INDIA PESTICIDES LIMITED

An ISO 9001:2015, 14001:2015, 45001:2018 and 10002:2018 Company
CIN No. L24112 UP1984PLC006894

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Date: 29.07.2022

To

The Manager, Listing Department **BSE Limited** P.J. Towers, Dalal Street, Mumbai – 400 001 **Company Code: 543311** **ISIN:- INE0D6701023**	The Manager, Listing & Compliance Department **National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai - 400051 **Company Code: IPL**

Subject: Annual Report for the Financial Year ended 31st March, 2022.

Dear Sir/Madam,

With reference to our letter dated 02nd July, 2022 wherein the Company had informed that the 37th Annual General Meeting (AGM) of the Company is scheduled to be held on Saturday, 23rd August, 2022 through Video Conference / Other Audio-Visual Means, in accordance, with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI).
In terms of the requirements of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Integrated Annual Report of the Company including the Statutory Reports and the Notice of 37th AGM for the financial year 2021-22, which is being sent through electronic mode to the Members.

The integrated Annual Report containing the Notice of 37th Annual General Meeting is also uploaded on the Company's website at https://www.indiapesticideslimited.com/InvestorRelations.php and this is also available on the website of NSDL at www.evoting.nsdl.com.

We request you to take the above information on records.

Thanking you,

Yours faithfully,

For India Pesticides Limited

(AJEET PANDEY)
Company Secretary and Compliance Officer
Membership No.: A42500

INDIA PESTICIDES LIMITED Aishbagh Lucknow-226004 Water Works Road

Where Innovation, Quality & Sustainability are ways of life

India Pesticides Limited

Annual Report 2021-22

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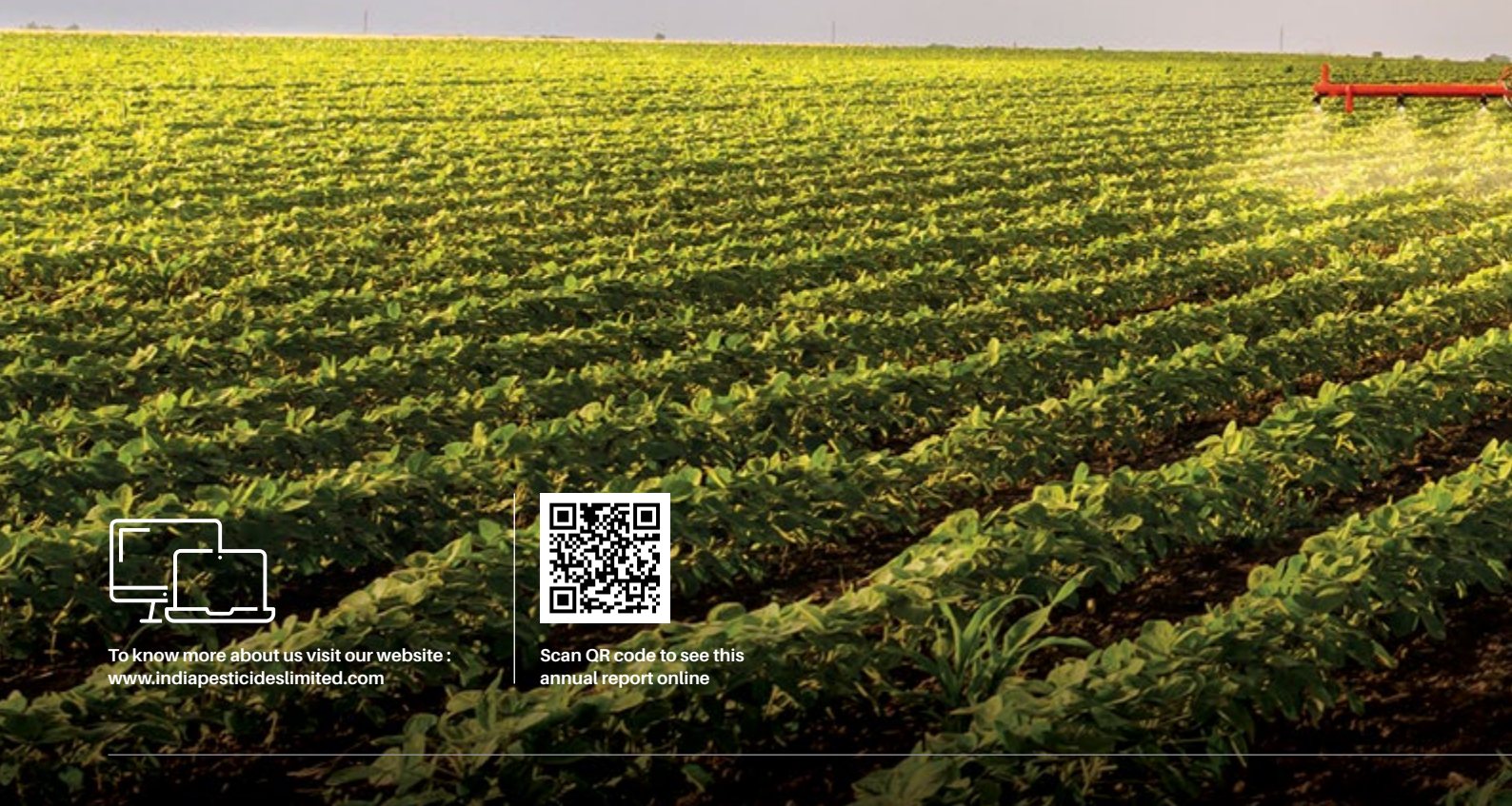
Forward-looking statements

Some of the information in this report may contain forward-looking statements, which include statements regarding the Company's expected financial position and results of operations, business plans and prospects, etc. They are generally identified by forward-looking words, such as "believe", "plan", "anticipate", "continue", "estimate", "expect", "may", "will", or other similar words. Forward-looking statements are dependent on assumptions or the basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that the actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



To know more about us visit our website : www.indiapesticideslimited.com

Scan QR code to see this annual report online

The last couple of years of global turbulence have prompted organisations worldwide to reassess their business strategies and approach to value creation with emphasis on sustainability. At India Pesticides Limited (IPL), we have leveraged our expertise to evolve towards becoming a more sustainable and profitable company and provide innovative crop protection solutions.

An enabling culture of innovation and sustainable business practices have allowed us to accomplish global quality standards, optimum level of efficiency and aim for excellence as we continue delivering value for all our stakeholders.

We have been able to maximise value for our stakeholders through our robust and agile business model. Our endeavour to align our growth strategy with national and global priorities of enhancing agricultural productivity, tackling climate crisis and driving rural growth has helped us become a dependable partner for the farming community.

About Us

Overview

It starts with desire and determination at India Pesticides Limited ("IPL"), we use science and skill to create what our customers need by caring the world with care. Way of life at our workplaces revolves around innovation, quality and sustainability with ambition always to retain global quality standards & optimum level of efficiency. Being one of the fastest-growing chemical manufacturers in India with a global presence, we have pioneered the production through R&D driven in-house technologies for producing Technicals, Formulations and Active Pharma Ingredients.

Our Mission

To be an R&D driven chemical manufacturing company where innovative technologies are utilised to sustainably manufacture quality agrochemicals and other industrial specialty chemicals.

Our Values

- Integrity
- Long Term Relation
- Fairness
- Compliance

Our Credo

Where Innovation, Quality & Sustainability are ways of life

Our Vision

To be a sustainable helping hand for the farming community on protecting their crops & improving yield, and be a dependable partner in the chemical industry.

Major Highlights

₹7,293 mn
Revenue

₹1,584 mn
PAT

21,500 + Metric Ton
Annual Installed Capacity

₹2,270 mn
EBITDA

800+
Permanent Employees

Our Global Footprint

15
State Distribution

20
Sales Depots

20
Company Branches

5112
Dealers

18
Warehouses

25+
Exporting Countries

Revenue for FY22

Domestic
53%

Exports
47%

Map not to scale.
Only for representation purpose.

Our Diverse Offerings

Customer-centric R&D, Processes and Commitments help us as fuel for mutual growth of IPL and our Customers. Our product mix of Technicals, Formulations and APIs are made with focus to protect the hard work of farmers on their field, sustainably.

1. Technical - Fungicides
2. Technical - Herbicides
3. APIs
4. Fungicides
5. Herbicides
6. Insecticides
7. Growth Regulators
8. Acaricides

Technicals + APIs

We manufacturing generic agrochemicals technicals (Fungicides, insecticides and herbicides) also APIs used in dermatological application.

Technicals are the commercially available versions of the comparatively pure active components utilised to create formulated agrochemical products.

1. Technical - Fungicides
2. Technical - Herbicides
3. APIs

Key fungicide Technicals produced by IPL include the following:

Key Technicals	Category	Application
Prosulfocarb	Herbicide	Used in field crops, such as, wheat and potatoes
Pretilachlor	Herbicide	Widely used for protecting rice crop
Cymoxanil	Fungicide	Controls downy mildews of grapes, potatoes, vegetables and several other crops
Captan	Fungicide	Used for fruits, vegetables and ornamental plants
Folpet	Fungicide	Controls fungal growth at vineyards, cereals, crops and biocide in paints
Diafenthiuron	Insecticides	Used on Cotton plants
Thiamethoxam	Insecticides	A broad-spectrum systemic insecticide with several applications
Ziram	Fungicide	Used to protect apples, almonds, peaches, pears etc

APIs are elements of pharmaceutical drugs that are employed to provide the intended effects in a finished pharmaceutical product. Our APIs products are used for manufacturing final drugs to treat dermatological problems such as anti-fungal and anti-scabies medications.

8
Agro-chemical Technicals sold in domestic market

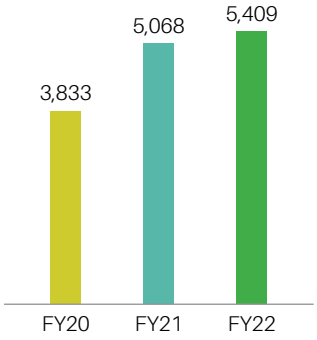
2
APIs

10
Agro-chemical Technicals Exported

Revenue for FY22

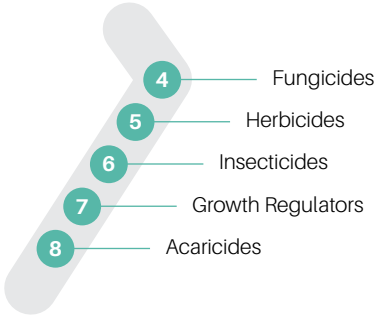
Revenue

Technicals + API (Rs in Million)



Formulations

We manufacture and offer a wide range of various formulations for insecticides, fungicides and herbicides, growth regulators, and acaricides. Our supply chain Management team takes care of PAN India distribution of our branded products through a network of more than 3000 dealers to its end customers.



Few Branded Formulations	Category
Grip, Pendizet, Trisol, Clogold, Midash, Safer, Elimminator, Penda, Aatish	Herbicide
Dollar, Vardhan, Vecto, Trim, Sodhit, Captax-50, Natraj, Sanjeevani, Talwar	Fungicides
Carbo, Amida, Frem, Byprten, Immidiator, Tridev, Difen, Frame, Soldier, Crotax	Insecticides
Star, Talvar, Contanol, Guru, Shakti, Sparkle, Chakra, Namaskar	Others

99

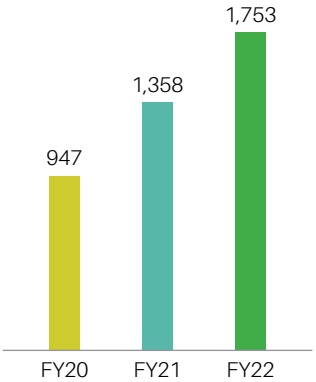
Formulations available in domestic market

34

Formulations Exported

Revenue

Formulations (Rs in Million)



Chairman's Message

Dear Shareholders,

The fiscal year 2021-22 was another year to strengthen our resilience. IPL and its global presence strongly faced pandemic & geopolitical turbulences, which impacted raw material supply chain and commodity prices worldwide. Kudos to the team & the plan.

