223)
Actuarial loss for the year on Assets	-	-
Balance at the end of the year	392	453

Particulars	As at 31 March 2023	As at 31 March 2022
(d) Amount recognized in statement of profit and loss		
Total service cost	126	107
Interest cost on benefit obligation	119	105
Amount recognized in statement of profit and loss	245	212
(e) Remeasurements recognised in other comprehensive income		
Actuarial loss for the year on defined benefit obligation	124	65
Return on plan assets (excluding interest income)	(5)	(2)
Total Actuarial gain / (loss) for the year	129	67

f) Plan assets

100% of the plan assets are managed by LIC

g) Actuarial assumptions

(i) **Economic assumptions:** The principal assumptions arc the discount rale and salary growth rate The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate (per annum)	7.38%	7.15%
Future salary growth rate (per annum)	5.75%	5.75%
Expected rate of return on plan assets (per annum)	7.05%	7.05%
Expected average remaining working lives (years)	18.18	18.15

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 41: Employee benefits (Contd.)

(ii) Demographic assumptions:

Particulars	As at 31 March 2023	As at 31 March 2022
Retirement Age	58	58
Mortality rate	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition rate		
Upto 30 years	3%	3%
31 to 44 years	2%	2%
44 years and above	1%	1%

h) Sensitivity analysis on defined benefit obligation on account of change in significant assumption:

	As at 31 March 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(66)	65	(59)	62
Future salary growth rate (0.5% movement)	63	(66)	60	(57)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

i) Expected future benefit payments

Undiscounted amount of expected benefit payments for next 10 years are as follows:

	As at 31 March 2023	As at 31 March 2022
Within 1 year	252	347
1-2 year	289	171
2-3 year	180	244
3-4 year	194	154
4-5 year	180	174
5-10 years	1,084	1,026

j) Weighted average duration and the expected employers contribution for next year of the defined benefit plan:

	As at 31 March 2023	As at 31 March 2022
Weighted average duration of the defined benefit plan (in years)	14.48	14.41
Expected employers contribution for next year	225	225

Note 42: Contingent liabilities and commitments (to the extent not provided for)

(a) Claims against the company not acknowledged as debts

	As at 31 March 2023	As at 31 March 2022
Income Tax matters	2,274	2,140
Sales tax matters	11	11
Labour laws matters	-	4
Service tax matters	1	1
	2,286	2,156

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 42: Contingent liabilities and commitments (to the extent not provided for) (Contd.)

Notes: (i)

Assessment Year	Remarks	As at 31 March 2023	As at 31 March 2022
2007-08	The case is pending with CIT(A)	-	53
2008-09	The case is pending with ITAT	840	740
2009-10	The case is pending with ITAT	569	518
2013-14	The case is pending with CIT(A)	23	13
2014-15	The case is pending with CIT(A)	62	62
2015-16	The case is pending with CIT(A)	121	119
2016-17	The case is pending with CIT(A)	12	12
2017-18	The case is pending with ITAT	597	537
2018-19	The case is pending with CIT(A)	50	68
2019-20	The case is pending with CIT(A)	-	18
		2,274	2,140

There has been no major development in the above mentioned matters except as below:

(A) The Income Tax Assessing officer had passed an order dated 27 March 2021 and 28 March 2021 for assessment year 2008-2009 and 2009-2010 respectively and has raised the demand to ₹4,384 and ₹3,281 respectively. Subsequently, the Company had filed the rectification request and during the previous year the Assessing officer issued rectification order under section 154 by reducing the demand to Rs.556 and Rs.419 (net of advance tax) respectively. During the current year, the Company received TP Order after giving effect of DRP Directions which will further reduce the tax demand by Rs 541 and Rs 308 for AY2008-09 and AY2009-10 respectively. The updated assessment order is currently awaited.

(B) During the previous year, the Company has also received demand notice for AY 2017-18 for Rs 396 (net of advance tax of Rs 201).The Company has filed an appeal with Income Tax Appellate Tribunal (ITAT) to contest the demand.

No tax expense has been accrued in financial statements for the tax demand raised. The Company is contesting the demand and the management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the company's financial position and results of operations.

(ii) (A) In earlier years, the Directorate of Revenue Intelligence - Ahmadabad had asked the Company to re-ascertain the benefits claimed under the Merchandise Exports from India Scheme from 1 April 2015 onwards. Consequently, the Company basis expert view, had assessed a liability for the differential amount to be refunded for the period from 1 April 2015 till 31 December 2019 amounting to ₹907 lakhs (including interest 130 lakhs) which was also paid in the 2020-21.

During year 2020-21, the Company had also received a show cause notice (SCN) from DRI Ahmadabad on 28 December 2020 under the Custom Act, 1962 who also appointed additional Director General (Adjudication), DRI, New Delhi as common adjudicating authority for the purpose of adjudication in respect all imports covered in the SCN. However, in view of the Hon'ble Supreme Court's judgement dated 9 March 2021 in civil appeal no. 1827, DRI issued letter DRI/HQR/24 A/ ADJN/ 3-2021/ 3245, dated 7/4/2021 intimating that the said SCN is transferred to the call book under provision of section 28(9A)(c) of the Custom act, 1962. In 2022, additional Director General (Adjudication), DRI, New Delhi was re-designated as Commissioner of Custom (Adjudication) Delhi as per notification no 23/2022-cus(nt) dated 31.03.2022. During the year, the company filed application before the customs and central excise settlement commission additional bench, Mumbai for settlement of the case under section 127B of customs act, 1962 which has been allowed vide File no 01/CUS/AP/2023-SC(MB)/121 dated 23.1.2023. The same has been also intimated to the adjudicating authority and the matter has been kept in abeyance till final order of settlement commission.

Further, the Company has also received notice from Additional Director General of Foreign Trade (DGFT) dated 20 October 2020 and has filed the reply dated 26 October 2020 as well as attended the hearing on 04 November 2020. Thereafter, there has been no updated in the case.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 42: Contingent liabilities and commitments (to the extent not provided for) (Contd.)

(B) In earlier years, the Directorate of Revenue Intelligence – Kolkata had initiated an inquiry in relation to the manner in which the Company was claiming refund of IGST on input material at the time of export. During the current and previous year, the Company received summons from the office of Central goods and Service tax commissioner, Ludhiana seeking further documents in relation to the above. The Company had in the interim, filed a writ petition in the High court of Punjab and Haryana requesting the court to give suitable directions on the above matter. The next hearing is scheduled in July 2023. Further, on 1 May 2023, the Company has received a show cause notice dated 24 April 2023 from the office of the Principal Commissioner, Central GST Commissionerate, Ludhiana in relation to refund of INR 4,496 of IGST wrongly claimed in contravention of Rule 96(10) along with related interest and penalties as applicable for which the Company will be submitting its formal response within the time period as stipulated.

The Company believes, basis legal advice, that it has not caused any loss to the exchequer and while it was entitled to claim refund in accordance with the laws as applicable and that it has reasonable legal grounds to defend its position as already contained in the writ petition filed with the High Court on this matter in the previous year.

(iii) During the earlier years, the Company had received a notice of eviction in relation to the Pune facility which was under a lease arrangement. We have filed an appeal Court of district judge Pune in relation to the aforesaid and have received a stay order in relation to the above. There is no update on this matter in the current year. Next hearing is expected to be in September 2023.

(iv) Pursuant to judgement by the hon'ble supreme court dated 28 February 2019 on wages for the purposes of provident fund, the Company has ascertained the impact of the same from post 28 February 2019 which was recognised and deposited in earlier years.

(b) Other Commitments

	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	303	1,410

Notes:

(1) The Company has extended comfort letters to provide continued financial support to its wholly-owned subsidiary to ensure that the subsidiary is able to meet its debts, commitments and liabilities as they fall due and it continues as going concerns.

Note 43: Related party disclosures

I. List of related parties and nature of related party relationship, where control exists:

Description of Relationship	Name of the Party
Subsidiary	S D Agchem (Europe) NV

II. List of related parties and nature of relationship with whom transactions have taken place during the current / previous year

Description of Relationship	Name of the Party
Enterprises where control over the composition of Governing Body exists	Hemsil Trading & Manufacturing Private Limited
	Shroff Family Master Trust
	Salil Shroff HUF
	Akola Chemicals (India) Limited
	U & I Initiatives LLP
Key managerial personnel	Mr. Shalil S Shroff (Managing Director)
	Mr. Avtar Singh (Whole time Director upto 30 September 2021)
	Mr. Vinod Kumar Gupta (Chief Executive Officer)
	Dr. Sriram Swaminathan (Chief Financial Officer) (Upto 16 March 2023)

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 43: Related party disclosures (Contd.)

Description of Relationship	Name of the Party
	Mr. Ashish R Nayak (Chief Financial Officer) (w.e.f. 16 March 2023)
	Mr. Punit K Abrol (Sr. Vice President (Finance) & Company Secretary) (upto 31 Dec 2021)
	Mr. Jain Prakash (Sr. Vice President (Works) (Upto 16 March 2023)
	Mr. V Srinivas (GM Legal & Company Secretary) (Upto 24 January 2023)
	Mrs. Rishu Chatley (Company Secretary & Compliance officer) (w.e.f. 24 January 2023)
Non Executive Independent Directors	Mr Mukesh D Patel
	Mr. Vijay D Rai
	Mr. Sheo Prasad Singh
	Mrs Aruna R Bhinge
Non Executive Non-Independent Directors	Mr. Shivshankar.S.Tiwari
	Mr. Avtar Singh (w.e.f. 1 October 2021)
	Capt. S S Chopra (Retd.)
Relatives of key managerial personnel	Ms. Malvika Shroff
	Mrs. Bhupinder Kaur (upto 30 September 2021)
	Mr. Jaskaran Singh
	Ms. Sonal Tiwari

III. Transactions with related parties during the current / previous year

Nature of transactions	Relationship	Year ended 31 March 2023	Year ended 31 March 2022
a. Sale of goods			
SD Agchem (Europe) N.V.	Subsidiary	1,504	969
Akola Chemicals (India) Limited	Enterprises where control over the composition of Governing Body exists	18	-
U & I Initiatives LLP	Enterprises where control over the composition of Governing Body exists	-	165
b. Payment of lease liabilities			
Shroff Family Master Trust	Enterprises where control over the composition of Governing Body exists	189	177
Salil Shroff HUF	Enterprises where control over the composition of Governing Body exists	12	9
Ms. Malvika Shroff	Relatives of key managerial personnel	48	36
c. Amount received against advances			
SD Agchem (Europe) N.V.	Subsidiary	44	-
d. Interest expense during the year			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	210	210
e. Legal and professional fees during the year			
SD Agchem (Europe) N.V.	Subsidiary	-	20
f. Reversal of expected credit loss on trade receivables during the year			
SD Agchem (Europe) N.V.	Subsidiary	44	-
g. Employee benefits paid			
Short term employee benefits			
Mr. Shalil Shroff	Key Managerial Personnel	230	202
Mr. Avtar Singh	Key Managerial Personnel	-	164
Mr. Vinod Kumar Gupta	Key Managerial Personnel	228	142
Dr. Sriram Swaminathan	Key Managerial Personnel	118	119
Mr. Ashish R Nayak	Key Managerial Personnel	2	-
Mr. Punit K Abrol	Key Managerial Personnel	-	118
Mr. Jain Prakash	Key Managerial Personnel	108	93
Mr. V Srinivas	Key Managerial Personnel	36	15
Mrs. Rishu Chatley	Key Managerial Personnel	3	-
Benefits to Relatives			
Mr. Jaskaran Singh	Relatives of Key Managerial Personnel	17	16
h. Commission			
Executive Directors	Key Managerial Personnel	118	147
Non Executive Directors	Key Managerial Personnel	75	83
i. Sitting Fees			
Non Executive Directors	Key Managerial Personnel	15	13
j. Legal & Professional			
Ms. Bhupinder Kaur	Relatives of Key Managerial Personnel	-	1
Ms. Sonal Tiwari	Relatives of Key Managerial Personnel	33	27

Break-up of compensation of key managerial personnel of the Company	Year ended 31 March 2023	Year ended 31 March 2022
Short-term employee benefits	725	853
Post-employment benefits	8	35
Total	733	888

IV. Outstanding balances as atw year end

Particulars	Relationship	Year ended 31 March 2023	Year ended 31 March 2022
Payables			
SD Agchem (Europe) N.V.	Subsidiary	1,505	1,422
Receivables			
SD Agchem (Europe) N.V.	Subsidiary	138	43
Akola Chemical (India) Limited	Enterprises where control over the composition of Governing Body exists	4	4
U & I Initiatives LLP	Enterprises where control over the composition of Governing Body exists	-	84
Advances given			
SD Agchem (Europe) N.V.	Subsidiary	2,003	1,934
Borrowings			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	1,585	1,585
Security deposit from employees			
Mr. Shalil Shroff	Key managerial personnel	2	2
Mr. Jain Prakash	Key managerial personnel	2	20
Commission payable to directors			

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 43: Related party disclosures (Contd.)

Particulars	Relationship	Year ended 31 March 2023	Year ended 31 March 2022
Executive Directors	Key managerial personnel	118	147
Non Executive Directors	Key managerial personnel	75	83
Employee related liabilities			
Executive Directors	Key managerial personnel	5	5
Interest accrued and due on borrowings			
Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	16	47
Legal and professional fees payable			
Ms. Bhupinder Kaur	Relatives of key managerial personnel	4	4
Ms. Sonal Tiwari	Relatives of key managerial personnel	4	-

V. Terms and conditions of transactions with related parties

The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions and within ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Note 44: Ratio Analysis

a) Current ratio = Current assets divided by current liabilities

Particulars	31 March 2023	31 March 2022
Current assets	38,059	33,971
Current liabilities	24,578	25,070
Ratio	1.55	1.36
% Change from previous year	14.28%	

Reason for change more than 25%: NA

b) Debt equity ratio = Debt divided by total shareholder's equity

Particulars	31 March 2023	31 March 2022
Debt	8,882	8,728
Total equity (excluding Non-controlling interests)	29,801	24,167
Ratio	0.30	0.36
% Change from previous year	-17.48%	

Reason for change more than 25%: NA

c) Debt service coverage ratio = Earnings available for debt services divided by debt services

Particulars	31 March 2023	31 March 2022
Profit after tax	6,094	8,082
Add: Non cash operating expenses and finance cost		
- Depreciation and amortization expense	1,901	1,667
- Finance costs	1,780	1,199
- PPE written off	20	-
- Loss on sale of PPE	43	33
- Advance written off	36	-
- Expected credit loss	4	35
Earnings available for debt services	9,878	11,016
Debt Services		
Interest and lease payments	371	263

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 44: Ratio Analysis (Contd.)

Particulars	31 March 2023	31 March 2022
Principal repayments	805	1,241
Interest on Borrowings	1,370	970
Total Debt Services	2,546	2,474
Ratio	3.88	4.45
% Change from previous year	-12.88%	

Reason for change more than 25%: NA

d) Return on equity ratio / return on investment ratio = Net profit after tax divided by average shareholder's equity

Particulars	31 March 2023	31 March 2022
Net profit/ (loss) after tax	6,094	8,082
Average shareholder's equity (excluding Non-controlling interests)	26,984	20,272
Ratio	22.58%	39.87%
% Change from previous year	-43.35%	

Reason for change more than 25%:

The ratio has decreased from 39.87% to 22.58% in March 2023 mainly due to decrease in profit

e) Inventory turnover ratio = Net Sales divided by average inventory

Particulars	31 March 2023	31 March 2022
Sale of goods (Net Sales)	1,00,373	93,057
Average inventory	16,098	12,751
Ratio	6.24	7.30
% Change from previous year	-14.56%	

Reason for change more than 25%: NA

f) Trade receivables turnover ratio = Net sales divided by average trade receivables

Particulars	31 March 2023	31 March 2022
Sale of goods (Net Sales)	1,00,373	93,057
Average trade receivables	12,763	9,777
Ratio	7.86	9.52
% Change from previous year	-17.37%	

Reason for change more than 25%: NA

g) Trade payables turnover ratio = Credit purchases divided by average trade payables

Particulars	31 March 2023	31 March 2022
Net purchases	65,011	61,802
Other expenses*	15,794	13,853
Total	80,805	75,655
Average trade payables	13,463	12,198
Ratio	6.00	6.20
% Change from previous year	-3.23%	

Reason for change more than 25%: NA

* Refer Note 36 for Other expenses, below other expenses have not been considered for above ratio calculation:

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 44: Ratio Analysis (Contd.)

Particulars	31 March 2023	31 March 2022
Corporate Social Responsibility expenditure	133	76
Expected credit loss on trade receivables and advances	4	35
Property, plant and equipment written off	20	-
Rates and taxes	31	277
Director's sitting fees	15	13
Commission to director	189	230
Charity and donations (other than political parties)	8	8
Provision for capital advance	-	40
Loss on sale of plant, property and equipment (net)	43	33
Exchange loss on foreign exchange fluctuations	-	56
Advances written off	36	-
Total	479	768

h) Net capital turnover ratio = Net sales divided by capital

Particulars	31 March 2023	31 March 2022
Sale of goods (Net Sales)	1,00,373	93,057
Working Capital (Total current assets minus total current liabilities)	13,481	8,901
Ratio	7.45	10.45
% Change from previous year	-28.78%	

Reason for change more than 25%:

The ratio has decreased from 10.45 in March 2022 to 7.45 in March 2023 mainly due to increase in net working capital which is primarily due to increase in inventories and trade receivables

i) Net profit ratio = Net profit after tax divided by Net sales

Particulars	31 March 2023	31 March 2022
Net profit/ (loss) after tax	6,094	8,082
Sale of goods (Net Sales)	1,00,373	93,057
Ratio	6.07%	8.68%
% Change from previous year	-30.09%	

Reason for change more than 25%:

The ratio has decreased from 8.68% to 6.07% in March 2023 mainly due to decrease in profit

j) Return on capital employed = Earnings before interest and taxes (EBIT) divided by capital employed

Particulars	31 March 2023	31 March 2022
Profit/ (loss) before tax	8,872	11,042
Add: Finance costs	1,780	1,199
EBIT	10,652	12,241
Total assets	63,431	57,437
Less: Total liabilities	(33,630)	(33,270)
Other intangible assets	(74)	(88)
Tangible net worth	29,727	24,079
Total Debt	8,882	8,728
Deferred tax liability	530	410
Capital employed	39,138	33,217
Ratio	27.22%	36.85%
% Change from previous year	-26.14%	

Reason for change more than 25%:

The ratio has decreased from 36.85%% in March 2022 to 27.22% in March 2023 mainly due to decrease in profit and increased in inventories, trade receivables.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 45: Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate social responsibility (CSR) activities. A CSR Committee has been formed by the company as per the Act. The CSR Committee and Board had approved the projects with specific outlay on the activities as specified in Schedule VII of the act, in pursuant of the CSR policy:

	Particulars	As at 31 March 2023	As at 31 March 2022
a)	Gross amount required to be spent by the Company during the year	132	76
b)	Amount approved by the Board to be spent during the year	132	76
c)	Amount spent during the year on (in cash):		
	(i) Construction / Acquisition of any asset	-	-
	(ii) On purpose other than (i) above	133	76
d)	Excess/ (Shortfall) at the end of the year	1	-
e)	Total of previous years shortfall	-	-
f)	Details of related party transactions	-	-
g)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-
h)	Reason for shortfall:		
i)	Nature of CSR Activities:		
	i) Eradicating poverty including health care facilities	27	27
	ii) Promoting education	85	41
	ii) Rural development projects	19	8
	iv) Animal welfare	2	-

Note 46: Segment Information

The Executive Management Committee (Board of Director and key managerial personnel) monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. For management purpose, the Company has identified "Performance Chemicals" as single operating segment.

A) Information about geographical areas

Year ended 31 March 2023

	Sale of goods*	Sale of services*	Non current assets #
India	29,806	9,736	24,842
Outside India			
Europe (including united kingdom)	41,199	-	-
Japan	5,433	-	-
Israel	4,003	-	-
USA	2,936	-	-
Latin America	2,722	-	-
Others	1,785	-	12
Total	87,884	9,736	24,854

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 46: Segment Information (Contd.)

Year ended 31 March 2022

	Sale of goods*	Sale of services *	Non current assets #
India	30,085	12,611	22,967
Outside India			
Europe (including united kingdom)	35,782	-	-
Japan	8,980	-	-
Israel	1,048	-	-
USA	181	-	-
Latin America	490	-	-
Others	2,240	-	15
Total	78,806	12,611	22,982

* Sale of goods and sale of services has been presented based on the geographical location of the customers.

Non-current assets are excluding financial instruments and deferred tax assets and have been presented based on the geographical location of assets.

B) Information about major customers

Revenue from 2 customer of the Company amounting to ₹41,444 (previous year: ₹50,371) and ₹13,868 (previous year: ₹7,583) respectively, constitute more than 10% of the total revenue of Company.

Note 47: During the previous year the Company had applied to authorised dealer for write back its old overseas payables as per the provision / laws available. Accordingly, the Company had written back its vendor amounting to Rs 135. Further, as at 31 March 2023, the Company has certain advances recoverable from its wholly owned subsidiary, located outside India, amounting to ₹2,003 (previous year ₹1,934) against expenses incurred on its behalf and certain dues towards it amounting to ₹1,505 (previous year ₹1,422) in respect of which the Company has filed for approval of Reserve Bank of India through Authorised Dealer towards setting of these balances.

Note 48: Disclosures pursuant to Section 186 of the Companies Act, 2013:

Investments:	As at 31 March 2023	As at 31 March 2022
(i) Investment in equity shares: Dena Bank Limited merged with Bank of Baroda		
Balance as at the year end ^	0	0
Maximum amount outstanding at any time during the year ^	0	0
(ii) Investment in equity shares: Syndicate Bank Limited merged with Canara Bank		
Balance as at the year end ^	0	0
Maximum amount outstanding at any time during the year ^	0	0
(iii) Investment in equity shares: Nimbua Green Field (Punjab) Limited		
Balance as at the year end	127	122
Maximum amount outstanding at any time during the year	127	122
(iv) Investment in equity shares: Mohali Green Environment Private Limited		
Balance as at the year end	10	10
Maximum amount outstanding at any time during the year	10	10
(v) Investment in equity shares: SVC Cooperative Bank Limited		
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	-

^ Value of investment is less than ₹1 (previous year: ₹1).

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 49: The Company has filed quarterly statement of current assets with banks and these are in agreement with books of account for all quarters in the current year and previous year.

Note 50: No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 51: Disclosures of Micro and Small Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Company as under :

Particulars	As at 31 March 2023	As at 31 March 2022
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	929	732
- Interest	16	5
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during each accounting year) but without adding the interest specified under the MSMED act 2006.	101	34
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	117	39
(e) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	117	39

Note 52: The Company had on 30 June 2019 advanced an amount of ₹40 to Rajhans Nutriments Private Limited ("Vendor"), not a related party, as an advance for availing services related to prospective business opportunities and for project study. In the interim, while the Vendor had treated this advance as loan in its books of accounts and had made provisions for interest payable and had also paid the related withholding taxes, we have always treated the amount paid to Vendor as an advance and accordingly did not recognized any interest income as this was neither a loan nor an advance in the nature of loan as envisaged under Section 186 of the Companies Act, 2013. However, due to COVID and other unforeseen and unavoidable circumstances, no study was undertaken on the prospective Business proposal and a provision for the same was created in the previous year. During the current year, the Company has terminated the above contract and has received back the entire amount basis which the provision for doubtful advance has now been reversed with the corresponding credit to Other Income.

Note 53:

The Company had certain unsettled "advance from customer", "trade payable" and "trade receivables" from an overseas customer which have been outstanding since earlier years. During the current year, as a result of product registration regulatory issues faced by the customer, the Company and the customer have preferred to enter into a settlement arrangement pursuant to which the original contract for supply of goods now stands terminated. As a result of this termination of contract of supply of goods, the advance received from customer aggregating to Rs 1,063, previously shown as other current liabilities, has now been classified as ""other financial liabilities"". Consequentially, the Company has also recognised Rs 284 as settlement income (net of certain expenses

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 53: (Contd.)

aggregating to Rs 225 already incurred pursuant to the original contract of supply) within other operating income and has set up a recoverable of Rs 509 as "other financial assets".

In view of the settlement, the Company is in the process of filing required applications with the Reserve Bank of India through its Authorised dealer Bank of Baroda, Mumbai Branch under the relevant provisions of FEMA seeking to rectify the online records on EDPMS/ ICEGATE portal and condone the unintended delay caused in settling the account due to circumstances beyond the control as well as to seek approval from RBI to set off the related assets and liabilities as shown separately in the financial statement pursuant to the terms of the settlement arrangement.

Particulars	Amount
Other financial liabilities	1,063
Trade Payable	88
Other financial assets	509
Trade receivables	403
Net Payable	239

Note 54:

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off in current financial year.

(iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

(ix) None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(x) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(xi) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(xii) The Company including the "Companies in the Group" (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company ("CIC")

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 55: Relationship with Struck off Companies:

Where the company has any transactions with the companies struck off under section 248 of the companies Act, 2013 or section 560 of companies Act,1956, the company shall disclose the following details, namely:-

Year ended 31 March 2023:

Name of struck off Company	Nature of transactions with struck-off company	Balance outstanding	Relationship with the struck off company, If any to be disclosed
Samsung Weigh Scales Private Limited	Other Expenses-Repairs and maintenance	-	Third party
	Payables	-	

Year ended 31 March 2022:

Name of struck off Company	Nature of transactions with struck-off company	Balance outstanding	Relationship with the struck off company, If any to be disclosed
Samsung Weigh Scales Private Limited	Other Expenses-Repairs and maintenance	1	Third party
	Other Expenses-Stores and spares consumed	0	
	Payables	-	

Note 56:

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of income tax expense and that of provision for taxation.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Gaurav Mahajan
Partner
Membership No.: 507857

Place: Mumbai
Date: 4th May, 2023

For and on behalf of the Board of Directors
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN:00009605
Place: Mumbai

Shalil S Shroff
Managing Director
DIN:00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer
Place: Mumbai
Date: 4th May, 2023

Rishu Chatley
Company Secretary & Compliance Officer
Place: Mumbai

Ashish R Nayak
Chief Financial Officer
Place: Mumbai

Independent Auditor's Report

To the Members of
Punjab Chemicals and Crop Protection Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Punjab Chemicals and Crop Protection Limited** (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor on separate financial statements of such subsidiary as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

See Note 2(j) and 28 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group recognises revenue from the sales of products and services when control over goods is transferred to the customer/'services are rendered based on the specific terms and conditions of the sale / service contracts entered into with respective customers. We have identified recognition of revenue as a key audit matter as- • revenue is a key performance indicator; and • there is a presumed fraud risk of revenue being overstated through manipulation of the timing of transfer of control and amount of revenue recognized due to pressures to achieve performance targets as well as meeting external expectations.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We assessed the compliance of the revenue recognition accounting policies against the requirement of Ind AS 115 i.e. Revenue from contracts with customers. • We evaluated the design, implementation and operating effectiveness of key financial controls with respect to revenue recognition on selected transactions (using random sampling). • We performed substantive testing by using statistical sampling for revenue transactions recorded during

Revenue Recognition

See Note 2(j) and 28 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
	the financial year. For such samples, verified the underlying documents, including invoices, good dispatch notes, customer acceptances and shipping documents (as applicable), and subsequent receipts in the bank statements to assess whether these are recognized in the appropriate period in which control is transferred or services are provided. • We carried out analytical procedures on revenue recognized during the year to identify unusual variances. • We tested specific item on manual journals posted to revenue ledger selected based on specified risk-based criteria to identify unusual items. • We selected revenue transactions on a sample basis recorded during specified period around the year end date and checked whether revenue has been recognised in the correct reporting period by examining the underlying documents. • We assessed the adequacy of disclosures in the financial statements against the requirement of Ind AS 115.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report(s) thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entity or business activity/ activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a. We did not audit the financial information of one subsidiary, whose financial information reflect total assets (before consolidation adjustments) of ₹309 lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of ₹1,752 lakhs and net cash outflows (before consolidation adjustments) amounting to ₹21 lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial information has been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

The subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which has been audited by other auditor under generally accepted auditing standards applicable in its country. The Holding Company's management has converted the financial information of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary, as was audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on 01 April 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph:

   a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 42 (a) to the consolidated financial statements.

   b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

   c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2023.

   d (i) The management of the Holding Company represented to us that, to the best of their knowledge and belief, as disclosed in the Note 51 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The management of the Holding Company represented to us that, to the best of their knowledge and belief, as disclosed in the Note 51 to the consolidated financial statements, no funds have been received by the Holding Company incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 40 (ii) to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company incorporated in India only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company , to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company , is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Gaurav Mahajan
Partner
Membership No.: 507857
ICAI UDIN: 23507857BGYNVX9506

Place: Mumbai
Date: 4th May, 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Punjab Chemicals and Crop Protection Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following Company incorporated in India and included in the consolidated financial statements have unfavourable remarks, qualification or adverse remarks given by its auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entity	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Punjab Chemicals and Crop Protection Limited	L24231PB1975PLC047063	Holding Company	(i)(c) and (vii)(b)

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Gaurav Mahajan
Partner
Membership No.: 507857
ICAI UDIN: 23507857BGYNVX9506

Place: Mumbai
Date: 4th May, 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Punjab Chemicals and Crop Protection Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Punjab Chemicals and Crop Protection Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company , as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibilities for Internal Financial Controls

The Holding Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Gaurav Mahajan
Partner
Membership No.: 507857
ICAI UDIN: 23507857BGYNVX9506