The total revenue stood at Rs. 729 crore, against Rs. 655 crore in the previous year recording a growth of 11.3%.

Despite the challenges, agriculture sector remained buoyant across countries worldwide. India countered these macroeconomic challenges, recording a steady GDP of 8.7% for FY 2021-22. Among several sectors, agriculture sector delivered growth backed by favourable regulatory policies and improved technologies introduced for higher yield.

Amidst this backdrop, your Company performed well across key operational and financial metrices. FY 2021-22 have been a year, where Company took significant leap towards the future by becoming public and is inclined towards meeting all expectations of its shareholders. We are constantly working towards our vision of supporting chemical business and farmers across the world by producing superior value chemicals by integrating quality and efficiency.

The total revenue stood at Rs. 729 crore, against Rs. 655 crore in the previous year recording a growth of 11.3%. The EBITDA stood at Rs. 227 crore, as compared to Rs. 189.5 crore in the previous year, with a growth of 19.8. I am happy to report an impressive profit after tax (PAT) of Rs. 158 crore for the year, growing by 17.5% against Rs. 134.5 crore in the previous year. This when backed by a PAT margin of 21.7% validates the strength in our business model and robust operations.

We remain committed to deliver continuous sustainable long-term growth with R&D at the core, leading to continuous innovations in products, as well as in processes.

Among the several factors, the most integral business driver is our backward integration model. Our intermediate plant enables us to source key raw materials and reduces our dependencies on import. Our domestic sourcing of raw materials further strengthens our integrated operations, enabling us to keep a check on quality as well as improve the margins.

Our focused execution of our strategy, supported by improving micro-economic indicators, and growing market sentiment, positions us well to become a strategic and dependable partner to our customers. This is backed by our sustained investments in building our capacities at regular interval. During FY2021-22, we have invested Rs. 70 crore in capex for expansion of Sandila, Uttar Pradesh unit with the soft launch of 2,000 metric ton capacity, increasing the overall technical capacity to 21,500 metric tons. Further, we expect to invest additional Rs. 70 crore in during FY2023, that will enable continued growth trajectory to extend full support to our customer, supplier, and other valued stakeholders.

I am also happy to report our progress on new capacity expansion at Hamirpur, Uttar Pradesh. With the ground breaking ceremony done by Hon'ble Prime Minister Narendra Modi, this new capacity marks a new chapter in our future growth strategy. We have already applied for environmental clearance for our Hamirpur facility and we are happy to say that the TOR has already received for our facility at Hamirpur. We remain committed to deliver continuous sustainable long-term growth with R&D at the core, leading to continuous innovations in products, as well as in processes. So, we expect the first product to come out maybe in the quarter three of financial year FY 2023-24 from the this unit.

These new capacities and existing capacities will continue to support out R&D team's effort towards new product development. During the fiscal we launched five new molecules across intermediaries, herbicide and fungicide. Our new products continue to garner additional revenue through extended market presence. This extended market presence is through increased wallet share in existing geographies as well as penetration in new geographies. Going forward, we expect the new products to drive higher revenue, driving volume and value growth for the business.

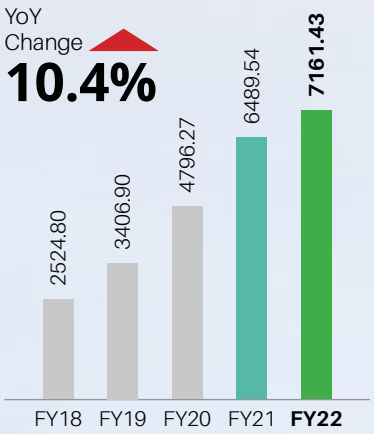
Whilst building a sustainable business, we remain committed towards building an entity that is focused on conserving the environment. Being in the business of chemicals, our manufacturing facilities are equipped with effluent treatment processes to minimize contamination of the surrounding environment. Our in-house technology developed through R&D does the operational designing with an aim to minimise the effluent discharge in our production processes at our manufacturing units. Adequate steps are taken towards energy, waste and water reduction and discharge. In addition, robust safety protocols are in place to safeguard our employees. Reverberating the motto – 'Care the World with Care', we are making positive contribution towards making an impact in community development.

In conclusion, we continue to see accelerated change across the agriculture ecosystem, with newer farming technologies introduced, backed by high-yield fertilisers that continue to play a critical role in shaping the 'food for the world'. The Board will continue to oversee the task of striking the right balance between the opportunities and risks. I am optimistic of achieving the outcomes with the actions outlined, backed by our strategic priorities, will help create long-term and sustainable value for our stakeholders.

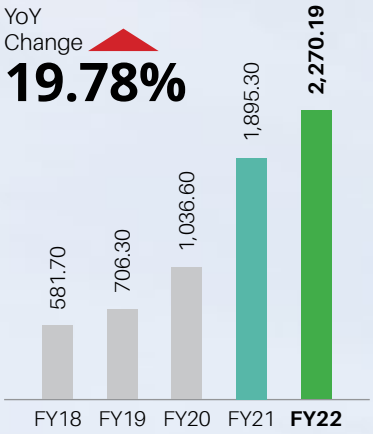
Anand Swarup Agarwal
Chairman

Key Performance Highlights

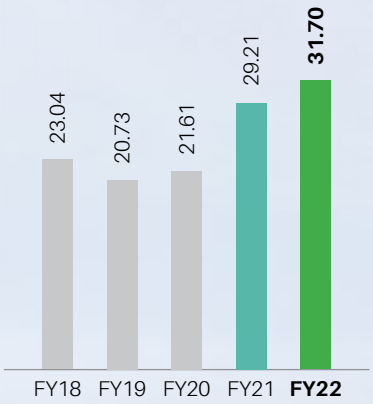
Revenue from operations
(Rs in Million)



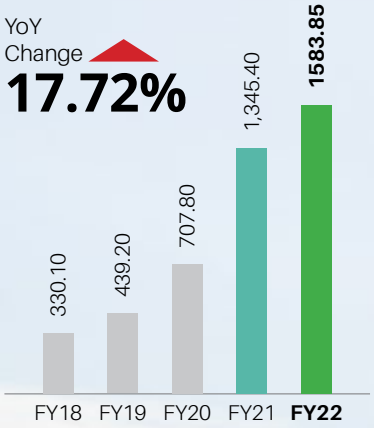
EBITDA
(Rs in Million)



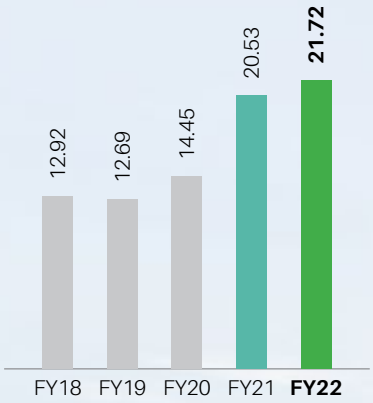
EBITDA Margin
(in %)



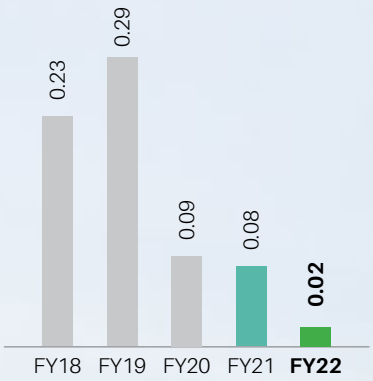
PAT
(Rs in Million)



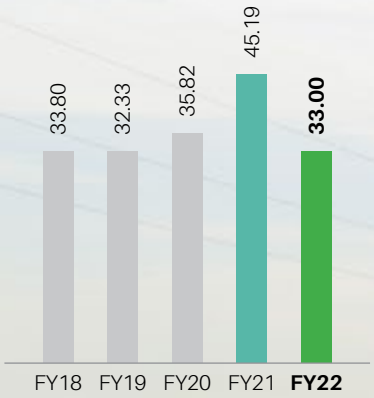
PAT Margin
(in %)



Debt Equity ratio
(in times)



ROCE
(in %)



ROE
(in %)

CEO's Message

India Pesticides Limited ("IPL") had successful listing on market-IPO during FY22 amidst challenging situations like Pandemic and volatile geo-politics. The success was the output of compound work by the different teams of IPL family for around past four decades and you all stakeholders who trust us.

Dear Shareholders,

India Pesticides Limited ("IPL") had successful listing on market-IPO during FY22 amidst challenging situations like Pandemic and volatile geo-politics. The success was the output of compound work by the different teams of IPL family for around past four decades and you all shareholders who trust us. This is another milestone in your company's history, which has emphasized us to enhance our commitment and passion towards the journey we are continuing. While, several organizations remain to be cost competitive during challenging situations, we fully supported our team, their work towards meeting customers' expectations and ensured their well-being to the best of our abilities. I would like to thank all my team members and those who are connected with IPL as dealers and suppliers who delivered appreciable efforts during challenging situations.

As we step into the future, our aim is to continuously focus on our commitments towards business, environment, society and our stakeholders. Our R&D is getting further strengthened for process optimization and innovation.

During the year under review, the technical capacity of our Sandila Plant was raised by 2,000 MT, and we intend to utilise two more manufacturing blocks at the current Sandila plant for herbicide technicals and intermediates. This increase in production capacity will boost process efficiency and bring about economies of scale. Present installed capacity of Technicals increased to 21,500 MT from 19,500 MT as on 31.03.2021 after launch of 2,000 MT capacity during FY22.

As we embark upon our progressive journey, we responsibly focus on ESG (Environment, Social and Governance). Careful steps that we take towards advancement of technology are calibrated and aligned with our responsibility on making our environment healthy.

Sincere thanks to all Board of Directors from diversified fields, who guide us and share their valuable knowledge and experience for our continuous progress. Looking forward to another successful year ahead, I welcome all to join hands with me for the journey we start for FY'23.

Dheeraj Kumar Jain
Chief Executive Officer

Manufacturing Excellence

As we continue to expand and enhance our business, we place a strong emphasis on improving our structural capabilities by investing in cutting-edge manufacturing facilities and global export logistic and supply chain networks.

We have two manufacturing facilities located at Lucknow and Hardoi disctrcts of Uttar Pradesh where we are concentrating on achieving higher operational excellence and cost optimisation to ensure profitable and long-term growth.

The present manufacturing facilities occupy approximately 67% of the overall land area, constituting more than 24 acres. Additionally, Shalvis Specialities Limited ("SSL"), our Wholly Owned subsidiary Company, has acquired 25 acres of land and is getting ready for green field project for a multiple products manufacturing. With additional innovative products in our portfolio, we will be able to substantially expand our operation.

Our manufacturing capacities

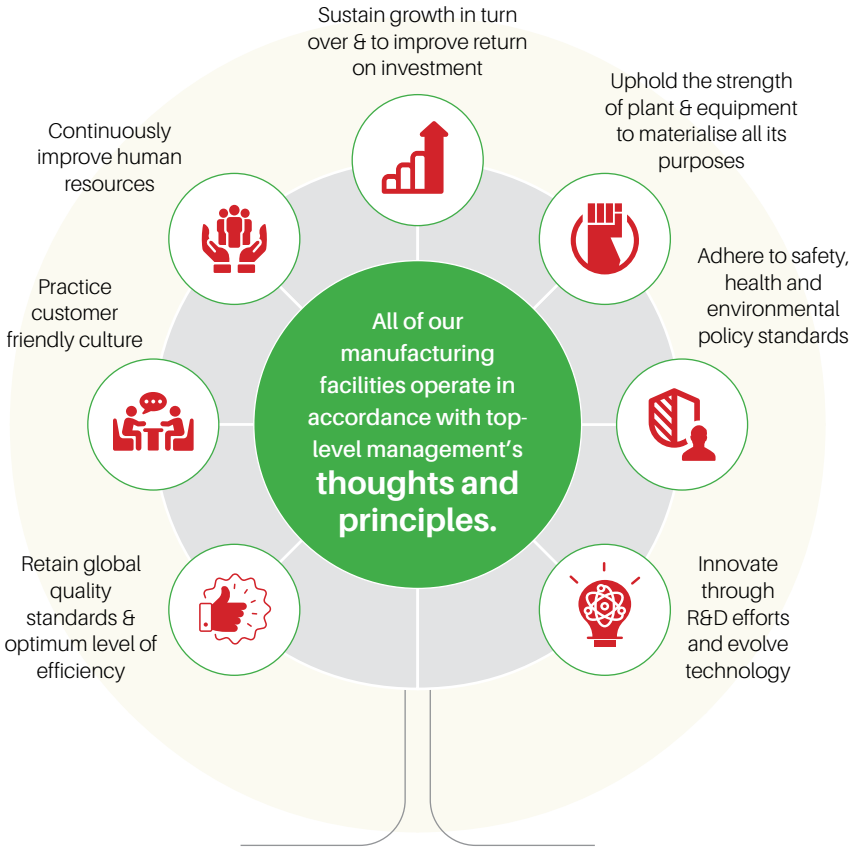
Plants as on 31st march 2022	Technicals (MTPA)	Formulations (MTPA)
Dewa Road, Lucknow	2,100	3,000
Sandila, Hardoi	19,400	3,500
Total	**21,500**	**6,500**

2

Active Manufacturing Facilities

we are among the top producers worldwide and the only manufacturers in India for technical grade Captan, Folpet, and Thiocarbamate Herbicide. All of our manufacturing facilities are equipped with cutting-edge technology developed by our internal R&D team and as designed by the project technical team.

IPL's Business Objectives



Capacity Expansion

During the year under review, the technical capacity of our Sandila Plant was raised by 2,000 MT to a total of 21,500 MT, and we intend to utilise two more manufacturing blocks at the current Sandila plant for herbicide technicals and intermediates. This increase in production capacity will boost process efficiency and bring about economies of scale.

Further to this a new production facility, we have acquired 25 acres of land in Hamirpur, districts of Uttar Pradesh under our subsidiary SSL. the facility is expected to start operating by end of 2023 after the required environmental and other statutory clearances.

Backward integration

In order to manufacture essential raw materials, we create and develop backward integration based on assessments of the economy, the state of the market, competition, and sustainability. Backward integration reduces our reliance on the import of raw materials and helps us improving our overall efficiency.

~60%

Local Raw Material Sourcing

Continuous improvement

We have regular assessment of our manufacturing facilities by international customers, external governing bodies, and internal teams for quality assurance as well as for health and safety systems and sustainability aspects. These periodic inspections enable continuous improvement of our operations and procedures.

Future Ready with Innovation

We have two in-house advance R&D laboratories that are recognised by the Department of Scientific and Industrial Research (DSIR).

Our distinctive, broad product offerings underpin our strong profitability growth. We continue to invest in and utilise our R&D skills for increasing our product range and in-house technology. We carefully pick generic technicals and upgrade the existing products & processes in order to adapt to a changing business environment where we focus on clients' needs. It enables us to continually grow along with the market.

2

In-house Laboratories

Experienced R&D Team

We have a robust R&D division run by a team of professionally experienced & competent scientists. The team devotes their expertise to managing our complex laboratories while developing cutting-edge, affordable, environmentally friendly, and sustainable products. This team is regularly backed by a panel of experts composed of Senior Scientists from National Laboratories, premier research institutes and leading universities.

R&D's Analytical Capabilities

- Method Development
- Method Validation
- Stability Studies Development
- Critical Quality Control
- Physio Chemical Analysis
- Non GLP 5 Batch Analysis

Sustainable product development

Since quality and sustainability are our primary concerns, none of the key technicals fall inside the "red triangle" or the category of highly toxic products. We have launched several new products during the year under review. Our R&D and customer acquisition teams are collaborating to identify a future pipeline of new offerings that can add value to our sustainable product offerings. Through our strategic framework for the implementation, we believe strongly in our immense potential.

5

New products launched

Striving for new heights

Our R&D initiatives enable continuous portfolio evaluation, which in turn supports us to modify production in accordance with sustainability standards and economic feasibility. Our initiatives assist us in growing our product line, gaining a competitive advantage, and expanding our consumer base.

End-to-end equipment

Every IPL manufacturing facility has a Process Safety Laboratory, Pilot Scale Plants, Formulation Labs, and Analytical Development Laboratories with HPLC, GC, Ultra Violet Visible Spectrophotometers, Karl Fischer Apparatus, Roto Vacuum Driers, and other equipment for monitoring quality at every stage, from the raw material to the finished product.

Our pilot plants

In order to evaluate the product and compare it to laboratory studies as well as test its shelf life and storage stability, our R&D wing has an effective support system called a pilot plant. In order to scale up from grams to kilograms and ultimately to tonnes for further market seeding and parameter evaluation for large-scale manufacturing, our pilot plants are essential.

Our R&D Initiatives In Three Modules

MODULE I

- Laboratory for gram level operation :
- Process Development for existing products
- Specialised formulations likes WDG, SC, EC etc. development activities
- Quality Assurance
- Analytical Method Development

MODULE II

- Pilot plant for 1 - 10 kg production
- Data generation required for designing of commercial plant
- Semi Commercial Activity to meet the initial market study of the particular product

MODULE III

- Provide facilities for up-scaling from pilot plant to commercial scale
- Transfer Procedures & Operations to Manufacturing Team.

Our ESG Stewardship

We integrate sound ESG principles and practices into every aspect of the operations of our organisation.

Environment

To direct and coordinate the company's efforts to safeguard the environment, we have devised an effective environmental plan. To reduce environmental contamination, our manufacturing facilities are outfitted with effluent treatment systems. We are leveraging our in-house technology to modify our manufacturing facilities' production processes with the goal of minimising effluent discharge.

Energy efficiency initiatives

Our business has always placed a high priority on energy conservation and is aware of its critical role in limiting the negative effects of climate change and global warming. A number of actions have been started and are being worked on at our locations, including an energy assessment by a team of outside professionals. We exclusively use biomass to generate heat and steam, fully avoiding the use of fossil fuels. We are also foraying into expansion of solar power utilisation through feasibility studies as necessary.

Waste management

We believe that preventing waste is the key to managing it. Our Sustainable Material Management approach, which follows the 5R's, Reduce, Reuse, Repair, Recycle, and Recover, enables us to systematically reduce our waste output to the environment. Our management intends to create creative initiatives to promote the 5R's' increased implementation at all levels.

Wastewater management

Our production facilities are equipped with ETP, MEE, RO, and Spray Drier systems, which not only enable us to filter our industrial waste water but also to recycle it and dry it, enabling us to achieve Zero Liquid Discharge certification for our sites.

ISO 14001:2015
Certified

Social

We respect societal rights and understand our duty to uphold them. The company works to make sure that the underserved communities receive the benefits of our social initiatives. We are a people-oriented business, and we have established fair employment practices that contribute to a welcoming, comfortable, and secure workplace with no room for discrimination.

Health and safety initiatives

Monthly health and safety training sessions are mandated for all workers at the site in order to cover everyone in different batches throughout all shifts. We also conduct yearly health check-ups of employees through empanelled doctors at the site and ensure that our employees are safe.

With the assistance of outside experts, we carry out a number of safety assessments including HAZOP and HIRA, on the job site to identify areas for ongoing safety measure improvement. To keep our employees agile while working, we regularly stage simulated drills involving Fire Fighting professionals and participate once every three months.

Community initiatives

We have undertaken initiatives for imparting positive impact on society under the reverberating motto "Care the World with Care". We accomplish our social objective through philanthropy, projects and programmes.

Samagra Sudhar

This initiative is conducted under the guidance of the CSR committee and focuses on public infrastructure, environmental upgradation, affordable healthcare facilities and knowledge enhancement on digital and circular economy.

We have adopted two villages in Sandila and Hardoi district where we are working closely with the community. We are striving to achieve infrastructural development and create awareness on circular economy through this programme. Children were given exposure visits to centre for environment education and science center for interactive activities along with interaction with experts. The programme also focuses on waste management, bio-diversity and infrastructure development in villages without disturbing the local ecology.

₹11.06* million

CSR spending

We also collaborate with an organisation to increase urban greenery and provide assistance to needy families who need to undergo expensive emergency medical care. Designing CSR projects in response to our ongoing desire to broaden the area of our service and develop promising society is a practice that we have adopted.

2

Villages adopted

2000+

Beneficiaries

ISO 45001: 2018

Certified

*During the reporting year, CSR spent from unspent CSR account was Rs. 7.55 million in the financial Year 2021-22. And from current year profit the CSR obligation for the financial year 2021-22 is Rs. 22.50 million out of which the total spent amount is Rs. 3.51 million.

Our ESG Stewardship

Governance

We are committed to putting in place a strong corporate governance framework, putting special focus on the requirement for internal transparency and responsibility. Under the guidance of seasoned management and the Board of Directors, we are committed to upholding our obligations as a responsible business organisation

3
Independent Directors

2
Non-executive Directors

1
Executive Director

Board diversity

We acknowledge and appreciate the advantages of a diversified board since it enables the effective utilisation of the variety of information, professional experience, expertise, qualifications, skills, and outlooks needed for the company's forward-thinking operations. The ability to sustain a competitive advantage is aided by having a fully balanced and varied Board of Directors with all benefits as well as variety in regional and industry expertise, background, culture, colour, age, and other significant aspects between directors.

Fraud Risk Control Policies

The Board of Directors established the Risk Management Committee to develop a thorough risk management strategy. The policy will include a framework for identification of external risk, measures for risk mitigation and monitoring of risk management policy.

Our ESG objective for

FY23

We are working towards integrating ESG into our business by getting our basics right, strengthening elements and communicating the efforts.

Business Actions

Getting Basics Right

Level Setting

- Setting common ground among key stakeholders on understanding ESG
- Awareness on purpose and value of integrating ESG into IPL's business
- Driving ESG practices

Materiality Assessment

Identify, prioritise and validate the most material ESG issues that we should focus on so as to optimise the use of resources

Strengthening Elements

Corporate Governance

Establishing the connect of board/ senior executives on ESG topics through constant dialogue

Risk Management

Adopt a systematic approach to identify, assess and respond to ESG related risks in business operations

Business Strategy

Developing ESG strategy that is guided by a primary vision and mission of the IPL, and incorporate ESG into strategic planning

Communicating The Efforts

Reporting and Assuring

- Disclose the company's ESG vision, strategy and year end status in different channels of communications such as Annual Report and Website
- Engage a third party to perform independent assurance on ESG to give confidence for stakeholders on the credibility of the report that IPL will publish from 2023-24 onwards

Monitoring

Getting Basics Right	Strengthening Elements	Communicating The Efforts
Assessment of key stakeholders on understanding Prioritised report	Define ESG Goals (short-medium-long) to measure ESG performance	Year-end Status Report on Annual Report and IPL Website

Timeline

Getting Basics Right	Strengthening Elements	Communicating The Efforts
By 31st August 2022	By 31st September 2022	By 31st March 2023

Profile of Board of Directors

Anand Swarup Agarwal

Chairman, Founder and Non-Executive Director

- Holds a Bachelor's Degree in Law from the University of Lucknow.
- Over 36 years of experience in agrochemical manufacturing.
- Nominated as a part time non-official director on the Board of Directors of Punjab National Bank. He also served as a Director on the Board of Directors of PNB Gilts Limited.
- He has been awarded with the UP Ratan award in the year 2013 by the All India Conference of Intellectuals.