Place: Mumbai
Date: 4th May, 2023

Consolidated Balance sheet as at 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	21,655	20,618
Right of use assets	4	475	479
Capital work-in-progress	3	1,855	675
Other intangible assets	5	74	88
Intangible assets under development	5	100	49
Financial assets			
- Investments	6	137	132
- Other financial assets	7	390	362
Other tax assets (net)	8	649	649
Other non-current assets	9	47	424
Total non-current assets		**25,382**	**23,476**
Current assets			
Inventories	10	16,824	15,372
Financial assets			
- Investments	6	112	5
- Trade receivables	11	14,328	11,183
- Cash and cash equivalents	12	874	842
- Bank balances other than above	13	271	283
- Loans	14	6	6
- Other financial assets	7	874	690
Other current assets	15	2,899	3,869
		36,188	**32,250**
Assets held for sale	16	30	-
Total current assets		**36,218**	**32,250**
Total assets		**61,600**	**55,726**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	1,226	1,226
Other equity	18	26,836	21,336
Total equity		**28,062**	**22,562**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	19	6,161	5,456
- Lease liabilities	20	225	387
Provisions	21	1,929	1,680
Deferred tax liabilities (net)	22	530	410
Other non-current liabilities	23	207	267
Total non-current liabilities		**9,052**	**8,200**
Current liabilities			
Financial liabilities			
- Borrowings	19	2,721	3,272
- Lease liabilities	20	290	217
- Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	24	855	689
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	13,041	12,528
- Other financial liabilities	25	4,421	3,308
Other current liabilities	26	1,087	2,217
Provisions	21	426	530
Current tax liabilities (net)	27	1,645	2,203
Total current liabilities		**24,486**	**24,964**
Total liabilities		**33,538**	**33,164**
Total equity and liabilities		**61,600**	**55,726**

Significant accounting policies 2
Notes to the standalone financial statements 3-57
The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Gaurav Mahajan
Partner
Membership No.: 507857

Mukesh D Patel
Chairman
DIN: 00009605
Place: Mumbai

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer

Rishu Chatley
Company Secretary & Compliance Officer

Ashish R Nayak
Chief Financial Officer

Place: Mumbai
Date: 4th May, 2023

Place: Mumbai
Date: 4th May, 2023

Place: Mumbai

Place: Mumbai

Consolidated Statement of Profit and Loss for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	28	1,00,621	93,346
Other income	29	335	93
Total income		**1,00,956**	**93,439**
EXPENSES			
Cost of material consumed	30	65,507	58,093
Purchases of stock-in-trade	31	348	625
Changes in inventories of finished goods, stock-in- trade and work-in progress	32	(2,239)	(1,780)
Employee benefits expense	33	8,328	7,662
Finance costs	34	1,803	1,234
Depreciation and amortisation expense	35	1,901	1,667
Other expenses	36	16,420	14,777
Total expenses		**92,068**	**82,278**
Profit before income tax		**8,888**	**11,161**
Tax expense	37		
Current tax		2,626	2,695
Deferred tax charge / (credit)		152	120
Total tax expense		**2,778**	**2,815**
Profit for the year		**6,110**	**8,346**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		(129)	(67)
- Fair value change on equity investments through other comprehensive income		5	4
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit liability/ (asset)		33	17
- Fair value change on equity investments through other comprehensive income		(1)	(1)
Items that will be reclassified subsequently to profit or loss:			
- Exchange difference in translating financial statements of foreign operations		(150)	55
Other comprehensive income / (loss) for the year (net of tax)		**(242)**	**8**
Total comprehensive income for the year		**5,868**	**8,354**
Earnings per equity share [nominal value of ₹10 (previous year ₹10)]	38		
Basic (Rs.)		49.84	68.07
Diluted (Rs.)		49.84	68.07

Significant accounting policies 2
Notes to the standalone financial statements 3-57
The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Gaurav Mahajan
Partner
Membership No.: 507857

Mukesh D Patel
Chairman
DIN: 00009605
Place: Mumbai

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer

Rishu Chatley
Company Secretary & Compliance Officer

Ashish R Nayak
Chief Financial Officer

Place: Mumbai
Date: 4th May, 2023

Place: Mumbai
Date: 4th May, 2023

Place: Mumbai

Place: Mumbai

Consolidated Statement of Cash Flow for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

	Year ended 31.03.2023	Year ended 31.03.2022
A. Cash flow from operating activities		
Profit before tax	8,888	11,161
Adjustments for:		
Depreciation and amortization expense	1,901	1,667
Liability no longer required written back	(209)	(6)
Other operating income	(284)	-
Reversal of impairment loss on doubtful advances	(43)	(4)
Interest income	(41)	(39)
Amortisation of government grants	-	(2)
Finance cost	1,803	1,234
Unrealised foreign exchange (gain) (net)	(24)	(13)
Advances written off	36	-
Property, plant and equipment written off	20	-
Loss/(gain) on sale of property, plant and equipment (net)	43	33
Gain on fair valuation of investments	(7)	(5)
Expected credit loss on trade receivable	4	35
Provision for capital advance	-	40
Rental income	(2)	(1)
Operating cash flow before working capital changes	12,085	14,100
Changes in working capital:		
(Increase) in trade receivables	(3,120)	(2,812)
(Increase) in inventories	(1,453)	(5,242)
Decrease/(increase) in other current and non-current assets	1,254	(1,824)
(Increase) in current and non-current other financial assets	(217)	(33)
(Increase)/decrease in current and non-current loans	(6)	126
(Decrease)/increase in trade payables and other liabilities	(293)	521
Increase in other current financial liabilities	1,062	500
Increase/(decrease) in long-term and short-term provisions	16	(15)
Cash generated from operating activities	9,328	5,321
Income tax paid (net)	(3,507)	(1,890)
Net cash generated from operating activities (A)	5,821	3,431
B. Cash flow from investing activities		
Acquisition of property, plant and equipment (including capital advances)	(3,735)	(3,262)
Proceeds from sale of property, plant and equipment	128	62
Proceeds from insurance claim	-	467
Proceeds from sale of other investments	1,500	-
Acquisition of other investments	(1,600)	-
Movement in other bank balances	12	4
Decrease/(increase) in deposits with original maturity of more than 12 months	7	(39)
Interest received	38	28
Rental income	2	1
Net cash flows (used in) investing activities (B)	(3,648)	(2,739)

Consolidated Statement of Cash Flow for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

	Year ended 31.03.2023	Year ended 31.03.2022
C. Cash flow from financing activities		
Proceeds from non-current borrowings	76	152
Repayments of non-current borrowings	(1,307)	(1,050)
Repayment of lease liabilities (including interest on lease liability)	(335)	(256)
Proceeds from current borrowings (net)	1,385	1,487
Payment of dividend	(365)	(243)
Finance cost paid	(1,445)	(1,151)
Net cash flows (used in) financing activities (C)	(1,991)	(1,061)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	182	(369)
Effect of exchange gain on cash and cash equivalents	(150)	55
Cash and cash equivalents at the beginning	842	1,156
Cash and cash equivalents at the end	874	842
Notes :		
1. Cash and cash equivalents include :		
Balances with banks		
- In current accounts	845	835
- Deposits with original maturity of less than three months	17	-
Cash on hand	12	7
	874	842

2. The above cash flow statement has been prepared under the indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows". Also, refer to note 2(s).
3. Refer note 19 for reconciliation of movements of liabilities to cash flows arising from financing activities.
4. During the year, the Company paid in cash ₹133 (previous year: Rs.76) towards corporate social responsibility (CSR) expenditure (included in Corporate social responsibility expenditure - Refer note 46).

Significant accounting policies 2
Notes to the standalone financial statements 3-57
The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Gaurav Mahajan
Partner
Membership No.: 507857

Mukesh D Patel
Chairman
DIN: 00009605
Place: Mumbai

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer

Rishu Chatley
Company Secretary & Compliance Officer

Ashish R Nayak
Chief Financial Officer

Place: Mumbai
Date: 4th May, 2023

Place: Mumbai
Date: 4th May, 2023

Place: Mumbai

Place: Mumbai

Consolidated Statement of Changes in Equity for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

a. Equity share capital:

	Note	
Balance as at 1 April 2021	17	1,226
Changes in equity share capital due to prior period errors		-
Changes in equity share capital during the year		-
Balance as at 31 March 2022	17	1,226
Changes in equity share capital due to prior period errors		-
Changes in equity share capital during the year		-
Balance as at 31 March 2023		1,226

b. Other Equity:

Particulars	Note	Reserves and surplus						Other comprehensive income		Total
		Capital reserve	Securities premium	Capital redemption reserve	Capital reduction reserve	Amalgamation reserve	Retained earnings	Equity instruments through other comprehensive income	foreign currency transaction reserve	
Balance as at 1 April 2021		314	5,707	28	21	19	7,148	10	(20)	13,227
Total comprehensive income for the year ended 31 March 2022										
- Profit for the year		-	-	-	-	-	8,346	-	-	8,346
- Dividend							(245)	-	-	(245)
- Other comprehensive income/(loss) (net of tax)	18	-	-	-	-	-	(50)	3	55	8
Total comprehensive income for the year		-	-	-	-	-	8,051	3	55	8,109
Balance as at 31 March 2022		314	5,707	28	21	19	15,199	13	35	21,336
Total comprehensive income for the year ended 31 March 2023										
- Profit for the year		-	-	-	-	-	6,110	-	-	6,110
- Dividend		-	-	-	-	-	(368)	-	-	(368)
- Other comprehensive (loss) (net of tax)	18	-	-	-	-	-	(96)	4	(150)	(242)
Total comprehensive income for the period		-	-	-	-	-	5,646	4	(150)	5,500
Balance as at 31 March 2023		314	5,707	28	21	19	20,845	17	(115)	26,836

Note 1 : Refer to note 18 for nature and purpose of other equity

Significant accounting policies 2
Notes to the standalone financial statements 3-57
The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Gaurav Mahajan
Partner
Membership No.: 507857

Mukesh D Patel
Chairman
DIN: 00009605
Place: Mumbai

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer

Rishu Chatley
Company Secretary & Compliance Officer

Ashish R Nayak
Chief Financial Officer

Place: Mumbai
Date: 4th May, 2023

Place: Mumbai
Date: 4th May, 2023

Place: Mumbai

Place: Mumbai

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

Note 1. Corporate Information

Punjab Chemicals and Crop Protection Limited ("the Company" or the "Parent Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is situated at Milestone 18, Ambala Kalka Road, Village & P.O. Bhankharpur, Derabassi, Distt. SAS Nagar, Mohali (Punjab)-140201.

The Group is engaged in business of manufacturing of agro chemicals, speciality chemicals and bulk drugs and its intermediates.

Note 2. Significant accounting policies

(a) Basis of preparation

(i) Statement of compliance

These Consolidated financial statements ("Consolidated Financial Statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013, ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The consolidated financial statements of the Company as at and for the year ended on 31 March 2023 comprise the financial statements of the Company and its subsidiary (together referred to as "the Group").

Effective 01 April 2016, the Group had transitioned to Ind AS while the consolidated financial statements were being prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP) till 31 March 2017 and the transition was carried out in accordance of Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition, in addition to the mandatory exemptions, the Group had elected to certain exemption which are listed as below:

a. The Group had opted to continue with the carrying value for all of its property, plant and equipment, intangible assets and investment property as recognized in the consolidated financial statements prepared under previous GAAP and use the same as deemed cost in the consolidated financial statement as at the transition date.

b. The Group had opted to carry the assessment whether a contract or arrangement contains a lease on the basis of and circumstances existing at the date of transition except where the effect is not expected to be material. In accordance with Ind AS 17, this assessment should be carried out (at the inception of the contract or arrangement).

c. The Group had deemed the cumulative translation differences for all foreign operations to be zero as at the transition date by transferring cumulative differences to retained earnings.

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months. The Consolidated financial statements for the year ended 31 March 2023 were approved for issue by the Company's Board of Directors on 04 May 2023.

(ii) Functional and presentation currency

The functional currency of the Group is the Indian rupee. These financial statements are presented in Indian rupees. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

(iii) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefits (assets)/liability	Fair value of the plan assets less present value of defined benefits obligations

(iv) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The Management believes that the estimates used in preparation of these financial statements are prudent and reasonable. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 2(d) and 3 – Assessment of useful life and residual value of Property, plant and equipment
- Note 2(e) and 4 – Assessment of lease term, useful life of right-to-use asset, discount rate
- Note 2(g) and 5 – Assessment of useful life of Intangible assets
- Note 2(p), 2(o) and 42 – Recognition and measurement of provision and contingencies,key assumptions about the likelihood and magnitude of an outflow of resources
- Note 2(m) and 22 – Recognition and estimation of tax expense including deferred tax
- Note 2(l) and 41 – Measurement of defined benefit obligations: key actuarial assumptions
- Note 2(j) – Impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Note 2(j) – Impairment of financial assets
- Note 2(h) – Valuation of inventories
- Note 2(m) and 11 - Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used, future recoverability been probable;

(v) Current versus non-current classification

The Company presents assets and liabilities in the Statement of Assets and Liabilities based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(vi) Measurement of fair values

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's board of directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is included note 41(a).

(b) Principles of consolidation

The consolidated financial statements comprises the financial statement of the Group, and the entity controlled by the Group including its subsidiary as at 31 March 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The details of the consolidated entity are as follows:

S. No.	Name	Country of Incorporation	Percentage of ownership
1	SD Agchem (Europe) NV	Belgium	100 %

Consolidation procedure

(i) Business Combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity. NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in Statement of Profit and Loss.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in Statement of Profit and Loss.

(vii) Foreign operations

The assets and liabilities of foreign operations (i.e subsidiary) including goodwill and fair value adjustments arising on acquisition, are translated into Indian Rupees, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupees at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Such exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI.

(c) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However trade receivables that do not contain a significant financing component are measured at transaction price.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Group may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable adoption to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d) Property, plant and equipment ('PPE')

Recognition and measurement

Items of PPE are stated at cost, which includes capitalized finance costs, less accumulated depreciation and/or accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items.

Cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes after deducting any trade discounts and rebates and any directly attributable cost of bringing the asset to its working condition for its intended use.

The cost of a self-constructed item of PPE comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Advances paid towards acquisition of PPE outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

Any gain or loss on disposal of an item of PPE is recognised in the Statement of Profit and Loss.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Statement of Profit and Loss.

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with the notification dated 29 August 2014 of the Ministry of Corporate Affairs except for certain classes of PPE which are depreciated based on the internal technical assessment of the management. The estimated useful lives of items of PPE for the current and comparative periods are as follows:

Particulars	Useful life as per Schedule II	Management estimate of useful life
Building - Factory	30 Years	5 - 28 Years
Building - Office	60 Years	5 - 58 Years
Plant and equipment	3 - 15 Years	1 - 20 Years
Electrical installations	10 Years	4 - 10 Years
Vehicles	8 Years	8 Years
Furniture and fittings	10 Years	2 - 10 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

Derecognition

An item of PPE is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

(e) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases in which the Group is a lessee

The Group's lease asset classes primarily consist of leases for buildings, furniture and fixtures and leasehold land. The Group, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Group recognises a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Group recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

Leases in which the Group is a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue to allocate the consideration in the contract.

(f) Other intangible assets

Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:

- Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.
- Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

Acquired Intangible

Intangible assets that are acquired (including implementation of software system) are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Advances paid towards acquisition of intangible assets outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as intangible assets under development.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expense in Statement of Profit and Loss.

The estimated useful lives are as follows:

- Computer software	3-5 Years
- Product registrations (including task charges, task force studies and other related expenses)	10 Years
- Technical know-how	5 Years

Derecognition

Intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(g) Non-current assets held for sale

Non-current assets, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit and Loss.

Once classified as held-for sale, property, plant and equipment, and investment property and intangible assets are no longer amortised or depreciated.

(h) Inventories

Inventories are valued at lower of cost or net realisable value. The methods of determining cost of various categories of inventories are as follows:

Raw materials (except goods in transit)	Weighted average method
Finished goods	Weighted average method
Packing material	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Variable cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Goods in transit	Specifically identified purchase cost

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The Company reviews the condition of its inventories and makes provision against obsolete and slow moving inventory items which are identified as no longer suitable for sale or use.