Adesh Kumar Gupta

Independent Director

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

Rajendra Singh Sharma

Whole-time Director

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

Mohan Vasant Tanksale

Independent Director

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

Madhu Dikshit

Independent Director

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

Rahul Arun Bagaria

Non-Executive Director

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

Profile of Key Managerial Personnel

Dheeraj Kumar Jain
Chief Executive Officer

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

Ajeet Pandey
Company Secretary and Compliance Officer

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

Satya Prakash Gupta
Chief Financial Officer

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

Listing Ceremony of Initial Public Offer (IPO)

During the year under review, our stock got listed on Stock Exchanges on July 5, 2021. Glimpse of the listing ceremony are highlighted below.

Corporate Information

Board of Directors

Chairman and Non-Executive Director

Mr. Anand Swarup Agarwal

Whole-Time Director

Mr. Rajendra Singh Sharma

Non-Executive Directors

Mr. Mohan Vasant Tanksale (Independent)

Dr. Madhu Dikshit (Independent)

Mr. Adesh Kumar Gupta (Independent)

Mr. Rahul Arun Bagaria (Non Independent)

Chief Executive Officer

Mr. Dheeraj Kumar Jain

Chief Financial Officer

Mr. Satya Prakash Gupta

Company Secretary & Compliance Officer

Mr. Ajeet Pandey

Committees Of The Board

Audit Committee

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

Nomination and Remuneration Committee

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

Stakeholders' Relationship Committee

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

Corporate Social Responsibility Committee

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

Risk Management Committee

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

Registered Office

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

Corporate Office

Water Works Road,
Swarup Cold Storage Compound,
Aishbagh, Lucknow – 226 004,
Uttar Pradesh, India.
Tel: +91 0522 2653602

Website:
www.indiapesticideslimited.com

Email Id:
info@indiapesticideslimited.com
investor@indiapesticideslimited.com

Manufacturing Facilities

Unit 1:
UPSIDC Industrial Area,
Dewa Road, District Lucknow
Uttar Pradesh, India

Unit 2:
UPSIDC Industrial Area, Sandila,
District Hardoi, Uttar Pradesh, India:

Statutory Auditors

Lodha & Co.
Mumbai, Maharashtra, India

Cost Auditors

Honey Singh & Associates
Cost Accountants , Lucknow Uttar Pradesh, India

Secretarial Auditors

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

Internal Auditors

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

Bankers

Bank of India
State Bank of India

Registrar and Share Transfer Agent

KFin Technologies Limited
(formerly known KFin Technologies Pvt. Ltd);
Selenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad-500 032, Telangana.

einward.ris@kfintech.com
www. kfintech.com

Board's Report

To
The Members,
India Pesticides Limited

The directors have pleasure in presenting their Annual Report of the Company together with the Audited Accounts for the Financial Year ended on 31st March, 2022.

Summary of Financial Results:

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

Particulars	Standalone		Consolidated	
	Current Year (for the Period 2021-22)	Previous (for the Period 2020-21)	Current Year (for the Period 2021-22)	Previous (for the Period 2020-21)
Revenue from Operations	7161.43	6489.547	7161.43	6489.54
Other Income	131.65	64.23	131.55	64.23
Total Income	**7293.08**	**6553.77**	**7292.98**	**6553.77**
Less- Expenditure	5022.89	4658.44	5023.71	4658.70
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	**2270.19**	**1895.33**	**2269.27**	**1895.07**
Less- Depreciation	65.06	34.33	68.53	34.33
Less- Finance Cost	84.46	61.35	85.06	61.35
Less: Exceptional Items	0	0	0	0
Profit/(Loss) after Depreciation, interest & Before Tax	**2120.67**	**1799.65**	**2115.68**	**1799.39**
Less- Provision For Tax & Adjustments	536.82	454.21	536.16	454.12
Profit for the Year	**1583.85**	**1345.44**	**1579.52**	**1345.27**
Other comprehensive income	-4.83	3.78	-4.83	3.78
Total Comprehensive Income for the Year	**1579.02**	**1341.66**	**1584.35**	**1341.49**
Earnings per Equity Share of ₹1 Each				
Basic (in ₹)	13.82	12.07	13.78	12.07
Diluted (in ₹)	**13.82**	**12.07**	**13.78**	**12.07**

State of Company's Affairs

During the Financial year, the Company has earned a net profit of ₹ 1583.85 million as against previous year's profit of ₹ 1345.44 million.

During the year, the Company has earned a consolidated net profit of ₹ 1579.52 million as against previous year's profit of ₹ 1345.27 million.

Capacity Expansion

During the year under review, the technical capacity of our Sandila Plant was raised by 2,000 MT , and we intend to utilise two more manufacturing blocks at the current Sandila plant for herbicide technicals and intermediates. This increase in production capacity will boost process efficiency and bring about economies of scale. Present installed capacity of Technicals increased to 21,500 MT from 19,500 MT as on 31.03.2021 after launch of 2,000 MT capacity during FY22.

For a new production facility, we have acquired 25 acres of Land in Hamirpur district of Uttar pradesh under our Wholly Owned Subsidiary i.e. Shalvis Specialities Limited ("SSL"). The facility is expected to start operating by end of 2023.

Changes in Structure of Share Capital, If any:

During the Financial Year 2021-2022 the Company has made Changes in the Structure of Share Capital:-

Authorised Share Capital:-

The Authorised Share Capital of the Company is ₹ 15,00,00,000/- (Rs. Fifteen Crores Only) divided into 15,00,00,000 Equity Shares of ₹ 1/- each.

Issued, Subscribed and Paid-up Share Capital: `

Company Issued, Subscribed and Paid-up Share Capital as on March 31, 2022 is ₹ 11,51,63,508/- divided into 11,51,63,508 Equity Shares of ₹ 1/- each.

During the year under review the Company has issued its Equity Share through Initial Public Offer ("IPO") and details are as under:

Initial Public Offer ("IPO")

The Board of Directors of the Company are pleased to inform that during the year under review, the Company came up with an IPO with issue size of ₹ 8,000 million that comprised of a fresh issue of ₹ 1,000 million and an offer for sale of ₹ 7,000 million. The Company offered 27,027,026 equity shares of face value of ₹1 each ("equity shares") at a price of ₹296 per equity share (including a share premium of ₹295 per equity share) aggregating up to ₹8,000 million (the "offer") comprising a fresh issue of 3,378,378 equity shares aggregating up to ₹1,000 million (the "fresh issue") and an offer for sale of 23,648,648 equity shares. In respect of the same the Company has filed Red Herring Prospectus (RHP) on 16.06.2021 with SEBI and later filed Prospectus on 28.06.2021 with Registrar of Companies, Uttar Pradesh. The offer was opened on June 23, 2021 and closed on June 25, 2021.

Further, the Company has issued and allotted 3,378,378 Equity Shares by way of IPO on July 01, 2021.

The equity shares of the Company were fully subscribed and listed on both the stock exchanges i.e. National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") on July 05, 2021 respectively.

As the Company has issued 33,78,378/- (Thirty three lakhs seventy eight thousand three hundred seventy eight) fresh equity shares to the public consequently the paid up capital increased from ₹ 11,17,85,130/- to ₹11,51,63,508/- shares.

The net proceeds of the Fresh issue were to be utilized for Funding working capital requirement and general corporate purposes. The proceeds received by the Company has been fully utilized for the purpose as set out in the prospectus and there was no deviation in utilization of the proceeds of IPO.

Agreement with National Securities Depository Limited

The Company being listed, have to give the facility of e-voting to the shareholders, and for the purpose of which National Securities Depositories Ltd (NSDL) has been appointed and the Company has entered into agreement with NSDL for the purpose of availing remote e-voting/ e-voting system for casting vote during AGM

Subsidiaries, Joint Ventures or Associate Companies

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

Shalvis Specialities Limited ("SSL")

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

SSL is authorised to engage in the business of among other things, manufacture, production, formulation, sale and trade of all types of agricultural Manufacture Agrochemicals & Intermediates, API ingredients & Intermediates and Fine Chemicals.

Capital Structure of Subsidiary

The Authorised Share Capital of Shalvis Specialities Limited increased from ₹1,00,00,000/- divided into 10,00,000 equity shares of ₹10 each to ₹ 4,00,00,000/- divided into 40,00,000 equity shares of ₹ 10 each on 27.07.2021.

The issued, subscribed and paid-up share capital of SSL also increased from ₹ 80,00,000/- divided into 800,000 equity shares of ₹ 10 each to ₹ 3,10,00,000/- divided into 31,00,000 equity shares of ₹ 10 each consequent upon issue of right shares of ₹ 2,30,00,000/- divided into 23,00,000 equity shares of ₹ 10 each to its Holding Company (India Pesticides Limited) on 28.09.2021.

The annual accounts of the subsidiary companies are available for inspection by any shareholder at the registered office of the Company and interested shareholder's may obtain it by writing to the Company Secretary of the Company. The same are also placed on the website at www.indiapesticideslimited.com

The Company does not have any material subsidiary. The policy for determining material subsidiaries can be downloaded from the website of the Company at www.indiapesticideslimited.com.

The Company has no Joint Venture or Associate Company.

Material Changes and Commitments during the Year

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report during the year under review, as required under Section 134(3)(l) of the Companies Act, 2013.

Internal Financial Controls

The Company has laid down Internal Financial Controls that include a risk-based framework to ensure orderly and efficient conduct of its business, safeguarding of its assets, accuracy and completeness of the accounting records and assurance on reliability of financial information. The Company maintains adequate and effective internal control systems commensurate with its size and complexity. An independent internal audit function is an important element of the Company's internal control

systems. This is executed through an extensive internal audit programme and periodic review by the management and the Audit Committee. Independence of the Internal Auditor is ensured by way of direct reporting and presentation to the Audit Committee. The Audit Committee has satisfied itself on the adequacy and effectiveness of the internal financial control systems laid down by the management. The Statutory Auditors have confirmed the adequacy of the internal financial control systems over financial reporting. Further, details of the internal control systems are given in the Management Discussion and Analysis which forms part of this Annual Report.

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

The Company has, in all material respects, an adequate system of internal controls over financial reporting and such internal controls over financial reporting were operating effectively as at 31st March, 2022.

Change in the Nature of Business

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

Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its subsidiary is prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'). The Audited Consolidated Financial Statements together with the Auditor's Report thereon forms part of this Annual Report. The Annual Financial Statements of the subsidiary and related detailed information will be made available to Members seeking information till the date of the AGM. They are also available on the website of the Company at www.indiapesticideslimited.com.

The Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16(1)(c) of the SEBI Listing Regulations. The Policy, as approved by the Board, is uploaded on the Company's website at the weblink: www.indiapesticideslimited.com.

Impact of COVID 19

Financial Year 2021-22 has been challenging, particularly in earlier part of the year due to COVID-19 Outbreak. Our focus has been placed on safety of our people, Protecting Supply Line, Supply-demand, contributing the society & optimizing cost and cash.

The outbreak of COVID 19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. However, since the manufacturing of pesticides was determined to be an essential industry, we were allowed to continue operations.

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

Dividend

The Directors are pleased to recommend a dividend of ₹ 0.75 paisa per share (i.e. @75% of face value) on the Equity Shares of the Company of ₹ 1 each for the year ended March 31, 2022 as compared to previous year dividend of ₹ 0.32 paisa per share. If the dividend, as recommended above, is declared by the Members at the ensuing Annual General Meeting ('AGM'), the total outflow towards dividend on Equity Shares for the year would be ₹ 86.37 million.