The comparison of cost and net realisable value is made on an item-by-item basis.

(i) Impairment

Impairment of financial assets

The Group recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Group in accordance with the contract and the cash flow that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due.

Impairment of non-financial assets

The Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g head office building for providing support to CGU) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Revenue from contract with customers

Under Ind AS 115, the group recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Group disaggregates revenue from contracts with customers by geography.

Use of significant judgements in revenue recognition

a. The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b. Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c. The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

d. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

e. Revenue for fixed-price contract is recognised using percentage-of-completion method. The Group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

f. Contract fulfilment costs are generally expensed as incurred except for certain expenses which meet the criteria for capitalisation. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Sale of services

The Group offers services in fixed term contracts and short term arrangement. Revenue from service is recognized when obligation is performed or services are rendered.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except where the rentals are structured to increase in line with expected general inflation.

Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, which is genrally when shareholders approve the dividend.

Export incentives

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Insurance and Other Claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

(k) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(l) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Post-employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Group 's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. Certain employees of the Group are also participants in the superannuation plan ('the Plan'), a defined contribution plan. The Group makes contributions to Life Insurance Corporation of India (LIC). Contribution made by the Group to the plan during the year is charged to Statement of Profit and Loss.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC') for certain employees. The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Group's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Other long-term employee benefits:

Compensated absences

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Group's obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Such obligation such as those related to compensate absences is measured on the basis of an actuarial valuation performed annually by a qualified actuary using the projected unit cost credit method.

Termination benefits:

Termination benefits are recognised as an expense when, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(m) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other Comprehensive Income.

- Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions or

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

make reversals of provisions made in earlier years, where appropriate, on the basis of amounts expected to be paid to / received from the tax authorities.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets, recognized or unrecognized, are reviewed at each reporting date and recognized / reduced to the extent that it has become probable / no longer probable respectively that future taxable profits will be available against which they can be used.

Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Holding Company has opted for this benefit in earlier years.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

(n) Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

A provision for onerous contract is recognised when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognises any impairment loss on assets associated.

(o) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(p) Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

(q) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

(r) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(s) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(t) Foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions.

Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

(u) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(v) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(w) Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Group is charged to the Statement of the Profit and Loss.

(x) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(y) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 3: Property, plant and equipment and capital work-in-progress

Gross carrying amount

	Freehold Land	Leasehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total
Balance as at 1 April 2021	5,395	-	2,714	13,145	351	1,155	364	23,124
Additions	-	-	585	2,963	20	236	113	3,917
Disposals /other adjustments (refer note below)	-	-	-	64	-	90	118	272
Balance as at 31 March 2022	**5,395**	**-**	**3,299**	**16,044**	**371**	**1,301**	**359**	**26,769**
Balance as at 1 April 2022	5,395	-	3,299	16,044	371	1,301	359	26,769
Additions	-	-	354	2,377	14	113	69	2,927
Disposals /other adjustments (refer note below)	-	-	55	259	5	183	13	515
Assets classified as held for sale (refer note 16)	-	-	41	-	-	-	-	41
Balance as at 31 March 2023	**5,395**	**-**	**3,557**	**18,162**	**380**	**1,231**	**415**	**29,140**
Accumulated depreciation								
Balance as at 1 April 2021	-	-	631	3,548	119	450	145	4,893
Depreciation for the year	-	-	134	1,069	31	134	67	1,435
Disposals /other adjustments (refer note below)	-	-	-	30	-	43	104	177
Balance as at 31 March 2022	**-**	**-**	**765**	**4,587**	**150**	**541**	**108**	**6,151**
Depreciation for the year	-	-	137	1,265	35	145	87	1,669
Disposals /other adjustments (refer note below)	-	-	47	146	5	116	10	324
Assets classified as held for sale (refer note 16)	-	-	11	-	-	-	-	11
Balance as at 31 March 2023	**-**	**-**	**844**	**5,706**	**180**	**570**	**185**	**7,485**
Carrying amounts (net)								
As at 31 March 2022	**5,395**	**-**	**2,534**	**11,457**	**221**	**760**	**251**	**20,618**
As at 31 March 2023	**5,395**	**-**	**2,713**	**12,456**	**200**	**661**	**230**	**21,655**

Notes:

a. Plant and equipment includes ₹44 (previous year: ₹44) worth of equipment acquired under United Nations Industrial Development Organisation grant scheme.

b. Plant and equipment includes Rs.77 (previous year: ₹145) of capitalisation towards research and development.

c. Refer note 19 for information on property, plant and equipment pledged as security by the Company during the year.

d. Refer note 42 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

e. The Company has capitalised the following expenses of revenue nature to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	127	127
Power and fuel	145	14
Finance costs	91	56
	363	197

f. As at 31 March 2023, all the title deeds of immovable property are held in the name of the Company. During the previous year, following title deed were not held in the name of the Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Three Residential flats at Tarapur, Palghar, Maharashtra	18 lakhs	STS Chemicals Limited	No	17 Years	STS Chemicals Limited was merged in Punjab Chemicals and Crop Protection Limited in 2005. The Company had initiated the process of filing for transfer of ownership which was completed during the year ended 31 March 2023.There was no dispute in relation to ownership of these flats.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 3: Property, plant and equipment and capital work-in-progress (Contd.)

g. Capital work in progress

	Freehold Land	Leasehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Total
Balance as at 1 April 2021	-	-	287	1,209	-	-	-	1,496
Additions	-	-	260	1,866	-	-	-	2,126
Disposals /other adjustments	-	-	-	-	-	-	-	-
Capitalisations	-	-	439	2,508	-	-	-	2,947
Balance as at 31 March 2022	-	-	108	567	-	-	-	675
Additions	-	-	491	2,804	-	-	-	3,295
Disposals /other adjustments	-	-	-	-	-	-	-	-
Capitalisations	-	-	335	1,780	-	-	-	2,115
Balance as at 31 March 2023	-	-	264	1,591	-	-	-	1,855

Capital-work- in progress ageing schedule as at 31 March 2023

CWIP	Amount in CWIP for a period of					
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total	Remarks
Projects in progress	1,855	-	-	-	1,855	Refer note below
Projects temporarily suspended	-	-	-	-	-	
Total	1,855	-	-	-	1,855	

Capital-work- in progress ageing schedule as at 31 March 2022

CWIP	Amount in CWIP for a period of					
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total	Remarks
Projects in progress	610	65	-	-	675	Refer note below
Projects temporarily suspended	-	-	-	-	-	
Total	610	65	-	-	675	

Note: During the previous year, capital work in progress amounting to Rs 65 was overdue for more than 1 year which has been capitalised during the current financial year.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 4: Right of use asset

	Leasehold Land	Building	Plant & Machinry	Furniture and fixtures	Total
Balance as at 1 April 2021	3	503	-	20	526
Additions	-	130	-	-	130
Depreciation for the year	-	174	-	3	177
Balance as at 31 March 2022	3	459	-	17	479
Balance as at 1 April 2022	3	459	-	17	479
Additions	-	-	198	-	198
Depreciation for the year	-	181	20	1	202
Balance as at 31 March 2023	3	278	178	16	475

Notes:

a. The Company has also taken or leases certain office premises with contract terms of one year. These leases were short-term in nature and the Company had elected not to recognise right-of-use assets and lease liabilities for those leases. The Company incurred ₹81 (previous year ₹46) towards expenses relating to short-term leases for which the recognition exemption has been applied.

b. The total cash outflow for leases, including cash outflow for short term and low value leases, is ₹416 (previous year Rs.302).

c. Lease agreement not held in the name of Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Lease agreement for Industrial building at H.A.Limited Compound Pimpri, Pune, Maharashtra	Not applicable. Lease premises has immovable Property plant and equipment of Rs.173 lakhs (Net Value ₹ Nil.)	Excel Prospho Chem (Sole Proprietors)	No	17 Years	Excel Phospho Chem was merged with STS Chemicals Limited and STS Chemicals Limited was merged with Punjab Chemicals and Crop Protection Limited in 2005. The appeal is pending in the District Court, Pune under the Public Premises Act 1971. Next hearing is expected to be in September 2023. Also refer to note 42(a) (iii) of the financial Statements.

Note 5: Other intangible assets and intangible assets under development

Gross carrying amount

	Computer Software	Product registrations	Technical know how	Total
Balance as at 1 April 2021	181	718	320	1,219
Additions - internally generated	-	-	-	-
Additions - acquired	11	-	-	11
Disposals	-	-	-	-
Balance as at 31 March 2022	192	718	320	1,230
Balance as at 1 April 2022	192	718	320	1,230
Additions - internally generated	-	-	-	-
Additions - acquired	12	4	-	16
Disposals	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 5: Other intangible assets and intangible assets under development (Contd.)

Gross carrying amount

	Computer Software	Product registrations	Technical know how	Total
Balance as at 31 March 2023	204	722	320	1,246
Accumulated amortisation				
Balance as at 1 April 2021	132	650	305	1,087
Amortisation for the year	37	12	6	55
Disposals	-	-	-	-
Balance as at 31 March 2022	169	662	311	1,142
Balance as at 1 April 2022	169	662	311	1,142
Amortisation for the year	16	9	5	30
Disposals	-	-	-	-
Balance as at 31 March 2023	185	671	316	1,172
Carrying amounts (net)				
As at 31 March 2022	22	56	9	88
As at 31 March 2023	19	51	4	74

Note:

a. As at 31 March 2023, the estimated remaining amortization period for intangible assets are as follows:

	As at 31 March 2023	As at 31 March 2022
Computer Software	0 to 3 years	0 to 3 years
Product registrations	0.05 to 8 years	0.17 to 9 years
Technical know how	0 to 1 years	0 to 1 years

b. Intangible assets under development

	Computer Software	Product registrations	Technical Know How	Total
Balance as at 1 April 2021	7	47	-	54
Additions	-	2		2
Disposals	-	-	-	-
Capitalisations	7	-	-	7
Balance as at 31 March 2022	-	49	-	49
Additions	-	55	-	55
Disposals	-	-	-	-
Capitalisations	-	4	-	4
Balance as at 31 March 2023	-	100	-	100

c. Intangible assets under development ageing schedule as on 31 March 2023:

Intangible assets under development	Amount in intangible assets under development for a period of					
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total	Remarks
Product registration projects	54	3	-	43	100	Refer note below
Total	54	3	-	43	100	-

Intangible assets under development ageing schedule as on 31 March 2022:

Intangible assets under development	Amount in intangible assets under development for a period of					
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total	Remarks
Product registration projects	3	-	3	43	49	Refer note below
Total	3	-	3	43	49	

Note: These projects relate to certain product registration submission to regulatory authority for which the necessary approvals are currently awaited. These approval are expected to be received in the near term basis which these will be capitalised as product registration.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 6: Investments

Non- current investments

	As at 31 March 2023	As at 31 March 2022
Investments in equity shares		
Quoted equity shares		
Equity shares (at fair value through other comprehensive income)		
- Bank of Baroda 187 (31 March 2022: 187) equity shares of ₹10 each fully paid-up ^	0.31	0.21
- Canara Bank 63 (31 March 2022: 63) equity shares of INR 10 each fully paid-up ^	0.18	0.14
	0.49	0.35
Unquoted equity shares		
Other Companies (fair value through other comprehensive income)		
- Nimbua Green Field (Punjab) Limited 84,375 (31 March 2022: 84,375) equity shares of INR 10 each fully paid-up	127	122
- Mohali Green Environment Private Limited 100,000 (31 March 2022: 100,000) equity shares of INR 10 each fully paid-up	10	10
- SVC Cooperative Bank Limited 100 equity shares (31 March 2022: 100) equity shares of INR 25 each fully paid-up	0	0.03
Total non-current investments	137	132
Aggregate book value of quoted investments ^	0.49	0.35
Aggregate market value of quoted investments ^	0.49	0.35
^ Aggregate value of unquoted investments	137	132

^ Value of investment is less than ₹1 lakh(previous year: less than ₹1 lakh).

Current investments

^ Quoted	As at 31 March 2023	As at 31 March 2022
Investments in mutual funds measured at fair value through statement of profit and loss		
3,110.70 (31 March 2022: 36.2) units of INR 3,474.60 in Nippon India Mutual Fund.	108	2
Nil (31 March 2022: 23,864.8) units of INR Nil in IDFC Mutual Fund.	-	3
29,723.54 (31 March 2022: Nil) units of INR 12.98 in Bandhan Mutual Fund.	4	-
Total current investments	112	5
Aggregate book value of quoted investments ^	112	4.62
Aggregate market value of quoted investments ^	112	4.81

^ Value of investment is less than ₹1 lakh(previous year: less than ₹1 lakh).

Note 7: Other financial assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Security deposits	335	77	300	76
Deposits with original maturity of more than 12 months	55	-	62	-
Interest receivable	-	33	-	31
Export incentive recoverable	-	105	-	442
Insurance claim receivable	-	-	-	-
Due from customer (refer note 54)	-	509	-	-
Other receivable	-	150	-	141
	390	874	362	690

Refer note 39(b) for information about credit risk and market risk of other financial assets.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 8: Other tax assets (net)

	As at 31 March 2023	As at 31 March 2022
Advance income-tax and tax deducted at source (net of provision ₹1,456 (31 March 2022: ₹1,456))	649	649
	649	649

Note 9: Other non-current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Capital advances		
- to others considered good	47	424
- to others considered doubtful	-	40
Less- Provision for doubtful	-	(40)
	47	424

Note 10: Inventories

(At lower of cost and net realizable value)

	Note	As at 31 March 2023	As at 31 March 2022
Raw materials	(a), (b)	8,308	9,152
Work-in-progress	(b)	4,175	1,903
Finished goods	(a)	3,247	3,269
Stock-in-trade		-	11
Stores and spares		890	847
Packing material		204	190
		16,824	15,372

Notes:

(a) Includes goods-in-transit:		
- raw materials	692	1,482
- finished goods	1,809	1,913
(b) Refer note 19(C) for hypothecation of current assets against term loan.		

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 11: Trade receivables

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2023 Current	As at 31 March 2022 Current
Trade receivables	14,427	11,280
Trade receivables from related party (refer note 43)	4	4
Less: expected credit loss allowance	(103)	(101)
	14,328	11,183
Break-up of trade receivables:		
Trade receivable considered good -Secured	-	-
Trade receivable considered good -Unsecured	14,400	11,255
Trade receivable which have significant increase in credit risk	8	8
Trade receivable- credit impaired	23	21
Total	**14,431**	**11,284**
Less: expected credit loss allowance		
- Trade receivable considered good - secured	-	-
- Trade receivables considered good - unsecured	(72)	(72)
- Trade receivables which have significant increase in Credit risk	(8)	(8)
- Trade Receivables – credit impaired	(23)	(21)
Total trade receivables	**14,328**	**11,183**

Trade receivables ageing schedule:

As at 31 March 2023	Outstanding for following periods from due date of payment									
	Unbilled	Not due	< 6 months	6 months -1 year	1 year - 2 years	2 year - 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Undisputed Trade Receivable - considered good	891	10,620	2,212	118	420	4	135	14,400	72	14,328
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	23	23	23	-
Disputed Trade Receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	8	8	8	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-	-	-	-
Total	891	10,620	2,212	118	420	4	166	14,431	103	14,328

Trade receivables ageing schedule:

As at 31 March 2022	Outstanding for following periods from due date of payment									
	Unbilled	Not due	< 6 months	6 months -1 year	1 year - 2 years	2 year - 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Undisputed Trade Receivable - considered good	1191	7675	2,220	23	4	14	128	11,255	72	11,183
"Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	21	21	21	-
Disputed Trade Receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	8	8	8	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-		-	-	-
Total	1,191	7,675	2,220	23	4	14	157	11,284	101	11,183

Refer note 39(b) for information about credit risk and market risk of trade receivables.
Refer note 19(C) for hypothecation of current assets against term loan.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 12: Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- Current accounts	845	835
- Fixed deposits with original maturity upto three months	17	-
Cash on hand	12	7
	874	**842**

Refer note 19(C) for hypothecation of current assets against term loan..

Note 13: Other bank balances

	As at 31 March 2023	As at 31 March 2022
Deposit accounts with original maturity more than 3 months and upto 12 months from the reporting date #	264	278
Balance in unclaimed dividend accounts	7	5
	271	283

These deposits include restricted bank deposits ₹186 (31 March 2022: ₹203) pledged as margin money.

Note 14: Loans

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Advances recoverable from others				
- considered good	-	-	-	-
- considered doubtful	16	24	16	24
Less: expected credit loss allowance	(16)	(24)	(16)	(24)
Loans to employee	-	6	-	6
	-	6	-	6

Refer note 39(b) for information about credit risk and market risk of loans..

Note 15: Other current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Recoverable from/ balances with government authorities		
- considered good	1,958	2,395
- considered doubtful	-	41
Less : provision for doubtful balance recoverable from government authorities	-	(41)
Advances for supply of goods and services	246	667
Export benefit receivable on advance licecne	276	171
Prepaid expenses	324	275
Contract assets	95	359
Others	-	1
	2,899	**3,869**

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 16: Assets classified as held for sale

	As at 31 March 2023	As at 31 March 2022
Assets held for sale	30	-
	30	-

In August 2022, management committed to a plan to sell its office building located in Ahmedabad ('Asset'). Efforts to sell this Asset has started and sales is expected by September 2023. There is no impairment loss or cumulative income or expenses included in OCI in relation to the Asset Accordingly, in the current year the asset has been classified as "Assets classified as held for sale" in accordance with Ind AS 105.

Note 17: Equity Share capital

(i) Details of share capital

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹10 each	1,98,00,000	1,980	1,98,00,000	1,980
9.8% redeemable cumulative preference shares of ₹100 each	20,000	20	20,000	20
	1,98,20,000	2,000	1,98,20,000	2,000
Issued Shares				
Equity shares of ₹10 each	1,22,77,218	1,228	1,22,77,218	1,228
	1,22,77,218	1,228	1,22,77,218	1,228
Subscribed and fully paid up				
Equity shares of ₹10 each fully paid up	1,22,62,185	1,226	1,22,62,185	1,226
	1,22,62,185	1,226	1,22,62,185	1,226

(ii) Reconciliation of number of shares outstanding at the beginning and end of the year

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning and at the end of the year	1,22,62,185	1,226	1,22,62,185	1,226

(iii) Rights, preference and restriction attached to shares

The Group has only one class of equity shares having a par value of ₹10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Group's residual assets on winding up. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders (except for interim dividend) in the ensuing Annual General Meeting. In the event of liquidation of the group, the holders of equity shares will be entitled to receive the remaining assets of the group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of shareholders holding more than 5% shares in the group.

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity shares of ₹10 each fully paid				
Hem-sil Trading and Manufacturing Private Limited	40,17,318	32.76%	40,17,318	32.76%
Gowal Consulting Services Private Limited	30,00,000	24.47%	30,00,000	24.47%

(v) Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2023

During the five years immediately preceding 31 March 2023, neither any bonus shares have been issued nor any shares have been bought back. Further, no shares have been issued for consideration other than cash.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 17: Equity Share capital (Contd.)

(vi) Promotors Shareholdings

S. no.	Promoter's name	As at 31 March 2023		As at 31 March 2022		
		No. of shares	% of total shares	No. of shares	% of total shares	% change during the year
1	Rupam Shalil Shroff	2,07,293	1.69	2,07,293	1.69	-
2	Shalil Shashikumar Shroff	2,30,581	1.88	2,30,581	1.88	-
3	Shalil Shashikumar Shroff HUF	77,652	0.63	77,652	0.63	-
4	Hemal Raju Shete	2,12,812	1.74	2,12,812	1.74	-
5	Malvika Shalil Shroff	35,340	0.29	35,340	0.29	-
6	Inshika Shalil Shroff	27,894	0.23	27,894	0.23	-
7	Hem-sil Trading and Manufacturing Pvt Ltd.	40,17,318	32.76	40,17,318	32.76	-
Total		48,08,890	39.22	48,08,890	39.22	-

Note.18: Other equity

Nature:

(i) **Capital reserve**

Capital reserve represents the forfeited share application money of ₹185 received for preferential convertible warrants in 2008-2009 and ₹124 received for equity convertible warrant in 2009-2010.

(ii) **Securities premium**

Securities premium represents the excess consideration received by the Company over the face value of the shares issued to shareholders. This will be utilized in accordance with the applicable provisions of the Companies Act, 2013.

(iii) **Capital redemption reserve**

Capital redemption reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(iv) **Capital reduction reserve**

Capital reduction reserve is carried forward in the consolidated balance sheet of the Group post merger of Parul Chemical Limited into the Group during the year 2010-2011.

(v) **Amalgamation reserve**

Amalgamation reserve is carried forward in the consolidated balance sheet of the Group post merger of Parul Chemical Limited into the Group during the year 2010-2011.

(vi) **Retained earnings**

Retained earnings represents the profits that the Group has earned till date less any transfer to general reserve, less any dividends, or other distributions paid to shareholders.

(vii) **Equity instruments through Other Comprehensive Income**

The Group has elected to recognise changes in the fair value of certain investments in equity securities of other comprehensive income. These changes are accumulated within the equity instrument through OCI within equity. The Group transfers amounts there from to retained earning when the relevant equity securities are derecognised.

(viii) **Foreign currency translation reserve**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the Group dispose or partially dispose off its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, that entity.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 19: Borrowings

A. Non-current borrowings

	Note	As at 31 March 2023	As at 31 March 2022
Secured			
From Banks			
Term loan	(a), (b)	3,694	4,954
Working capital demand loan	©	1,500	-
From Others			
Vehicle finance scheme	(d)	187	158
Hire purchase finance scheme	(d)	-	-
		5,381	5,112
Unsecured			
From Others			
Inter-corporate deposits - from related party (refer note 43)	(e)	1,585	1,585
		1,585	1,585
Total non current borrowings (including current maturities)		6,966	6,697
Less : Current maturities of non-current borrowings		805	1,241
		6,161	5,456

Notes:

(a) Term loan from RBL Bank amounting to ₹ Nil (31 March 2022: ₹496) carrying interest rate of Nil (31 March 2022: 11.25%) has been repaid fully during the year. The satisfaction of charge has been filed with respect to hypothecation on all current assets of the Company, both present and future as well as mortgage on factory land and building situated at Lalru, Punjab and hypothecation on all movable property including plant and machinery situated at lalru, Punjab with the Ministry of Corporate Affair.

(b) Term loan from SVC Co-operative Bank Ltd. amounting to ₹3,694 (31 March 2022: ₹4,458) carrying interest rate of 10.85% p.a. (31 March 2022: 9.70%) is secured by exclusive charge by way of hypothecation on all movable property including Plant & Machinery situated at Company's unit at Derabassi, Punjab both present and future. It is further secured by way of equitable mortgage on factory land and building situated at Company's unit at Derabassi, Punjab. The loan is repayable in 58 (31 March 2022: 70) equal monthly installments.

(c) During the year, the Company has on 20 April 2023 availed working capital term loan (WCTL) under emergency credit line guarantee scheme (ECLGS scheme) from SVC Co-operative Bank Ltd. amounting to ₹1,500 (31 March 2022: ₹ Nil) carrying interest rate of 9.25% p.a. (31 March 2022: Nil) is secured by 100% guarantee coverage from Naional Credit Guarantee Trustee Company Limited (NCGTC) and 2nd charge on existing prime & collateral securities of the Company. The loan has a moratorium of 2 years from the date of first disbursement and is thereafter repayable in 48 (31 March 2022: Nil) equal monthly installments.

(d) - Loan from Indostar Capital Finance Limited under vehicle finance scheme amounting to Nil (31 March 2022: ₹7) carrying interest rate of Nil (31 March 2022: 11.03%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in Nil (31 March 2022: 5) equal monthly installments.

- Loan from SVC Co-operative Bank Limited under vehicle finance scheme amounting to ₹187 (31 March 2022: 151) carrying interest rate of 8.75% (31 March 2022: 7.75%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in 48 (31 March 2022: 60) equal monthly installments.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 19: Borrowings (Contd.)

(e) Inter-corporate deposits amounting to ₹1,585 (31 March 2022: INR 1,585) is carrying interest rate of 12.75% to 16.50% p.a (31 March 2022: 12.75% to 16.50% p.a).

B. Current borrowings

		As at 31 March 2023	As at 31 March 2022
Loans repayable on demand			
- from banks (secured)	(a)	1,916	2,031
Others			
- Current maturity of non-current borrowings		805	1,241
		2,721	3,272
		8,882	8,728

Notes:

(a) Cash credit amounting to ₹1,916 (31 March 2022: 2,031) carrying interest rate of 9.90% p.a. (31 March 2022: 8.75%) is secured by exclusive charge by way of hypothecation on all current assets of the Company, both present and future. It is further secured by exclusive charge by way of registered mortgage on factory land and building situated at Derabassi, Punjab and exclusive charge by way of hypothecation on all movable property, including plant and machinery, situated at Derabassi, Punjab..

C. .Assets pledged as security

Assets with following carrying amounts are pledged as collateral/security against loans and borrowings at year end:

	As at 31 March 2023	As at 31 March 2022
Property, plant and equipment	19,838	19,838
Inventory	16,824	15,372
Other current assets (including financial assets)	19,424	16,878
	56,086	52,088

D. Reconciliation of movements of liabilities to cash flows arising from financing activities

	As at 31 March 2023	As at 31 March 2022
Borrowings at the beginning of the year (current and non current)	8,728	8,141
Proceeds from non-current borrowings	76	152
Repayment of non-current borrowings	(1,307)	(1,052)
Proceeds from current borrowings (net)	1,385	1,487
Borrowings at the end of the year (current and non current)	8,882	8,728

Note 20: Lease liabilities

	As at 31 March 2023	As at 31 March 2022
Non-current		
Total non current lease liability (including current maturities)	515	604
Less : Current maturities of non-current lease liabilities*	290	217
Total non current lease liability	225	387
Current	290	217
Current maturities of non-current lease liabilities	290	217

* Current and non-current classification of lease liabilities is based on contractual maturities.

(a) The Company has entered into agreements for leasing office premises on lease and license basis. The leases typically run for a period of 5 years with no restriction placed upon the Company for entering into said lease.

(b) Loan from Siemens Financial Services Private Limited under lease financing scheme amounting to Rs.192 (31 March 2022 : Rs.Nil) carrying interest rate of 7.09% (31 March 2022: Nil) for purchase of machineries. The loan is repayable in 36 (31 March 2022 : Nil) equal monthly instalments.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 20: Lease liabilities (Contd.)

Information about leases for which the Company is a lessee is presented below:

(i)The following are the amounts recognised in statement of profit and loss:

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on lease liabilities	57	70
Expenses relating to short-term leases	168	79
	225	149

(ii) The following is the break-up of current and non-current lease liabilities

	As at 31 March 2023	As at 31 March 2022
Non-current lease liabilities	225	387
Current maturities of lease liabilities	290	217
	515	604

(iii) The weighted average incremental borrowing rate applied to lease liabilities is 11.25%

(iv) As at 31 March 2023, the Company has a lease liability balance of ₹515 (previous year Rs.604). During the year, the Company entered into new leases agreement of ₹192 (previous year Rs.130).

(v) The following is the information regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at 31 March 2023	As at 31 March 2022
Less than one year	329	217
One to five years	235	479
Total	564	696

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(vi) There are no leases not yet commenced to which the Company is committed.

Note 21: Provisions

	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Provision for employee benefits (refer note 41)				
Liability for gratuity	1,536	252	1,316	347
Liability for compensated absences	393	174	364	183
	1,929	426	1,680	530

Note 22: Deferred tax

	As at 31 March 2023	As at 31 March 2022
Deferred tax assets on account of:		
- Expenses allowable on payment basis	424	450
- Expected credit loss allowance	55	86
- Expenses allowed on deferred basis under income tax	6	6
- Lease liabilities	20	33
Deferred tax asset (A)	505	575

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 22: Deferred tax (Contd.)

	As at 31 March 2023	As at 31 March 2022
Deferred tax liabilities on account of:		
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	1,035	985
Deferred tax liability (B)	1,035	985
Deferred tax (liability)/ asset (net) (A - B)	(530)	(410)

Movement in temporary differences:

	As at 1 April 2021	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2022
2021-2022				
Deferred tax assets:				
- Expenses allowable on payment basis	451	(17)	16	450
- Expected credit loss allowance	100	(14)	-	86
- Expenses allowed on deferred basis under income tax	6	-	-	6
- Lease liabilities	23	10	-	33
Deferred tax liabilities				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(886)	(99)	-	(985)
	(306)	(120)	16	(410)

	As at 1 April 2022	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2023
2022-2023				
Deferred tax assets:				
- Expenses allowable on payment basis	450	(58)	32	424
- Expected credit loss allowance	86	(31)	-	55
- Expenses allowed on deferred basis under income tax	6	-	-	6
- Lease liabilities	33	(13)	-	20
Deferred tax liabilities:				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(985)	(50)	-	(1,035)
	(410)	(152)	32	(530)

Note 23: Other non-current liabilities

	As at 31 March 2023	As at 31 March 2022
Deferred revenue	-	2
Advance from customers	207	265
	207	267

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 24: Trade payables

	As at 31 March 2023	As at 31 March 2022
(a) Total outstanding dues of micro enterprise and small enterprises	855	689
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	13,041	12,528
	13,896	13,217

Refer note 39(b) for information about liquidity risk and market risk of trade payables.

Trade payables ageing schedule as at 31 March 2023:

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	364	491	0	-	-	855
Total outstanding dues of creditors other than micro enterprises and small enterprises	142	8,872	3,590	187	131	119	13,041
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	142	9,236	4,081	187	131	119	13,896

Trade payables ageing schedule as at 31 March 2022:

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	429	260	-	-	-	689
Total outstanding dues of creditors other than micro enterprises and small enterprises	174	6,297	5,552	315	159	31	12,528
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	174	6,726	5,812	315	159	31	13,217

Also refer to note-52

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 25: Other financial liabilities

	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Interest accrued and due on borrowings	-	63	-	84
Unpaid dividend #	-	7	-	5
Payable to government (revenue department)	-	-	-	215
Interest bearing security deposits from customers	-	61	-	63
Security deposit from employees	-	77	-	188
Due to customer (refer note 54)	-	1,063	-	-
Employee related liabilities	-	828	-	742
Capital creditors of micro enterprise and small enterprises	-	74		44
Capital creditors other than micro enterprise and small enterprises	-	383	-	313
Others	-	1,865	-	1,654
	-	4,421	-	3,308

not due for deposit to investor education and protection fund

Refer note 39(b) for information about liquidity risk and market risk of other financial liabilities.