In view of the changes made under the Income tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Members, the Company shall, accordingly, make the payment of the Dividend after deduction of tax at source

Dividend Distribution Policy

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations), the Board of Directors of the Company has adopted a Dividend Distribution Policy ('Policy') which aims to maintain a balance between profit retention and a fair, sustainable and consistent distribution of profits among its Members.

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

Transfer of Unclaimed Dividend to Investor Education and Protection Fund:

The Company does not have any funds as contemplated under Section 125 of the Act lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF). Mr. Ajeet Pandey, Company Secretary and Compliance Officer has been appointed as a Nodal Officer of the Company and other details are available on the website of the Company.

Reserves & Surplus

During the year under review, the Company has not transferred any amount to General Reserve. However, Current Year's profit of ₹ 1583.85 million has been included under the head Retained Earnings during the year under review and the closing balance of the retained earnings of the Company for Financial Year 2021-2022, after all adjustments were ₹ 6,268.63 million.

Directors & Key Managerial Personnel

Re-Appointment:

Pursuant to Section 152 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 17(1A) of the Securities

and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) 2015"), Mr. Anand Swarup Agarwal (Chairman & Non-Executive Director) term expires on this ensuing Annual General Meeting being eligible he offers himself for re-appointment.

The Board has recommended to the members to re-appoint Mr. Anand Swarup Agarwal as Chairman & Non-Executive Director of the Company at the ensuing Annual General Meeting for a period of five years in its meeting dated May 28, 2022.

Pursuant to Regulation 36 (3) of the SEBI (LODR) 2015, Mr. Anand Swarup Agarwal has not resigned in the past three years from any of the listed entities.

Retirement By Rotation:-

In accordance with the provisions of Section 152 of the Act and in terms of Article 112(2) of the Articles of Association of the Company, Mr. Rahul Arun Bagaria, Non-Executive Director of the Company, retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2022 are Mr. Rajendra Singh Sharma, Wholetime Director, Mr. Dheeraj Kumar Jain, Chief Executive Officer, Mr. Satya Prakash Gupta, Chief Financial Officer and Mr. Ajeet Pandey, Company Secretary and Compliance Officer.

However, There is no change in Directors and Key Managerial Personnel during the Financial year.

Board diversity

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical backgrounds, age, ethnicity, race and gender, that will help us retain our competitive advantage. The Board Diversity Policy adopted by the Board sets out its approach to diversity. The policy is available on our website, at www.indiapesticideslimited.com. Additional details on Board diversity are available in the Corporate governance report that forms part of this Annual Report.

Board and Committee Meetings

A calendar of Board and Committee Meetings to be held during the year was circulated in advance to the Directors.

a. Details of Board Meetings

During the year under review, 6 (six) Board Meetings were held, details of which are provided in the Corporate Governance Report.

b. Composition of Audit Committee

As on March 31, 2022, the Audit Committee comprised 3 (three) Members out of which 2 (two) are Independent Directors, Mr. Mohan Vasant Tanksale (Chairperson) and Mr. Adesh Kumar Gupta (Member) and 1 (one) is a Non-Independent, Non-Executive Director, Mr. Rahul Arun Bagaria (Member). During the year, 4 (Four) Audit Committee Meetings were held, details of which are provided in the Corporate Governance Report.

There have been no instances during the year when recommendations of the Audit Committee were not accepted by the Board.

c. Composition of Nomination & Remuneration Committee

As on March 31, 2022, the Nomination & Remuneration Committee comprised 3 (three) Members out of which 2 (two) are Independent Directors, Mr. Adesh Kumar Gupta, (Chairperson) and Dr. Madhu Dikshit (Member) and 1 (one) is a Non-Independent, Non-Executive Director, Mr. Rahul Arun Bagaria (Member). During the year, 2 (Two) Nomination & Remuneration Committee Meetings were held, details of which are provided in the Corporate Governance Report.

There have been no instances during the year when recommendations of the Nomination & Remuneration Committee were not accepted by the Board

d. Composition of Corporate Social Responsibility ('CSR') Committee

During the year, the Committee comprised 3 (three) Members out of which 1 (one) is Independent Director, Mr. Mohan Vasant Tanksale (Chairperson), 1 (one) is Non-Independent, Non-Executive Director, Mr. Anand Swarup Agarwal, and 1 (one) is Non-Independent, Executive Director, Mr. Rajendra Singh Sharma as its members.

During the year under review, 2 (two) CSR Committee Meetings were held, details of which are provided in the Corporate Governance Report.

e. Composition of Stakeholder Relationship Committee ('SRC')

During the year, the Committee comprised 3 (three) Members out of which 1 (one) is Non-Executive and Non-Independent Director, Mr. Anand Swarup Agarwal (Chairperson), 1 (one) is Independent Director, Mr. Adesh Kumar Gupta, , and 1 (one) is Executive Director, Mr. Rajendra Singh Sharma as its members.

During the year under review, 2 (two) Stakeholder Relationship Committee Meetings were held, details of which are provided in the Corporate Governance Report.

Details on other committees including their composition, number of meetings held and terms of reference are included in the Corporate Governance Report.

Management Committee

The day-to-day management of the Company is vested with the Management Committee, which is subjected to the overall superintendence and control of the Board. The Management Committee is headed by the Chairman of the Company.

Auditors and Report thereon

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of Companies Act, 2013. In line with the requirements of the Companies Act, 2013,

Lodha & Co., Chartered Accountants (Firm registration number 301051E) was appointed as the statutory auditors of the Company, to hold office for a period of five consecutive years from the conclusion of the 35th AGM of the Company held on December 21, 2020, till the conclusion of the 40th AGM to be held in 2025.

During the year under review, the statutory auditors have not reported to the Audit Committee under section 143(12) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers or employees, therefore, no detail is required to be disclosed in the Board Report under Section 134(3) (ca) of the Companies Act, 2013.

During the year under review, the Auditors had not reported any matter under Section 143(12) of the Companies Act 2013;

Secretarial Auditors and Secretarial Audit Report

Pursuant to the provisions of Section 204 of Companies Act, 2013 and rules made there under, the Company has appointed M/s. GSK & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2021-22. The Secretarial Audit Report is annexed as **Annexure 2** and forms an integral part of this report.

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

Cost Audit

The Company is required to maintain cost records pursuant to Section 148 of the Companies Act, 2013 and rules made thereunder and the same have been maintained in compliance with the provisions.

M/s Honey Singh & Associates, Cost Accountants (FRN: 101134), Lucknow has been appointed as cost auditor to conduct the cost audit of books and accounts of the Company for the Financial Year 2021-22.

Internal Auditor

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

On the recommendation of the Audit Committee, the Board of Directors in its meeting dated May 28, 2022 have appointed Adroit & Adrent Associates Private Limited, head office address:- M-12A, Basement, Sector – 11, Near Metro Heart Institute, Noida – 201301, Uttar Pradesh, as the Internal Auditor of the Company for conducting the internal audit for the FY 2022-23.

Comments by Board on Auditors' Report:

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

Compliance under Secretarial Standards:

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

Particulars of Loans, Guarantees and Investments

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

Related Party Transactions

All related party transactions that were entered into during the financial year 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 SEBI Listing Regulations. No material related party transactions were entered into during the financial year by the Company. Therefore, the disclosure of related party transactions as required under Section 134(3) (h) of the Act in Form No. AOC-2 is not applicable to the Company and hence the same is not provided. All related party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval of the Audit Committee is obtained on an annual basis for the transactions which are planned/repetitive in nature and omnibus approvals are taken as per the policy laid down for unforeseen transactions. Related party transactions entered pursuant to the omnibus approval so granted are placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. All the related party transactions under Ind AS-24 have been disclosed at note no. 38 to the standalone financial statements forming part of this Annual Report. An assessment by an independent firm is carried out from time to time on all the related party transactions entered into by the Company.

The Company has a Policy on Related Party Transactions in place which is in line with the Act and the SEBI Listing Regulations and the same is also available on the Company's website at www.indiapesticideslimited.com.

Risk Management

The Board has formed a Risk Management Committee ('RMC') to frame, implement and monitor the risk management plan for the Company and ensure its effectiveness and to develop a policy for actions associated to mitigate the risks as well as identify new and emergent risks. The RMC seeks to minimize the adverse impact of risks on business objectives and capitalize on opportunities. The RMC is chaired by an Independent Director. The Audit Committee has an additional oversight in the areas of financial controls. The Company has a well defined risk management framework in place

to ensure appropriate identification, measurement, mitigation and monitoring of business risks and challenges across the Company. The Company's success as an organisation largely depends on its ability to identify opportunities and leverage them while mitigating the risks that arise while conducting its business. Further, the Board is apprised of any procedure that may threaten the long term plans of the Company. The Risk Register is refreshed periodically to ensure that the risks remain relevant at any point in time and corresponding mitigation measures are timely and effective so that the risk profile is within identified tolerance levels.

Risk Management Policy

The Company has a Risk Management Policy to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The Risk Management Policy as approved by the Board is uploaded on the Company's website at https://www.indiapesticideslimited.com/InvestorRelations.php.

Deposits

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

Deposits not in compliance with Chapter V of the Act

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

Directors Responsibility Statement:

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

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) the directors, had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Declaration by Independent Directors

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

Policy on directors' appointment and remuneration

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of March 31, 2022, the Board has six members, one of whom is executive directors, two non-executive and non-independent director and three independent directors. One of the independent director on the Board is women. The details of Board and committee composition, tenure of directors, areas of expertise and other details are available in the Corporate governance report that forms part of this Annual Report. The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website, at https://www.indiapesticideslimited.com/InvestorRelations.php . We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors has carried out an annual evaluation of its own performance, its Committees, Independent Directors, Non-Executive Directors, Executive Director and the Chairman of the Board.

The Nomination and Remuneration Committee of the Board has laid down the manner in which formal annual evaluation of the performance of the Board, its Committees and Individual Directors has to be made. It includes circulation of evaluation forms separately for evaluation of the Board and its Committees, Independent Directors/Non-Executive Directors/Executive Director and the Chairman of your Company.

The performance of Non-Independent Directors, the Board as a whole, and the Committees of the Board has been evaluated by Independent Directors in a separate meeting. At the same meeting,

the Independent Directors also evaluated the performance of the Chairman of your Company, after taking into account the views of Executive Director and Non-Executive Directors. Evaluation as done by the Independent Directors was submitted to the Nomination and Remuneration Committee and subsequently to the Board.

The performance of the Board and its Committees was evaluated by the Nomination and Remuneration Committee after seeking inputs from all the Directors, on the basis of criteria such as the Board/Committee composition and structure, effectiveness of the Board/Committee process, information and functioning, etc.

The performance evaluation of all the Directors of your Company (including Independent Directors, Executive Director and Non-Executive Directors and Chairman), is done at the Nomination and Remuneration Committee meeting and the Board meeting by all the Board members, excluding the Director being evaluated on the basis of criteria, such as contribution at the meetings, strategic perspective or inputs regarding the growth and performance of your Company, among others. Following the meetings of Independent Directors and of Nomination and Remuneration Committee, the Board at its meeting discussed the performance of the Board, as a whole, its Committees and Individual Directors.

Familiarization program for independent directors

All new independent directors inducted into the Board attend an orientation program. The details of the training and familiarization program are provided in the Corporate governance report. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities.

Business Responsibility Report

As per regulation 34(2)(f) of the Listing Regulations, a separate section on Business Responsibility Report, describing the initiatives taken by your Company from environmental, social and governance perspective, forms an integral part of this Annual Report.