Note 26: Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Advance from customers	489	1,595
Deferred revenue	18	39
Deferred government grant	2	2
Statutory dues	578	581
	1,087	2,217

Note 27: Current tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Provision for income tax (net of advance tax of ₹6,812 (31 March 2022: ₹3,289)	1,645	2,203
	1,645	2,203

Note 28: Revenue from operations

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products		
Finished goods	84,867	76,462
Traded goods	3,265	2,633
Sale of services	9,736	12,611
Other operating revenues:		
Scrap sales	332	127
Export incentive	1,631	1,326
Product development charges	494	163
Others	296	24
	1,00,621	93,346

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 28: Revenue from operations (Contd.)

Revenue disaggregation by geography (location of destination of shipment) is as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Geography:		
India	39,542	42,696
Outside India		
Europe (including united kingdom)	41,447	36,071
Japan	5,433	8,980
Israel	4,003	1,048
USA	2,936	181
Latin America	2,722	490
Others	1,785	2,240
Total	97,868	91,706

Information about major customers:

Revenue from 2 customer of the Company amounting to ₹41,444 (previous year: ₹50,371) and ₹13,868 (previous year: ₹7,583) respectively, constitute more than 10% of the total revenue of Company.

Changes in unbilled revenue are as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	1,191	398
Invoices raised during the year	(1,191)	(398)
Revenue recognised during the year (yet to be invoiced)	891	1,191
Balance at the end of the year	891	1,191

Changes in Deferred revenue are as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	40	102
Revenue recognised during the year	(22)	(62)
Balance at the end of the year	18	40

Reconciliation of revenue recognised with the contracted price is as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Contracted price	97,930	91,753
Reductions towards variable consideration components*	(62)	(47)
Revenue recognised	97,868	91,706

*The reduction towards variable consideration comprises of trade discount.

Contract balances	Year ended 31 March 2023	Year ended 31 March 2022
Trade receivables	14,328	11,183
Trade receivables-Unbilled	891	1,191
Contract Liabilities- Current	489	1,595
Contract Liabilities- Non-current	207	265

Contract liabilities primarily relate to advance consideration received from customers against supply of goods for which revenue is recognised at a point in time.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 28: Revenue from operations (Contd.)

Trade receivables are net of expected credit loss and loss allowance on credit impaired assets.

	Year ended 31 March 2023	Year ended 31 March 2022
Timing of revenue recognisition:		
Product transferred at a point in time	74,264	71,512
Products and services transferred over time	23,604	20,194
Revenue from contracts with customers	97,868	91,706

Note 29: Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income		
- on fixed deposits	18	8
- others	23	31
Reversal of impairment loss on doubtful advances	43	4
Liability no longer required written back	209	6
Rental income	2	1
Amortisation of government grant	-	2
Exchange gain on foreign exchange fluctuation (net)	30	-
Gain on fair valuation of mutual fund	7	5
Fire Insurance Claim	-	12
Others	3	24
	335	93

Note 30: Cost of materials consumed

	Year ended 31 March 2023	Year ended 31 March 2022
Inventory of raw material at the beginning of the year	9,152	6,068
Add: Purchases of raw materials	64,663	61,177
Less: Inventory of raw material at the end of the year	(8,308)	(9,152)
	65,507	58,093

Note 31: Purchases of stock-in-trade

	Year ended 31 March 2023	Year ended 31 March 2022
Chemicals	348	625
	348	625

Note 32: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2023	Year ended 31 March 2022
Opening stock		
Work-in-progress	1,903	1,353
Finished goods	3,269	2,012
Stock-in-trade	11	38
	5,183	3,403
Less: Closing stock		
Work-in-progress	4,175	1,903
Finished goods	3,247	3,269
Stock-in-trade	-	11
	7,422	5,183
	(2,239)	(1,780)

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 33: Employee benefits expense

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	7,061	6,532
Contribution to provident and other funds	710	718
Staff welfare expenses	557	412
	8,328	7,662

Note 34: Finance costs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on financial liabilities measured at amortised cost	1,313	922
Interest expenses on lease liabilities	57	70
Other borrowing cost	433	242
	1,803	1,234

Note 35: Depreciation and amortization expense

	Note	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant and equipment	3	1,669	1,435
Depreciation of right of use assets	4	202	177
Amortization of intangible assets	5	30	55
		1,901	1,667

Note 36: Other expense

	Year ended 31 March 2023	Year ended 31 March 2022
Stores and spares consumed	385	305
Power and fuel	7,061	6,010
Repairs and maintenance	1,695	1,507
Sub-contracting charges	793	747
Rent	168	79
Rates and taxes	34	277
Insurance charges	265	315
Traveling and conveyance	707	493
Commission on sales	78	66
Packing expenses	770	798
Freight and handling expenses	1,389	1,495
Job work expenses	396	285
Legal and professional fees (refer note (a) below)	440	467
Director's sitting fees	15	13
Commission to director	189	230
Charity and donations (other than political parties)	8	8
Corporate Social Responsibility expenditure	133	76
Advances written off	36	-
Property, plant and equipment written off	20	-
Loss on sale of plant, property and equipment (net)	43	33

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 36: Other expense (Contd.)

	Year ended 31 March 2023	Year ended 31 March 2022
Expected credit loss on trade receivables and advances	4	35
Provision for capital advance	-	40
Marketing and promotional expenses	188	86
Exchange loss on foreign exchange fluctuations	-	56
Pollution control expenses	280	173
Factory Maintenance and housing charges	251	217
Quality control expenses	180	135
IT and communication expenses	117	64
Miscellaneous expenses	775	767
	16,420	14,777

(a) Payments to the statutory auditor (excluding taxes as applicable):

	Year ended 31 March 2023	Year ended 31 March 2022
As auditor		
Statutory audit	23	19
Limited review of quarterly results	15	15
	38	34

Note 37: Tax expense

a) Income tax recognised in statement of profit and loss

	Year ended 31 March 2023	Year ended 31 March 2022
Current tax		
- Current year	2,240	2,779
- Adjustments in respect of current tax of previous year	386	(84)
	2,626	2,695
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	152	120
	152	120
Total tax expense recognised	2,778	2,815

b) Reconciliation of effective tax rate

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Accounting profit before income tax	8,888	11,161
Tax at India's statutory tax rate of 25.168% (31 March 2022: 25.168%)	2,232	2,785
Effect of expense that are non-deductible expenses in determining taxable profits	105	112
Effect of change in estimate related to previous year	386	(84)
Effect of tax on sale of investment property	-	-
Others	55	2
Income tax expense recognised in the statement of profit and loss	2,778	2,815

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 37: Tax expense (Contd.)

c) Income tax expense recognised in other comprehensive income

	Year ended 31 March 2023	Year ended 31 March 2022
Arising on income and expenses recognized in other comprehensive income		
Remeasurement of defined benefit obligation	33	17
Equity investments through other comprehensive income- net change in fair value	(1)	(1)
Total income tax recognized in other comprehensive income	**32**	**16**
Bifurcation of the income tax recognized in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	32	16
Items that will be reclassified to profit or loss	-	-
	32	**16**

Note 38: Earnings per share

	Year ended 31 March 2023	Year ended 31 March 2022
Profit after tax for basic and diluted EPS per share	6,110	8,346
Weighted average number of equity shares for basic and diluted EPS per share	1,22,62,185	1,22,62,185
Basic and diluted earnings per share (face value of ₹10 each)	**49.84**	**68.07**

Note 39 (a): Fair values

Financial instruments by category and fair values	Note	Level of hierarchy	As at 31 March 2023			As at 31 March 2022		
			FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI
Financial assets (non-derivative)								
Non current								
Investment in quoted equity shares ^	(a)	1	-	-	-	-	-	-
Investment in unquoted equity shares - Others	(a)	3	-	-	137	-	-	132
Trade receivables			-	-	-	-	-	-
Loans	(b)		-	-	-	-	-	-
Other financial assets	(b)		-	390	-	-	362	-
Current								
Trade receivables	(c)		-	14,328	-	-	11,183	-
Cash and cash equivalents	(c)		-	874	-	-	842	-
Other bank balances	(c)		-	271	-	-	283	-
Loans	(c)		-	6	-	-	6	-
Other financial assets	(c)		-	874	-	-	690	-
Total financial assets			**-**	**16,743**	**137**	**-**	**13,366**	**132**
Financial liabilities (non-derivative)								
Non-current								
Borrowings	(d)	3	-	6,161	-	-	5,456	-
Other financial liabilities	(b)		-	-	-	-		-
Current								
Borrowings	(c)	3	-	2,721	-	-	3,272	-
Trade payables	(c)		-	13,896	-	-	13,217	-
Other financial liabilities	(c)		-	4,421	-	-	3,308	-
Total financial liabilities			**-**	**27,199**	**-**	**-**	**25,253**	**-**

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 39 (a): Fair values (Contd.)

(a) For quoted investments, market value is taken as fair value. The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at net book value as per the latest audited financial statements available.

(b) Fair value of non-current financial assets and financial liabilities has not been disclosed as there is no significant differences between carrying value and fair value.

(c) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(d) The Company's non-current borrowings have been contracted at market rates of interest. Accordingly, the carrying value of such non-current borrowings approximates fair value. Further, fair value measurement of lease liabilities is not required.

There are no transfers between level 1, level 2 and level 3 during the current year and previous year

Reconciliation of fair value measurement of unquoted equity shares classified as FVOCI

	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	132	128
Re-measurement recognized in OCI	5	4
Balance at the end of the year	137	132

^ Value of investment is less than ₹1 (previous year: ₹1).

Note 39 (b): Financial risk management

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Group's activities. The Company, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to audit committee.

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

- Credit risk (see (ii));
- Liquidity risk (see (iii));and
- Market risk (see (iv))

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Group's receivable from customers and loans. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	As at 31 March 2023	As at 31 March 2022
- Investments	249	137
- Trade receivables	14,328	11,183
- Cash and cash equivalents	874	842
- Other bank balances	271	283
- Loans	6	6
- Other financial assets	874	690

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 39 (b): Financial risk management (Contd.)

Trade receivables

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

The Company's exposure to credit risk for trade receivables by geographic region is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Within India	8,689	7,038
Outside India	5,639	4,145

The carrying amount of the Company's most significant customer is ₹5,144 (31 March 2022: ₹4,521).

The Group based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

Particulars	Gross carrying amount	Expected credit loss allowance	Carrying amount
31 March 2023			
Less than 6 Months	14,233	-	14,233
More than 6 Months	198	103	95
	14,431	103	14,328
31 March 2022			
Less than 6 Months	11,086	60	11,026
More than 6 Months	198	41	157
	11,284	101	11,183

The movement in the allowance for impairment in respect of trade receivables is as follows

	Year ended 31 March 2023	Year ended 31 March 2022
Balance as at the beginning of the year	101	70
Provision made during the year	2	35
Amounts written back	-	(4)
Balance as at the end of the year	103	101

The loans primarily represents security deposits and advances recoverable. The management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these deposits and loans have been given have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for excepted credit loss has been provided on these financial assets. Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

Cash and cash equivalents

The Company holds cash and cash equivalents of ₹874 at 31 March 2023 (31 March 2022: Rs.842). The cash and cash equivalents are held with scheduled banks.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 39 (b): Financial risk management (Contd.)

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to manage liquidity is to have sufficient liquidity to meet it's liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Group's reputation.

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities. The Group will continue to consider various borrowings or leasing options to maximize liquidity and supplement cash requirements as necessary.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

	Less than 1 year	1 to 5 years	> 5 years	Total
As at 31 March 2023				
Borrowings (including current maturities)	2,721	6,160	-	8,881
Trade and other payables	13,896	-	-	13,896
Other financial liabilities	4,421	-	-	4,421
	21,038	6,160	-	27,198
As at 31 March 2022				
Borrowings (including current maturities)	3,272	5,456	-	8,728
Trade and other payables	13,217	-	-	13,217
Other financial liabilities	3,308	-	-	3,308
	19,797	5,456	-	25,253

(iv) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Group has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Group manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material prices under check to the extent possible.

(b) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 39 (b): Financial risk management (Contd.)

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

	As at 31 March 2023	As at 31 March 2022
Fixed rate borrowings	6,966	6,697
Floating rate borrowings	1,916	2,031
Total borrowings (gross of transaction cost)	8,882	8,728

Interest rate sensitivity analysis

A reasonably possible change of 0.50 % in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
Year ended 31 March 2023				
Interest rate (0.5% movement)	10	(10)	2	(2)
Year ended 31 March 2022				
Interest rate (0.5% movement)	10	(10)	3	(3)

c) Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities.

Unhedged foreign currency exposure

The following table provides details of the Company's exposure to currency risk:

Foreign Exchange Exposures outstanding at the year end	Currency	As at 31 March 2023		As at 31 March 2022	
		Amount in indian currency	Amount in foreign currency	Amount in indian currency	Amount in foreign currency
Trade receivable	EUR	325	4	1,110	13
	USD	4,261	52	3,419	45
	GBP ^	54	1	4	0.04
Trade payable	EUR	110	1	103	1
	USD	872	25	2,552	34

^ amount is less than ₹1

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2023 and 31 March 2022 would have affected the measurement of financial instruments denominated in foreign currency and affected Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2023				
USD (2% movement)	(44)	44	(33)	33
EURO (2% movement)	(4)	4	(3)	3
31 March 2022				
USD (2% movement)	(17)	17	(13)	13
EURO (2% movement)	(20)	20	(15)	15

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 40: Capital management

(i) Risk management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company monitors capital using a ratio of 'total debt' to 'total equity'. For this purpose, total debt is defined as total borrowings. Equity comprises all components of equity (as shown in the Balance Sheet)

The Company's debt to equity ratio was as follows.

	As at 31 March 2023	As at 31 March 2022
Total debt	8,882	8,728
Total equity	28,062	22,562
Debt to equity ratio	0.32	0.39

(ii) Dividends

	As at 31 March 2023	As at 31 March 2022
Final dividend for the year ended 31 March 2022 of ₹3.00 (31 March 2021: ₹2.00) per fully paid equity share *	368	245
Dividend not recognised at the end of the year		
In addition to the above dividend, since year end the Board of Directors have recommended payment of final dividend of ₹3.00 (31 March 2022: ₹3.00) per fully paid equity share. The proposed dividend is subject to the approval of the shareholders in the ensuing annual general meeting. The dividend declaration is in accordance with section 123 of the companies Act, 2013 to the extent its applies to declaration of dividend	368	368

* Final dividend has been paid on the number of shares issued by the Company till the date of annual general meeting after approval of shareholders and is in accordance with section 123 of Companies Act, 2013.

Note 41: Employee benefits

A. Assets and liabilities relating to employee benefits	As at 31 March 2023	As at 31 March 2022
Non-current		
Liability for gratuity	1,536	1,316
Liability for leave encashment	393	364
	1,929	1,680
Current		
Liability for gratuity	252	347
Liability for leave encashment	174	183
	426	530
	2,355	2,210

For details about the related employee benefit expenses, refer to note 33.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 41: Employee benefits (Contd.)

B. Defined contribution plan

a. Provident fund and employee's state insurance

The Company's provident fund scheme and employee's state insurance (ESI) fund scheme are defined contribution plans. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes. The contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due.

b. Superannuation Fund

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has recognised following amounts as expense in the Statement of Profit and Loss :

	Year ended 31 March 2023	Year ended 31 March 2022
Included in contribution to provident and other funds (refer note 33)		
Provident Fund	442	435
Superannuation Fund	234	251
ESI contribution	31	30
	707	716

C. Defined benefit plan - Gratuity

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

(a) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Company does not expect any significant liquidity risks.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 41: Employee benefits (Contd.)

The following table sets out the status of the defined benefit plan as required under Ind AS 19 - Employee Benefits:

	Particulars	As at 31 March 2023	As at 31 March 2022
(b)	Reconciliation of present value of defined benefit obligation		
	Balance at the beginning of the year	2,115	2,064
	Interest cost	151	140
	Current service cost	126	107
	Past service cost	-	-
	Benefits paid	(337)	(261)
	Actuarial loss recognised in other comprehensive income		
	- from changes in financial assumptions	(30)	(13)
	- from changes in demographic assumptions	-	-
	- from experience adjustments	155	78
	Balance at the end of the year	2,180	2,115
(c)	Reconciliation of the present value of plan assets		
	Balance at the beginning of the year	453	527
	Expected Interest Income	27	34
	Contributions paid by the employer	193	115
	Benefits paid	(281)	(223)
	Actuarial loss for the year on Assets	-	-
	Balance at the end of the year	392	453

	Particulars	As at 31 March 2023	As at 31 March 2022
(d)	Amount recognized in statement of profit and loss		
	Total service cost	126	107
	Interest cost on benefit obligation	119	105
	Amount recognized in statement of profit and loss	245	212
(e)	Remeasurements recognised in other comprehensive income		
	Actuarial loss for the year on defined benefit obligation	124	65
	Return on plan assets (excluding interest income)	(5)	(2)
	Total Actuarial gain / (loss) for the year	129	67

(f) Plan assets

100% of the plan assets are managed by LIC

(g) Actuarial assumptions

(i) **Economic assumptions:** The principal assumptions arc the discount rale and salary growth rate The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate (per annum)	7.38%	7.15%
Future salary growth rate (per annum)	5.75%	5.75%
Expected rate of return on plan assets (per annum)	7.05%	7.05%
Expected average remaining working lives (years)	18.18	18.15

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 41: Employee benefits (Contd.)

(ii) Demographic assumptions:

Particulars	As at 31 March 2023	As at 31 March 2022
Retirement Age	58	58
Mortality rate	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition rate		
Upto 30 years	3%	3%
31 to 44 years	2%	2%
44 years and above	1%	1%

(h) Sensitivity analysis on defined benefit obligation on account of change in significant assumption:

	As at 31 March 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(66)	65	(59)	62
Future salary growth rate (0.5% movement)	63	(66)	60	(57)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(i) Expected future benefit payments

Undiscounted amount of expected benefit payments for next 10 years are as follows:

	As at 31 March 2023	As at 31 March 2022
Within 1 year	252	347
1-2 year	289	171
2-3 year	180	244
3-4 year	194	154
4-5 year	180	174
5-10 years	1,084	1,026

(j) Weighted average duration and the expected employers contribution for next year of the defined benefit plan:

	As at 31 March 2023	As at 31 March 2022
Weighted average duration of the defined benefit plan (in years)	14.48	14.41
Expected employers contribution for next year	225	225

Note 42: Contingent liabilities and commitments (to the extent not provided for)

(a) Claims against the company not acknowledged as debts

	As at 31 March 2023	As at 31 March 2022
Income Tax matters	2,274	2,140
Sales tax matters	11	11
Labour laws matters	-	4
Service tax matters	1	1
	2,286	2,156

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 42: Contingent liabilities and commitments (to the extent not provided for) (Contd.)

Notes: (i)

Assessment Year	Remarks	As at 31 March 2023	As at 31 March 2022
2007-08	The case is pending with CIT(A)	-	53
2008-09	The case is pending with ITAT	840	740
2009-10	The case is pending with ITAT	569	518
2013-14	The case is pending with CIT(A)	23	13
2014-15	The case is pending with CIT(A)	62	62
2015-16	The case is pending with CIT(A)	121	119
2016-17	The case is pending with CIT(A)	12	12
2017-18	The case is pending with ITAT	597	537
2018-19	The case is pending with CIT(A)	50	68
2019-20	The case is pending with CIT(A)	-	18
		2,274	2,140

There has been no major development in the above mentioned matters except as below:

(A) The Income Tax Assessing officer had passed an order dated 27 March 2021 and 28 March 2021 for assessment year 2008-2009 and 2009-2010 respectively and has raised the demand to ₹4,384 and ₹3,281 respectively. Subsequently, the Company had filed the rectification request and during the previous year the Assessing officer issued rectification order under section 154 by reducing the demand to Rs.556 and Rs.419 (net of advance tax) respectively. During the current year, the Company received TP Order after giving effect of DRP Directions which will further reduce the tax demand by Rs 541 and Rs 308 for AY2008-09 and AY2009-10 respectively. The updated assessment order is currently awaited.

(B) During the previous year, the Company has also received demand notice for AY 2017-18 for Rs 396 (net of advance tax of Rs 201). The Company has filed an appeal with Income Tax Appellate Tribunal (ITAT) to contest the demand.

No tax expense has been accrued in financial statements for the tax demand raised. The Company is contesting the demand and the management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the company's financial position and results of operations.

(ii) (A) In earlier years, the Directorate of Revenue Intelligence - Ahmadabad had asked the Company to re-ascertain the benefits claimed under the Merchandise Exports from India Scheme from 1 April 2015 onwards. Consequently, the Company basis expert view, had assessed a liability for the differential amount to be refunded for the period from 1 April 2015 till 31 December 2019 amounting to ₹907 lakhs (including interest 130 lakhs) which was also paid in the 2020-21.

During year 2020-21, the Company had also received a show cause notice (SCN) from DRI Ahmadabad on 28 December 2020 under the Custom Act, 1962 who also appointed additional Director General (Adjudication), DRI, New Delhi as common adjudicating authority for the purpose of adjudication in respect all imports covered in the SCN. However, in view of the Hon'ble Supreme Court's judgement dated 9 March 2021 in civil appeal no. 1827, DRI issued letter DRI/HQR/24 A/ ADJN/ 3-2021/ 3245, dated 7/4/2021 intimating that the said SCN is transferred to the call book under provision of section 28(9A)(c) of the Custom act, 1962. In 2022, additional Director General (Adjudication), DRI, New Delhi was re-designated as Commissioner of Custom (Adjudication) Delhi as per notification no 23/2022-cus(nt) dated 31.03.2022. During the year, the company filed application before the customs and central excise settlement commission additional bench, Mumbai for settlement of the case under section 127B of customs act, 1962 which has been allowed vide File no 01/CUS/AP/2023-SC(MB)/121 dated 23.1.2023. The same has been also intimated to the adjudicating authority and the matter has been kept in abeyance till final order of settlement commission.

Further, the Company has also received notice from Additional Director General of Foreign Trade (DGFT) dated 20 October 2020 and has filed the reply dated 26 October 2020 as well as attended the hearing on 04 November 2020. Thereafter, there has been no updated in the case

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 42: Contingent liabilities and commitments (to the extent not provided for) (Contd.)

(B) In earlier years, the Directorate of Revenue Intelligence – Kolkata had initiated an inquiry in relation to the manner in which the Company was claiming refund of IGST on input material at the time of export. During the current and previous year, the Company received summons from the office of Central goods and Service tax commissioner, Ludhiana seeking further documents in relation to the above. The Company had in the interim, filed a writ petition in the High court of Punjab and Haryana requesting the court to give suitable directions on the above matter. The next hearing is scheduled in July 2023. Further, on 1 May 2023, the Company has received a show cause notice dated 24 April 2023 from the office of the Principal Commissioner, Central GST Commissionerate, Ludhiana in relation to refund of INR 4,496 of IGST wrongly claimed in contravention of Rule 96(10) along with related interest and penalties as applicable for which the Company will be submitting its formal response within the time period as stipulated.

The Company believes, basis legal advice, that it has not caused any loss to the exchequer and while it was entitled to claim refund in accordance with the laws as applicable and that it has reasonable legal grounds to defend its position as already contained in the writ petition filed with the High Court on this matter in the previous year.

(iii) During the earlier years, the Company had received a notice of eviction in relation to the Pune facility which was under a lease arrangement. We have filed an appeal Court of district judge Pune in relation to the aforesaid and have received a stay order in relation to the above. There is no update on this matter in the current year. Next hearing is expected to be in September 2023.

(iv) Pursuant to judgement by the hon'ble supreme court dated 28 February 2019 on wages for the purposes of provident fund, the Company has ascertained the impact of the same from post 28 February 2019 which was recognised and deposited in earlier years.

(b) Other Commitments

	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	303	1,410

Notes:

(1) The Company has extended comfort letters to provide continued financial support to its wholly-owned subsidiary to ensure that the subsidiary is able to meet its debts, commitments and liabilities as they fall due and it continues as going concerns entity.

Note 43: Related party disclosures

I. List of related parties and nature of related party relationship, where control exists: NIL

II. List of related parties and nature of relationship with whom transactions have taken place during the current / previous year

Description of Relationship	Name of the Party
Enterprises where control over the composition of Governing Body exists	Hemsil Trading & Manufacturing Private Limited
	Shroff Family Master Trust
	Salil Shroff HUF
	Akola Chemicals (India) Limited
	U & I Initiatives LLP
Key managerial personnel	Mr. Shalil S Shroff (Managing Director)
	Mr. Avtar Singh (Whole time Director upto 30 September 2021)
	Mr. Vinod Kumar Gupta (Chief Executive Officer)
	Dr. Sriram Swaminathan (Chief Financial Officer) (Upto 16 March 2023)
	Mr. Ashish R Nayak (Chief Financial Officer) (w.e.f 16 March 2023)

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 43: Related party disclosures (Contd.)

Description of Relationship	Name of the Party
	Mr. Punit K Abrol (Sr. Vice President (Finance) & Company Secretary) (upto 31 Dec 2021)
	Mr. Jain Prakash (Sr. Vice President (Works)) (Upto 16 March 2023)
	Mr. V Srinivas (GM Legal & Company Secretary) (Upto 24 January 2023)
	Mrs. Rishu Chatley (Company Secretary & Compliance officer) (w.e.f 24 January 2023)
Non Executive Independent Directors	Mr Mukesh D Patel
	Mr. Vijay D Rai
	Mr. Sheo Prasad Singh
	Mrs Aruna R Bhinge
Non Executive Non-Independent Directors	Mr. Shivshankar.S.Tiwari
	Mr. Avtar Singh (w.e.f. 1 October 2021)
	Capt. S S Chopra (Retd.)
Relatives of key managerial personnel	Ms. Malvika Shroff
	Mrs. Bhupinder Kaur (upto 30 September 2021)
	Mr. Jaskaran Singh
	Ms. Sonal Tiwari

III. Transactions with related parties during the current / previous year

Nature of transactions	Relationship	Year ended 31 March 2023	Year ended 31 March 2022
a. Sale of goods			
Akola Chemicals (India) Limited	Enterprises where control over the composition of Governing Body exists	18	-
U & I Initiatives LLP	Enterprises where control over the composition of Governing Body exists	-	165
b. Payment of lease liabilities			
Shroff Family Master Trust	Enterprises where control over the composition of Governing Body exists	189	177
Salil Shroff HUF	Enterprises where control over the composition of Governing Body exists	12	9
Ms. Malvika Shroff	Relatives of key managerial personnel	48	36
c. Interest expense during the year			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	210	210
d. Employee benefits paid			
Short term employee benefits			
Mr. Shalil Shroff	Key Managerial Personnel	230	202
Mr. Avtar Singh	Key Managerial Personnel	-	164
Mr. Vinod Kumar Gupta	Key Managerial Personnel	228	142
Dr. Sriram Swaminathan	Key Managerial Personnel	118	119
Mr. Ashish R Nayak	Key Managerial Personnel	2	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 43: Related party disclosures (Contd.)

Nature of transactions	Relationship	Year ended 31 March 2023	Year ended 31 March 2022
Mr. Punit K Abrol	Key Managerial Personnel	-	118
Mr. Jain Prakash	Key Managerial Personnel	108	93
Mr. V Srinivas	Key Managerial Personnel	36	15
Mrs. Rishu Chatley	Key Managerial Personnel	3	-
Benefits to Relatives			
Mr. Jaskaran Singh	Relatives of Key Managerial Personnel	17	16
e. Commission			
Executive Directors	Key Managerial Personnel	118	147
Non Executive Directors	Key Managerial Personnel	75	83
f. Sitting Fees			
Non Executive Directors	Key Managerial Personnel	15	13
g. Legal & Professional			
Mrs. Bhupinder Kaur	Relatives of Key Managerial Personnel	-	1
Ms. Sonal Tiwari	Relatives of Key Managerial Personnel	33	27

Break-up of compensation of key managerial personnel of the Company	Year ended 31 March 2023	Year ended 31 March 2022
Short-term employee benefits	725	853
Post-employment benefits	8	35
Total	733	888

IV. Outstanding balances as at year end

Particulars	Relationship	Year ended 31 March 2023	Year ended 31 March 2022
a. Receivables			
Akola Chemicals (India) Limited	Enterprises where control over the composition of Governing Body exists	4	4
U & I Initiatives LLP	Enterprises where control over the composition of Governing Body exists	-	84
b. Borrowings			
Hemsil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	1,585	1,585
c. Security deposit from employees			
Mr. Shalil Shroff	Key managerial personnel	2	2
Mr. Jain Prakash	Key managerial personnel	2	20
d. Commission payable to directors			
Executive Directors	Key managerial personnel	118	147
Non Executive Directors	Key managerial personnel	75	83
e. Employee related liabilities			
Executive directors	Key managerial personnel	5	5

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 43: Related party disclosures (Contd.)

Particulars	Relationship	Year ended 31 March 2023	Year ended 31 March 2022
f. Interest accrued but not due			
Hem-sil Trading and Manufacturing Private Limited	Enterprises where control over the composition of Governing Body exists	16	47
g. Legal and professional fees payable			
Ms. Bhupinder Kaur	Relatives of key managerial personnel	4	4
Ms. Sonal Tiwari	Relatives of key managerial personnel	4	-

V. Terms and conditions of transactions with related parties

The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions and within ordinary course of business.

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Note 44: Segment Information

The Executive Management Committee (Board of Directors and key managerial personnel) monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. For management purpose, the Company has identified "Performance Chemicals" as single operating segment.

A) Information about geographical areas

Year ended 31 March 2023	Sale of goods *	Rendering of services *	Non current assets #
India	29,806	9,736	24,843
Outside India			
Europe (including united kingdom)	41,447	-	-
Japan	5,433	-	-
Israel	4,003		
USA	2,936		
Latin America	2,722		
Others	1,785	-	12
Total	88,132	9,736	24,855

Year ended 31 March 2022	Sale of goods *	WRendering of services *	Non current assets #
India	30,085	12,611	23,460
Outside India			
Europe (including united kingdom)	36,071	-	-
Japan	8,980	-	-
Israel	1,048		
USA	181		
Latin America	490		
Others	2,240	-	15
Total	79,095	12,611	23,475

* Sale of goods and sale of services has been presented based on the geographical location of the customers.