All the recommendations made by the Audit Committee, during the year, were accepted by the Board of Directors of your Company.

Management Discussion and Analysis Report

As required by Regulation 34 read with Para B of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations, 2015}, a detailed 'Management Discussion and Analysis Report' (MDA) is attached in a separate section forming part of the Annual Report.

Research and Development (R&D)

The R&D projects portfolio is focused on improving the relative market position of your Company's businesses in the face of increasingly volatile and competitive business environment. The focus is on developing and commercialising premium differentiated products, improving our competitive cost position, product quality and environmental sustainability. To support these goals, the businesses are managing a pipeline of projects that are addressing near and mid-term needs, as well as the exploration of future opportunities.

Corporate Social Responsibility

India Pesticides Limited (IPL) as a corporate is committed to uphold its social responsibility with reverberating belief 'Care the World with Care'. Our aim is to uplift standard of environment for society within & outside the organization, while preserving company's profitability. Corporate Social Responsibility ("CSR") at India Pesticides Limited ("Company") portrays the synergetic connection between the Company and the community in which it operates. The objective is bringing about a difference and adding value in the area where there is a need of support for development in our society.

The projects undertaken by the Company are within the broad framework of Schedule VII of the Companies Act, 2013. In line with the same the Company in addition to all other activities is spending a major portion on identified projects such as: i.e.

- **Shuchita**- Focus Areas: Rural Development and Health Care etc. Purpose: Waste Management initiative to enhance overall health & hygiene
- **Unnati**- Focus Areas: Rural Development and Education etc. Purpose: Augmenting rural lives near company's manufacturing locations; and
- **Oorjarakshan**- Flora, Fauna and Energy and Environment etc. Purpose: Transition to Non-Conventional Energy

During the year under review, your Company was required to spend ₹ 22.50 Millons towards CSR Activities in terms of the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, during the Financial Year 2021-22. Your Company has spent ₹ 3.51 Millions towards CSR Activities. The Company shall be spending a major portion on identified projects i.e. Shuchita, Unnati and Oorjarakshan that are related to CSR activities i.e. Health care, Education, Rural Development, Sports and Environment which have already been approved by the Committee. The unspent amount of ₹ 18.99 Millions in the amount of CSR spending is attributable to ongoing projects which will be completed by the Company in due course and the same had been duly transferred to the Unspent CSR Account on April 30, 2022. However, during the reporting year, CSR spent from unspent CSR account was Rs. 7.55 million in the financial Year 2021-22.

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

Corporate Governance Report

Your Directors re-affirm their continued commitment to the best practices of Corporate Governance. Corporate Governance principles form an integral part of the core values of your Company. Your Company was compliant with the provisions relating to Corporate Governance. The Corporate Governance Report for the year under review, as stipulated under regulation 34 of the Listing Regulations, is presented in a separate section, and forms an integral part of this Report. A certificate from the Auditors on its compliance is given in **Annexure 4** to this Report.

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

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

A) Conservation of energy:

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Power and Fuel Consumption		
1. Electricity		
Purchased Units (kwh)	36032436.96 Units	28439392.94 Units
Total Amount (in ₹)	294818767.61	247802576.26
Unit Rate (in ₹)	**8.18**	**8.71**
2. Own Generation (on Diesel)		
Units Generated	1332000.00 Units	1709148.40 Units
Total Amount (₹)	32171313.61	35067057.13
Unit Cost (₹)	**24.15**	**20.52**

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

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

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

Company is exploring possibility of roof top Solar Energy System.

(B) Technology absorption:

i. The efforts made towards technology absorption:

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

ii. The benefits derived:

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

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

iv. The expenditure incurred on Research and Development: ₹ 22.31 Million.

(C) Foreign exchange earnings and Outgo:

a. Foreign Exchange earned in terms of actual inflows during the year: ₹ 2638.31Million; and

b. Foreign Exchange outgo during the year in terms of actual outflows: ₹ 1563.04 Million.

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

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

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up to redress

complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2021-22.

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

Application made or any Proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016)

There is no such application made or proceedings pending during the year under review.

Difference between amount of the Valuation done at the time of One Time Settlement and the valuation done while taking loan from the Banks or Financial Institutions

There is no such valuation done during the year under review.

Particulars of employees

The Company had 800 permanent employees as on March 31, 2022. The percentage increase in remuneration, ratio of remuneration of each director and key managerial personnel (KMP) (as required under the Companies Act, 2013) to the median of employees' remuneration, and the list of top 10 employees in terms of remuneration drawn, as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, form part of **Annexure 5** to this Board's report.

Insurance

The Company continues to carry adequate insurance cover for all its assets against foreseeable perils like fire, flood, earthquake, etc. and continues to maintain the Liability Policy as per the provisions of the Public Liability Insurance Act.

Credit Ratings

During the year under review, the Company had a short-term credit rating of CARE A1+ and a long-term rating of CARE A+/ Stable by CARE Ratings Limited for bank loan facilities aggregating to ₹ 105 crore.

Listing of Shares and Depository System

The Company's equity shares are listed on the BSE Ltd. and the National Stock Exchange of India Ltd. The Company's equity shares are being traded in 'demat' form since July 05, 2021.

Vigil Mechanism:

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

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

Annual Return

The Annual Return as provided under Section 92 of the Act is available on the website of the Company at https://www.indiapesticideslimited.com

Acknowledgement

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

By the order of the Board

For India Pesticides Limited

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

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

Date: 28.05.2022
Place: Lucknow

Annexure -1

FORM AOC-1

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

Part "A": Subsidiaries

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

S. No.	Particulars	Subsidiary
1.	Name of the subsidiary	Shalvis Specialities Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not Applicable
4.	Share capital	31,000,000/-
5.	Reserves & surplus	(4,546,395)/-
6.	Total assets	116,294,103/-
7..	Total Liabilities	116,294,103/-
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit before taxation	(4,989,312)/-
11.	Provision for taxation	(660,064)
12.	Profit after taxation	(4,329,248)/-
13.	Proposed Dividend	Nil
14.	% of shareholding	100 %

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

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

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

Annexure -2

SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31STMARCH, 2022

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

To
The Members,
India Pesticides Limited
35-A Civil Lines, Bareilly -243001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **INDIA PESTICIDES LIMITED (CIN: L24112UP1984PLC006894)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the year ended on 31stMarch, 2022, 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 31stMarch, 2022 according to the provisions of:

I.

- The Companies Act, 2013 (the Act) and the rules made thereunder.
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder.
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;

  b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time;

  e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 (**Not applicable to the company during the audit period**);

  f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the company during the audit period**);

  g) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

  h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the company during the audit period**);

  i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the company during the audit period**); and

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, etc. as amended from time to time, mentioned above.

II.

- Insecticides Act, 1968
- Industrial Employment Standing Order Act, 1946
- Industrial Disputes Act, 1947
- Payment of Wages Act, 1936
- Minimum Wages Act, 1948
- Payment of Bonus Act, 1965

- Factories Act, 1948
- Workmen's Compensation Act, 1923
- Employees' State Insurance Act, 1947
- Employees' Provident Fund & Miscellaneous Provisions Act, 1952
- Payment of Gratuity Act, 1972
- The Boilers Act, 1923
- The Standards of Weight & Measurement Act, 1985
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Goods and Services Tax Act, 2017
- The Pesticides Management Bill, 2020
- Drugs and Cosmetics Act, 1940
- The Petroleum Act, 1934
- The Explosives Act, 1884
- The Environment Protection Act, 1986
- Air (Prevention and Control of Pollution) Act, 1981
- The Water (Prevention and Control of Pollution) Act, 1974
- Hazardous and Other Wastes (Management and Transboundary Movement) Rules,2016
- The Public Liability Insurance Act, 1991
- Manufacture, Storage and Import of Hazardous Chemical Rules, 1989
- Uttar Pradesh Shops and Commercial Establishments Act, 1962
- The Foreign Trade (Regulation and Development) Act, 1992
- Consumer Protection Act, 2019
- The Bureau of Indian Standards Act, 2016
- The Legal Metrology Act, 2009
- Intellectual Property Laws
- The Equal Remuneration Act, 1976
- The Child Labour (Protection Regulation) Act, 1986
- The Maternity Benefit Act, 1961
- The Apprentices Act, 1961
- The Interstate Migrant Workmen Act, 1979
- The Trade Unions Act, 1926
- Indian Stamp Act, 1899
- Income Tax Act, 1961
- Occupational Safety, Health and Working Conditions Code, 2020
- The Code on Social Security, 2020
- Contract Labour (Regulation and Abolition) Act, 1970

During the year under review the Company has filed periodical returns and has not received any show cause notice and has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as amended from time to time, mentioned above.

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

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

a. Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Central Government.

b. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that:

- M/s Ashok K Agarwal& Associates, Chartered Accountants (Firm Registration No. 015816C), has been appointed as the Internal Auditors of the Company for the Financial year 2021-22 at Board Meeting held on 25thMay, 2021.
- The Company rolled out an Initial Public Offering ("IPO") during the Audit Period, and has filed Red Herring Prospectus (RHP) on 16.06.2021 and Prospectus on 28.06.2021 with SEBI for its IPO. The offer was opened on June 23, 2021, and closed on June 25, 2021.
- The Company offered 2,70,27,026 equity shares comprised of fresh issue of 33,78,378 and an offer for sale of 2,36,48,648 equity shares of face value ₹ 1 per equity share at offer price of ₹ 296 per equity shares. The equity shares of the Company were fully subscribed and listed on National Stock Exchange of India Limited and BSE Limited on July 05, 2021.

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

For **GSK & Associates**
(Company Secretaries)
FRN: P2014UP036000

Khushboo Gupta
Partner
(M. No.: F7243)
(CP No.: 7886)

Date:28.05.2022
Place: Kanpur
UDIN: F007243D000416322
PR No: 2072/2022

Annexure 3

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

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

i. Health care: supporting various medical initiatives aiming at reducing mortality rate of children, regular health checkups for poor including children in schools of neighbouring regions, promoting preventive health care, etc.

ii. Skill Development and Women Empowerment and vocational training programmes for differently abled persons.

iii. Promoting Education.

iv. Promoting Sports through various events.

v. Good Agricultural Practices.

vi. Model Village/Habitation Development- Co Community Development.

vii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the weaker sections of the society and women.

viii. Rural Development Projects.

ix. Protection of flora and fauna.