Non-current assets are excluding financial instruments and deferred tax assets and have been presented based on the geographical location of assets.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 44: Segment Information (Contd.)

B) Information about major customers

Revenue from 2 customer of the Company amounting to ₹41,444 (previous year: ₹50,371) and ₹13,868 (previous year: ₹7,583) respectively, constitute more than 10% of the total revenue of Company.

Note 45: Ratio Analysis

a) Current ratio = Current assets divided by current liabilities

Particulars	31 March 2023	31 March 2022
Current assets	36,218	32,250
Current liabilities	24,486	24,964
Ratio	1.48	1.29
% Change from previous year	14.50%	

Reason for change more than 25%: NA

b) Debt equity ratio = Debt divided by total shareholder's equity

Particulars	31 March 2023	31 March 2022
Debt	8,882	8,728
Total equity (excluding Non-controlling interests)	28,062	22,562
Ratio	0.32	0.39
% Change from previous year	-18.18%	

Reason for change more than 25%: NA

c) Debt service coverage ratio = Earnings available for debt services divided by debt services

Particulars	31 March 2023	31 March 2022
Profit after tax	6,110	8,346
Add: Non cash operating expenses and finance cost		
- Depreciation and amortization expense	1,901	1,667
- Finance costs	1,803	1,234
- PPE written off	20	-
- Loss on sale of PPE	43	33
- Advance written off	36	-
- Expected credit loss	4	35
Earnings available for debt services	9,917	11,315
Debt Services		
Interest and lease payments	458	296
Principal repayments	805	1,241
Interest on Borrowings	1,370	992
Total Debt Services	2,633	2,529
Ratio	3.77	4.47
% Change from previous year	-15.81%	

Reason for change more than 25%: NA

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 45: Ratio Analysis (Contd.)

d) Return on equity ratio / return on investment ratio = Net profit after tax divided by average shareholder's equity

Particulars	31 March 2023	31 March 2022
Net profit/ (loss) after tax	6,110	8,346
Average shareholder's equity (excluding Non-controlling interests)	25,312	18,508
Ratio	24.14%	45.09%
% Change from previous year	-46.47%	

Reason for change more than 25%:

The ratio has decreased from 45.09% to 24.14% in March 2023 mainly due to decrease in profit.

e) Inventory turnover ratio = Net Sales divided by average inventory

Particulars	31 March 2023	31 March 2022
Sale of goods (Net Sales)	1,00,621	93,346
Average inventory	16,098	12,751
Ratio	6.25	7.32
% Change from previous year	-14.62%	

Reason for change more than 25%: NA

f) Trade receivables turnover ratio = Net sales divided by average trade receivables

Particulars	31 March 2023	31 March 2022
Sale of goods (Net Sales)	1,00,621	93,346
Average trade receivables	12,755	9,783
Ratio	7.89	9.54
% Change from previous year	-17.32%	

Reason for change more than 25%: NA

g) Trade payables turnover ratio = Credit purchases divided by average trade payables

Particulars	31 March 2023	31 March 2022
Net purchases	65,011	61,802
Other expenses*	15,938	14,009
Total	80,949	75,811
Average trade payables	13,556	12,283
Ratio	5.97	6.17
% Change from previous year	-3.25%	

Reason for change more than 25%: NA

*Refer Note 36 for Other expenses, below other expenses have not been considered for above ratio calculation:

Corporate Social Responsibility expenditure	133	76
Expected credit loss on trade receivables and advances	4	35
Property, plant and equipment written off	20	0
Rates and taxes	34	277
Director's sitting fees	15	13
Commission to director	189	230
Charity and donations (other than political parties)	8	8

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 45: Ratio Analysis (Contd.)

Particulars	31 March 2023	31 March 2022
Provision for capital advance	0	40
Loss on sale of plant, property and equipment (net)	43	33
Exchange loss on foreign exchange fluctuations	0	56
Advances written off	36	0
Total	482	768

h) Net capital turnover ratio = Net sales divided by capital

Particulars	31 March 2023	31 March 2022
Sale of goods (Net Sales)	1,00,621	93,346
working Capital (Total current assets minus total current liabilities)	11,732	7,286
Ratio	8.58	12.81
% Change from previous year	-33.06%	

Reason for change more than 25%:

The ratio has decreased from 12.81 in March 2022 to 8.60 in March 2023 mainly due to increase in net working capital which is primarily due to increase in inventories and trade receivables.

i) Net profit ratio = Net profit after tax divided by Net sales

Particulars	31 March 2023	31 March 2022
Net profit/ (loss) after tax	6,110	8,346
Sale of goods (Net Sales)	1,00,621	93,346
Ratio	6.07%	8.94%
% Change from previous year	-32.08%	

Reason for change more than 25%: The ratio has decreased from 8.94% to 6.07% in March 2023 mainly due to decrease in profit

j) Return on capital employed = Earnings before interest and taxes (EBIT) divided by capital employed

Particulars	31 March 2023	31 March 2022
Profit/ (loss) before tax	8,888	11,160
Add: Finance costs	1,803	1,234
EBIT	10,691	12,394
Total assets	61,600	55,726
Less : Total liabilities	(33,538)	(33,164)
Other intangible assets	(74)	(88)
Tangible net worth	27,988	22,474
Total Debt	8,882	8,728
Deferred tax liability	530	410
Capital employed	37,400	31,612
Ratio	28.59%	39.21%
% Change from previous year	-27.09%	

Reason for change more than 25%:

The ratio has decreased from 39.21% in March 2022 to 28.59% in March 2023 mainly due to decrease in profit and increased in inventories, trade receivables.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 46: Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate social responsibility (CSR) activities. A CSR Committee has been formed by the company as per the Act. The CSR Committee and Board had approved the projects with specific outlay on the activities as specified in Schedule VII of the act, in pursuant of the CSR policy:

	Particulars	As at 31 March 2023	As at 31 March 2022
a)	Gross amount required to be spent by the Group during the year	132	76
b)	Amount approved by the Board to be spent during the year	132	-
c)	Amount spent during the year on (in cash):		
	(i) Construction / Acquisition of any asset	-	-
	(ii) On purpose other than (i) above	133	76
d)	Excess/ (Shortfall) at the end of the year	1	-
e)	Total of previous years shortfall	-	-
f)	Details of related party transactions	-	-
g)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-
h)	Reason for shortfall:		
i)	Nature of CSR Activities:		
	i) Eradicating poverty including health care facilities	27	27
	ii) Promoting education	85	41
	ii) Rural development projects	19	8
	iv) Animal welfare	2	-

Note 47: Disclosures pursuant to Section 186 of the Companies Act, 2013:

	As at 31 March 2023	As at 31 March 2022
Investment		
i. Investment in equity shares: Dena Bank Limited merged with Bank of Baroda		
Balance as at the year end ^	0	0.21
Maximum amount outstanding at any time during the year ^	0	0.32
ii. Investment in equity shares: Syndicate Bank Limited merged with Canara bank		
Balance as at the year end ^	0	0.14
Maximum amount outstanding at any time during the year ^	0	0.22
iii. Investment in equity shares: Nimbua Green Field (Punjab) Limited		
Balance as at the year end	127	122
Maximum amount outstanding at any time during the year	127	122
iv. Investment in equity shares: Mohali Green Environment Private Limited		
Balance as at the year end	10	10
Maximum amount outstanding at any time during the year	10	10
(v) Investment in equity shares: SVC Cooperative Bank Limited	-	-
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year		

^ Value of investment is less than ₹1 (previous year: ₹1).

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 48: During the previous year the Company had applied to authorised dealer for write back its old overseas payables as per the provision / laws available. Accordingly, the company had written back its vendor amounting to ₹135.

Note 49: Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III:

Name of the entity in the Group	Net Assets (Total assets -Total liabilities)		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated profit/ (loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated other comprehensive income"	Amount
31 March 2023								
Parent								
Punjab Chemicals and Crop Protection Limited	106%	29,801	100%	6,094	38%	(93)	102%	6,001
Subsidiary - Outside India								
S D Agchem (Europe) N.V	-6%	(1,745)	0%	1	62%	(150)	-3%	(149)
Elimination	0%	7	0%	15	0%	-	0%	15
Total	100%	28,063	100%	6,110	100%	(243)	100%	5,867

Name of the entity in the Group	Net Assets (Total assets -Total liabilities)		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated profit/ (loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated other comprehensive income"	Amount
31 March 2022								
Parent								
Punjab Chemicals and Crop Protection Limited	107%	24,166	97%	8,082	-609%	(47)	96%	8,035
Subsidiary - Outside India								
S D Agchem (Europe) N.V	-7%	(1,649)	3%	290	715%	55	4%	345
Elimination	0%	44	0%	(26)	0%	-	0%	(26)
Total	100%	22,561	100%	8,346	100%	8	100%	8,354

Note 50: The Group has filed quarterly statement of current assets with banks and these are in agreement with books of account for all quarters in the current year and previous year.

Note 51: No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 52: Disclosures of Micro and Small Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Group as under :

Particulars	As at 31 March 2023	As at 31 March 2022
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the ye		
- Principal	929	732
- Interest	16	5
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during each accounting year) but without adding the interest specified under the MSMED act 2006.	101	34
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	117	39
(e) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	117	39

Note 53: The Company had on 30 June 2019 advanced an amount of ₹40 to Rajhans Nutriments Private Limited ("Vendor"), not a related party, as an advance for availing services related to prospective business opportunities and for project study. In the interim, while the Vendor had treated this advance as loan in its books of accounts and had made provisions for interest payable and had also paid the related withholding taxes, we have always treated the amount paid to Vendor as an advance and accordingly did not recognized any interest income as this was neither a loan nor an advance in the nature of loan as envisaged under Section 186 of the Companies Act, 2013. However, due to COVID and other unforeseen and unavoidable circumstances, no study was undertaken on the prospective Business proposal and a provision for the same was created in the previous year.During the current year, the Company has terminated the above contract and has received back the entire amount basis which the provision for doubtful advance has now been reversed with the corresponding credit to Other Income.

Note 54: The Company had certain unsettled "advance from customer", "trade payable" and "trade receivables" from an overseas customer which have been outstanding since earlier years. During the current year, as a result of product registration regulatory issues faced by the customer, the Company and the customer have preferred to enter into a settlement arrangement pursuant to which the original contract for supply of goods now stands terminated. As a result of this termination of contract of supply of goods, the advance received from customer aggregating to ₹1,063, previously shown as other current liabilities, has now been classified as ""other financial liabilities"".Consequentially, the Company has also recognised ₹284 as settlement income (net of certain expenses aggregating to ₹225 already incurred pursuant to the original contract of supply) within other operating income and has set up a recoverable of ₹509 as ""other financial assets"".

In view of the settlement, the Company is in the process of filing required applications with the Reserve Bank of India through its Authorised dealer Bank of Baroda, Mumbai Branch under the relevant provisions of FEMA seeking to rectify the online records on EDPMS/ ICEGATE portal and condone the unintended delay caused in settling the account due to circumstances beyond the control as well as to seek approval from RBI to set off the related assets and liabilities as shown separately in the financial statement pursuant to the terms of the settlement arrangement.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Particulars	Amount
Other financial liabilities	1,063
Trade Payable	88
Other financial assets	509
Trade receivables	403
Net Payable	239

Note 55:

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off in current financial year.

(iii) The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Group has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks and financial institutions are in agreement with the books of accounts.

(ix) None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(x) The group has complied with the number of layers prescribed under the Companies Act, 2013.

(xi) The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year

(xii) The Group including the "Companies in the Group" (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company ("CIC")

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in Indian Rupees Lakhs except for share data)

Note 56: Relationship with Struck off Companies:

Where the company has any transactions with the companies struck off under section 248 of the companies Act, 2013 or section 560 of companies Act,1956, the company shall disclose the following details, namely:-

Year ended 31 March 2023:

Name of struck off Company	Nature of transactions with struck-off company	Balance outstanding	Relationship with the struck off company, If any to be disclosed
Samsung Weigh Scales Private Limited	Other Expenses-Repairs and maintenance Payables	- -	Third Party

Year ended 31 March 2022:

Name of struck off Company	Nature of transactions with struck-off company	Balance outstanding	Relationship with the struck off company, If any to be disclosed
Samsung Weigh Scales Private Limited	Other Expenses-Repairs and maintenance Other Expenses-Stores and spares consumed Payables	1 0 -	Third Party

Note 57: The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of income tax expense and that of provision for taxation.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Gaurav Mahajan
Partner
Membership No.: 507857

Mukesh D Patel
Chairman
DIN: 00009605
Place: Mumbai

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer

Rishu Chatley
Company Secretary & Compliance Officer

Ashish R Nayak
Chief Financial Officer

Place: Mumbai
Date: 4th May, 2023

Place: Mumbai
Date: 4th May, 2023

Place: Mumbai

Place: Mumbai

Notes

CORPORATE INFORMATION

Chairman Emeritus
Ghattu Ramanna Narayan

Chairman
Mukesh Dahyabhai Patel

BOARD OF DIRECTORS

Managing Director
Shalil Shashikumar Shroff

Director
Capt. Surjit Singh Chopra (Retd.)
Vijay Dilbagh Rai
Sheo Parsad Singh
Aruna Rajendra Bhinge
Shivshankar Shripal Tiwari
Avtar Singh

KEY MANAGERIAL PERSONNEL

Chief Executive Officer
Vinod Kumar Gupta

Chief Financial Officer
Ashish R Nayak

Company Secretary & Compliance Officer
Rishu Chatley

Bankers
SVC Cooperative Bank Limited
Bank of Baroda

AUDITORS

Statutory Auditors
M/s. B S R & CO. L.L.P.
Chartered Accountants

Cost Auditors
M/s. Khushwinder kumar & Co.
Cost Accountants

Secretarial Auditors
M/s. P.S. Dua & Associates
Company Secretaries

Registered Office
Milestone 18, Ambala Kalka Road
Village & P.O.; Bhankharpur, Derabassi
Distt. S.A.S. Nagar (Mohali), Punjab – 140 201.
Tel: 01762-280086/280094
Fax: 01762-280070
E-mail: info@punjabchemicals.com
website: www.punjabchemicals.com

Corporate Office
Plot No. 645-646, 5th floor, Oberoi Chambers II
New Link Road, Andheri (West), Mumbai – 400 053
Tel: 022-26747900
Fax: 022-26736193
E-mail: enquiry@punjabchemicals.com

Manufacturing Units
Derabassi and Lalru (Punjab)
Pune (Maharashtra)

Registrar & Share Transfer Agent
Alankit Assignments Ltd., RTA Divison
Alankit Heights 4E/2, Jhandewalan Extension
New Delhi -110 055
Tel: 011-42541234/23541234
Fax: 011-41543474
E-mail: rta@alankit.com
website: www.alankit.com

Corporate identity Number
L24231PB1975PLC047063

A TRISYS PRODUCT
info@trisyscom.com

PUNJAB CHEMICALS
AND CROP PROTECTION LTD.