2. The composition of the CSR Committee:

S. No.	Name Of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Mohan Vasant Tanksale	Independent Director	2	2
2.	Mr. Anand Swarup Agarwal	Non-Executive Director	2	2
3.	Mr. Rajendra Singh Sharma	Wholetime Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: https://www.indiapesticideslimited.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). **NA**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **NA**

S. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	-	-	-
2.	-	-	-
3.	-	-	-

6. Average net profit of the Company as per section 135(5): **₹ 1125.13 Millions.**

7. (a) Two percent of average net profit of the company as per section 135(5): **₹ 22.50 Millions.**

   (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years.: **NIL**

   (c) Amount required to be set off for the financial year, if any: **NIL**

   (d) Total CSR obligation for the financial year (7a+7b-7c) : **₹ 22.50 Millions**

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date	Name of the fund	Amount	Date of transfer
₹ 3.51 Millions	₹ 18.99 Millions	30.04.2021	-	-	-

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (inRs).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency
				State	District						
1)	Health Care	Clause I of Schedule VII	Yes	U.P.	Lucknow/ Hardoi	Multi Year	11500000	2364365	4292180	Yes	Directly
2)	Education	Clause II of Schedule VII	Yes	U.P.	Lucknow/ Hardoi	Multi Year	7700000	708447	2871825	Yes	Directly
3)	Rural Development	Clause X of Schedule VII	Yes	U.P.	Lucknow/ Hardoi	Multi Year	7400000	435942	4264058	Yes	Directly
4)	Sports	Clause VII of Schedule VII	Yes	U.P.	Lucknow/ Hardoi	Multi Year	7500000	0.00	2500000	Yes	Directly
5)	Environment	Clause IV of Schedule VII	Yes	U.P.	Lucknow/ Hardoi	Multi Year	6000000	0.00	5065871	Yes	Directly
TOTAL							**40100000.00**	**3508754.00**	**18993934.00**		

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes No	Mode of implementation - Through implementing agency:	
				State	District			Name	CSR registration number
1)									

(d) Amount spent in Administrative Overheads: Not Applicable

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 3.51 Millions

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

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

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

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	18-19	0	0				
2.	19-20	0	0				
3.	20-21	3,10,37,351.00	75,48,149.00				2,34,89,202.00
	TOTAL	**3,10,37,351.00**	**75,48,149.00**				**2,34,89,202.00**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Report for FY: 2019-20

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

Report for FY: 2020-21

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year. (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project Completed / Ongoing
1	1	Health Care	In Continuation	In Continuation	11249000.00	6279107.00	4969893.00	On Going Project
2	2	Education	In Continuation	In Continuation	7500000.00	634764.00	6865236.00	On Going Project
3	3	Rural Development	In Continuation	In Continuation	7200000.00	204149.00	6995851.00	On Going Project
4	4	Sports	In Continuation	In Continuation	7500000.00	300000.00	7200000.00	On Going Project
5	5	Environmental	In Continuation	In Continuation	5065871.00	59500.00	5006371.00	On Going Project
TOTAL					**38514871.00**	**7477520.00**	**31037351.00**	

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

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

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

for and behalf of the Board of the Company

Anand Swarup Agarwal
(Chairman of the Company)

Annexure 4

Certificate on Corporate Governance

To
The Members of
India Pesticides Limited
35-A Civil Lines,
Bareilly - 243001

1. We have examined the compliance of conditions of Corporate Governance by India Pesticides Limited ('the Company'), for the year ended 31st March 2022, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Auditor's Responsibility

3. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31st March, 2022.

   We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Restrictions on use

6. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **GSK & Associates**
(Company Secretaries)
FRN: P2014UP036000

Khushboo Gupta
Partner
(M. No.: F7243)
(C.P. No.: 7886)
UDIN: F007243D000416542
PR No: 2072/2022

Date: 28.05.2022
Place: Kanpur

Annexure 5

Annexure to the Report of Board of Directors Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I. A) Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2021-22.

S. No.	Name of Director(s)/KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees
1.	Mr. Rajendra Singh Sharma	Whole-time Director	2.59

B) Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year 2021-22:

S. No.	Name of the Director / CFO / CEO / CS	Designation	Percentage(%) increase in Remuneration
1	Mr. Rajendra Singh Sharma	Wholetime Director	10
2.	Mr. Dheeraj Kumar Jain	Chief Executive Officer	24.67
3.	Mr. Satya Prakash Gupta	Chief Financial Officer	68.94
4.	Mr. Ajeet Pandey	Company Secretary & Compliance Officer	41.36

- The percentage increase in the median remuneration of Employees for the financial year was 10 %.
- The Company has 800 permanent Employees on the rolls of Company as on 31st March 2022.
- Average increase made in the salaries of employees other than the managerial personnel in the financial year was 10%.
- It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

II. Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

- Details of employee Employed throughout the financial year was in receipt of remuneration for that year which in the aggregate, was not less than One Crore and Two lakh rupees: NIL.
- Details of employees Employed for a part of the financial year who were in receipt of remuneration for any part of that year at a rate which, in the aggregate, was not less than Eight Lakhs and Fifty Thousand rupees per month: NIL.

Note:

a) The above list does not include Non-Executive Directors who were paid only sitting fee for attending the meetings of the Board/ Committees at the fees of ₹ 100000 and ₹ 50,000/- per meeting respectively. Therefore, their median of remuneration being not applicable and hence not given. The remuneration of Non-Executive Directors, details of which are provided in the Corporate Governance Report and is governed by the Nomination & Remuneration Policy, as detailed in the said Report. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.

For **India Pesticides Limited**

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

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

Date: 28.05.2022
Place: Lucknow

Business Responsibility Report

(As per Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identification Number (CIN) of the Company	L24112UP1984PLC006894
2.	Name of the Company	India Pesticides Limited.
3.	Address of the registered office	35-A Civil Lines, Bareilly, Uttar Pradesh
4.	Website	www.indiapesticideslimited.com
5.	E-mail id	investor@indiapesticideslimited.com
6.	Financial year reported	2021-22
7.	Name to Stock Exchange(s) where shares are listed	1. BSE India Limited 2. National Stock Exchange of India Limited Listed with effect from July 05, 2021
8.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturing of Pesticides (NIC Code:- 2021)
9.	Three key products / services that the Company manufactures / provides (as in Balance Sheet)	• Fungicide • Herbicide • Insecticide
10.	Total number of locations where business activity is undertaken by the Company	
	i. Number of international locations	Not applicable
	ii. Number of national locations	• No. Unit and Address • Unit 1 : Plot No: E-17 To E-23, G-31 To G-35, UPSIDC Industrial Area, Dewa Road, Chinhat, Lucknow. Uttar Pradesh, India • Unit 2 Plot No: K-6 To K-10, D-2 To D-4, UPSIDC Industrial Area, Village: Mahsona, Tehsil: Sandila, Uttar Pradesh, India. • Registered Office: 35-A Civil Lines Bareilly Uttar Pradesh UP 243001 • Corporate Office:- Water Works Road Swarup Cold Storage Compound, Aishbagh Lucknow 226004 UP • we have a network of over 20 sales depot consisting of branches, carrying and forwarding agents, and warehouses spread across 15 states in India and our distribution network comprised various dealers and distribution partners across India.
11.	Markets served by the Company – Local / State / National / International	• National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up capital	₹ 115.16 (Million)
2.	Total turnover	₹ 7161.43 (million)
3.	Total profit after taxes	₹ 1583.85 (Million)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of average net profits (%)	During the reporting year, CSR spent from unspent CSR account was Rs. 7.55 million in the financial Year 2021-22. And from current year profit the CSR obligation for the financial year 2021-22 is ₹ 22.50 million out of which the total spent amount is ₹ 3.51 million.
5.	List of activities on which expenditure in 4 above has been incurred	List of CSR activities are detailed in the Annual Report of CSR Activities, Annexure- to the Board's Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company / Companies?

Yes, as on March 31, 2022, the Company had one subsidiary company:-

- Shalvis Specialities Limited ("SSL") (a wholly-owned subsidiary of the Company)

2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

The subsidiary company is not participating in the BR initiatives of the Company as a newly incorporated company and is yet to start business activities.

3. Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with participating in the BR Initiatives of the Company? If yes, then indicate the number of such subsidiary company(s)

Not currently, as the Shalvis Specialities Limited ("SSL") is a newly incorporated company which was incorporated on 18.01.2021. Further updated details of SSL are as under:-

- 25 acres of land acquired in Hamirpur for a new manufacturing plant,
- Land registration completed in October 2021,
- Plant to likely commence operations in FY23-24,
- All CAPEX likely to be funded internally,
- Environment Clearance applied and TOR received.

SECTION D: BR INFORMATION

1. Details of Director/ Directors responsible for BR

i. Details of the Director / Directors responsible for the implementation of the BR policy / policies

a.	DIN	02487797
b.	Name	Mr. Rajendra Singh Sharma
c.	Designation	Whole-time Director

ii. Details of BR head

a.	DIN	02487797
b.	Name	Mr. Rajendra Singh Sharma
c.	Designation	Whole-time Director
d.	Telephone number	91(522) 2653602, 4005719
e.	E-mail id	investor@indiapesticideslimited.com

2. Principle-wise (as per National Voluntary Guidelines) BR policy/policies

	PRINCIPLES	REFERENCE POLICIES of IPL
P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	• Business Ethics Policy, • Vigil Mechanism & Whistleblower Policy, • Code of Conduct for Board Members and Senior Management Personnel, • Code of Practices for Fair Disclosure of UPSI, • Policy on Action due to Dishonest Act • Action on Violation of CoC Matrix
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	• Corporate Environmental Policy • Sustainable Procurement Policy
P3	Businesses should promote the wellbeing of all employees.	• Work Ambience Policy, • QHSE (Quality Health, Safety Environment) Policies & Procedures – IPL's Incident Reporting System and On Site & Off Site Emergency Action Plan • HR Policies

	PRINCIPLES	REFERENCE POLICIES of IPL
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	• CSR Policy, • Work Ambience Policy, • Anti-Sexual Harassment Policy,
P5	Businesses should respect and promote human rights.	• QHSE (Quality Health, Safety Environment) Policies & Procedures – IPL's Incident Reporting System and On Site & Off Site Emergency Action Plan • Corporate Environmental Policy
P6	Business should respect, protect, and make efforts to restore the environment.	• QHSE (Quality Health, Safety Environment) Policies & Procedures – IPL's Incident Reporting System and On Site & Off Site Emergency Action Plan • Corporate Environmental Policy
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	• CSR Policy, • QHSE (Quality Health, Safety Environment) Policies & Procedures – IPL's Incident Reporting System and On Site & Off Site Emergency Action Plan • Corporate Environmental Policy
P8	Businesses should support inclusive growth and equitable development.	• CSR Policy
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.	• Sustainable Procurement Policy • Corporate Environmental Policy

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for#....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by the MD / owner / CEO / appropriate Board Director?*	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?*	All policies are shared directly with respective stakeholders. Some of our policies are available at https://www.indiapesticideslimited.com/InvestorRelations.php								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency? ^	N	N	N	N	N	N	N	N	N

Notes:

Principles related to BR as per National Voluntary Guidelines: The National Voluntary Guidelines on economic, environmental and social responsibilities of businesses released by the MCA has adopted nine principles related to BRR. Our Company has policies and systems as discussed below enumerating these principles.

#IPL has the following policies covering the nine principles: Code of Business Conduct and Ethics for Directors and Senior Management, Code of Conduct for business, Vigil Mechanism / Whistle-Blower Policy, Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their immediate relatives, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, POSH Policy, Quality Policy, Environment Policy, Human Resource Policies, Suppliers / Vendor Code and Corporate Social Responsibility (CSR) Policy, Policy on Action due to Dishhonest Act,

Risk Management Policy and Sustainable Procurement policy.

* Policies relating to respective principles are approved by respective functional heads.

^ As a part of the internal audit, implementation of the vigil mechanism is reviewed from time to time. Other policies are reviewed by respective functional heads themselves, from time to time.

If the answer to S.No. 1 against any principle, is 'No', please explain why:

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	N.A.								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to Business Responsibility

i. **Indicate the frequency with which the Board of Directors, Committees of the Board or CEO to assess the BR performance of the Company.**

Chairman and / or CEO of the Company review the BR performance and related issues. The Board of Directors review relevant BR issues and assess BR performance of the Company annually.

ii. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Business Responsibility Report can be viewed as part of Annual Report and is available online at https://www.indiapesticideslimited.com/InvestorRelations.php

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

Yes, the Company considers Corporate Governance as an integral part of management and places great emphasis on ethics and transparency. The Company is committed to maintain the highest standards of ethics and is backed by informed independent Board and Senior Management. These values are embedded in Company's core and have stood test of time since inception. The Company has a Business Ethics Policy and Code of Conduct that is approved by the Board of Directors and is applicable to all Directors and Senior Management Personnel. Additionally, certain business units also have their own Code of Conduct that reflect the needs and demands of their area of work and are applicable to all employees. Further, the Company has documented Editorial Code covering aspects like independent / unbiased reporting and robust Vigil Mechanism / Whistle-Blower Policy.

The Company also has a Policy on action due to Dishonest Act approved by the Board and documented Supplier / Vendor Code of Conduct applicable to suppliers and follows zero tolerance on any acts of bribery, corruption etc. by such agencies during their dealings with the Company and or with any of its employees.

The above policies apply only to India Pesticides Limited and do not extend to subsidiaries.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

The Company has not received any complaints from any stakeholders relating to ethics, bribery and corruption during the Financial Year 2021-22. However, During the year, 2331 IPO-related complaints were received from shareholders, of which all (i.e. 100%) complaints were resolved as on March 31, 2022.

Complaints from other stakeholders like suppliers and contractors are forwarded to the respective Department Heads and addressed on a case-to-case basis. No complaints were received under the Vigil Mechanism during the year.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

None of the Technicals manufactured at IPL are in "red triangle" category and we emphasize during product choice that toxic are not high level. All IPL's plants initiate commercial production of all products only after successful piloting of in-house built technology. R&D and the Project Team constantly work in collaboration to bring out efficient ways of production

by keeping Safety of employees, environment and the society where we operate. Thus, IPL has made the sustainability as an integral part of technology design to manufacture products.

We manufacture products with quality standards matching customers' needs. Few of IPL's sustainable products are:

- Fungicide
- Herbicide
- Insecticide

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)**

The Company has undertaken several initiatives for managing the amount of energy and water used in operations. Details of these initiatives have been provided under Principle 6.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes. IPL advocates Ethically driven, Quality centered and Socially focused supply chain through its sustainability procurement policy. Efficient demand forecasting from the market enables us to conduct careful purchase of raw materials. IPL believes that the best treatment for waste is its prevention and our approach through 5Rs – Reduce, Reuse, Repair, Recycle and Recover helps us to be systematic to control waste.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company uses a mix of local and global suppliers for its raw material requirement. The Company has developed trusted relationship with local vendors and works with them to develop quality product that meets its as well as industry needs, thereby enabling local vendors to grow their business. Also, the Company works with local businesses to generate productive local employment by hiring talent from nearby locations to meet requirements for services like waste handling, housekeeping, logistics, machine and other business operations.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)**

The company understands that natural resources are limited and therefore should be optimally utilized. In order to efficiently utilize the limited resources, the company has deployed operational control measures to control the wastage and set wastage norms for each plant. Plant wise actual wastage is closely monitored to ensure that wastage is within permissible limits. Also, the company has set up ETP (Effluent Treatment Plant) for treating and reusing waste water for non-potable uses like gardening, cleaning, in flush system etc. Ro systems at the site help to reuse of water back in process and for drinking purposes. Installed spy drier system keeps our manufacturing unit as ZLD-Zero Liquid Discharge, which is inspected by expert from the renowned institution

Principle 3: Businesses should promote the wellbeing of all employees

IPL family comprises of talented and inspired professionals who contribute towards Company's vision and success. The success of Company's business, quality of work and brand perception by customers wholly rests on the ability and commitment of its employees. Further, the Company attempts to provide safe, fair and discrimination free work environment.

1.	Total number of employees	800
2.	Total number of employees hired on temporary/contractual/ casual basis (Retainers)	1084
3.	Number of permanent women employees	05
4.	Number of permanent employees with disabilities	00
5.	Do you have an employee association that is recognized by management?	No
6.	Percentage of your permanent employees is members of this recognized employee association?	-

7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

#	Category	Number of complaints filed during FY	Number of complaints pending as on end of FY
i.	Child labour / forced labour / involuntary labour	Nil	Nil
ii.	Sexual harassment	Nil	Nil
iii.	Discriminatory employment	Nil	Nil

8. Percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
The Company recognizes the importance of trainings and organizes various training sessions to facilitate skill upgradation of employees. The Company also conducts fire and safety training and mock drills periodically.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders? Yes / No

   Yes, the company has mapped its internal and external stakeholders, the major/ key categories include:

   - Society
   - Distribution agencies
   - Vendors / Suppliers / Contractors
   - Employees (including content producers)
   - Community organizations / NGOs
   - Government and regulatory authorities
   - Investors and banks

   IPL's brand is defined by the trust that our stakeholders place in us every day, be it the customer or business partners or the communities that the company works in.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

   The Company has identified disadvantaged, vulnerable & marginalized stakeholders and through its CSR initiatives is focussing on children and women issues.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

   The Company undertakes several initiatives for engaging with the disadvantaged, vulnerable and marginalized sections of society. Some of the initiatives undertaken by the Company are detailed in Principle 2 and details of CSR initiatives is provided under Principle 8. For further detail on CSR Expenditure, you may also refer the Board's Report, forming part of this Annual Report. These campaigns are taken at a large scale and allow IPL to mobilise thousands of stakeholders and make a meaningful impact on the ground.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

   The Company adheres to highest level ethical practices as articulated by its Code of Conduct. The Company values contribution of each stakeholder and provides thriving work environment to employees to work together and succeed. The Company has policies relating to Human Resources and Prevention of Sexual Harassment (POSH), which promote a free, fair and discrimination free working environment for employees and provide a mechanism for raising concerns and resolution of disputes.

   The above policies apply to IPL. The Company has in place a Supplier / Vendor Code. Company's subsidiaries have their own policies.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   There were no complaints reported on violation of any human rights during the financial year.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others

   The Company understands the need of protecting the environment and optimal use of natural resources. The Company's Environment policy outlines its commitment towards running the operations in line with the applicable environmental laws and optimal utilization of natural resources.

   Though the policy, currently, does not apply to external stakeholders including suppliers, contractors, NGOs etc., the Company follows zero tolerance on any hazardous activities by such agencies and encourages them to positively work towards creating a better environment.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Yes / No. If yes, please give hyperlink for webpage etc.

   Yes, the Company has been working on climate change issues by improving its process efficiency and taking initiatives in energy efficiency. For instance, the Company started using 'Vio-Green Plate Technology' (waterless chemistry) to save water, installed water harvesting structures at locations, installed star rated energy efficient air conditioners, installed LED lights to save energy cost https://www.indiapesticideslimited.com/ESG-profile.php

3. Does the Company identify and assess potential environmental risks? Yes / No

   Yes, the Company follows zero tolerance on any hazardous activities by such agencies and encourages them to positively work towards creating a better environment. R&D at core supports continuous product development and innovation.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

   Yes, the Company constantly endeavors in improving its environmental performance / GHG reduction for its existing & new products by optimizing the process parameters and also monitoring emissions. State pollution control Board has

provided good ratings to our production units after survey.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Yes / No. If yes, please give hyperlink for web page etc.**

   Yes, the Company has taken several initiatives across operations in areas related to energy efficiency, emissions management and water management.

   - "India Pesticides manufacturing facilities include effluent treatment plants, which treats our industrial waste water and recycles it for reuse or for safe disposal to the environment" Waste Water Safe Discharge.
   - "India Pesticides manufacturing processes contribute towards reducing raw material consumption, solvent consumption and water consumption resulting in reduced effluent and solid hazardous waste. Solid hazardous wastes are sent to a common hazardous waste treatment and disposal facility" Waste Reduction Initiatives
   - "The steps taken by the company for utilizing alternate sources of energy: Company is exploring possibility of roof top Solar Energy System" Energy Efficiency Initiatives
   - "India Pesticides checks the raw material properties and process conditions of each of the alternatives and selects the relatively safer option in terms of raw material and process condition." Material Usage Initiatives. The detailed information is available on website of the Company and link is https://www.indiapesticideslimited.com/ESG-profile.php.

6. **Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

   Yes, the emissions and waste generated are within permissible limits given by CPCB / SPCB and also followed stringently as per the CPCB and SPCB Norms.

7. **Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

   Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

IPL engages with industry associations in responsible manner for advocating public and regulatory policies towards the advancement of the industry and public good.

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.**

   Yes, the Company is a member, inter-alia, of:

   - Basic Chemicals, Cosmetics & Dyes Export Promotion Council popularly known as CHEMEXCIL.
   - Pesticides Manufacturers & Formulators Association of India (PMFAI)
   - Crop Care Federation of India (CCFI)
   - Chamber of Commerce and Industry (CCI)
   - The Associated Chambers of Commerce & Industry of India (ASSOCHAM)

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The Company has been active in various business associations and has made representations from time to time in the interest of industry and its stakeholders.

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

   The Company has a Corporate Social Responsibility (CSR) Policy for betterment of society including marginalized. The CSR policy is overseen by the Corporate Social Responsibility (CSR) Committee and the Company undertakes activities that are aligned with the Companies Act. Meljol, a implement Agency which is also supported by the Company in imparting CSR Projects with various other organisations and works across a diverse spectrum spanning across sustainable livelihood, hygiene and sanitation, health, education and gender.

2. **Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?**

   As a socially responsible corporate citizen, IPL has been persistently exploring novel opportunities and possibilities in the form of sustainable programs or projects for its CSR activities in order to create larger social impact and positive changes in the lives of community, keeping in line with CSR activities i.e. Health care, Education, Rural Development, Sports and Environment which have already been approved by the Committee in the previous meeting. For the financial year 2021-22, the Company chose to spend its CSR funds towards major portion on identified projects i.e. Shuchita, Unnati and

Oorjarakshan that are related to CSR activities i.e. Health care, Education, Rural Development, Sports and Environment.

3. **Have you done any impact assessment of your initiative?**

The Company has not conducted impact assessment of its Corporate Social Responsibility projects.

4. **What is your Company's direct contribution to community development projects - Amount in Rs. and the details of the projects undertaken?**

The Board, upon the recommendation of the Corporate Social Responsibility Committee, allocated an amount of up to ₹ 401 Lakhs towards major portion on identified projects i.e. Shuchita, Unnati and Oorjarakshan that are related to CSR activities i.e. Health care, Education, Rural Development, Sports and Environment, including public outreach campaigns on COVID-19 awareness and / or vaccination, as against the statutory obligation of ₹ 688 Lakhs as per the provisions of Section 135 of the Companies Act, 2013.

For the financial year 2020-21, the Company has spent 26.24 Lakhs as CSR Expenditure. As per the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the Corporate Social Responsibility Policy of the Company, the Company has transferred the remaining amount to the Unspent Corporate Social Responsibility Account, and the interest due thereon will also be utliused for the purpose of CSR.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

While planning community development initiatives, the Company engages with the community to understand its needs. Initiatives are planned to address the needs and expectations of the community. This ensures successful adoption of initiatives to the extent possible. During the year IPL have adopted 2 Villeage i.e. Som nagar and murar nagar at sandila district hardoi Uttar pradesh through its CSR initiative.

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

1. **What percentage of customer complaints / consumer cases are pending as on the end of financial year.**

There are no material customer cases / complaints outstanding as on the end of FY 2021-22.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)**

Not applicable as the industry is not governed by any regulations with respect to product labelling.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year?**

There was no case pertaining to an allegation of unfair trade practice.

There is no other case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year.

4. **Did your Company carry out any consumer survey / consumer satisfaction trends?**

Given the nature of business and the direct connect we have with our readers, the Company carries out periodic surveys to stay on their pulse. The objective is to understand their needs and ascertain the gaps. We also participate in readership and brand related surveys carried out by independent agencies.

For our digital platforms, we seek real time feedback from users visiting our webpages through pop-up forms to take inputs on their user experience.

For our clients, we customize our solutions based on their needs. Feedback on our services and their experience with us is collected during and at the end of our engagement with them.

Report on Corporate Governance

The Board of Directors ("the Board") of India Pesticides Limited ("IPL"/"the Company") present the Company's Report on Corporate Governance for the year ended March 31, 2022 in terms of Regulation 34(3) read with Schedule V to the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company believes in sustainable & effective corporate governance. The company always focuses toward continuous performance improvement at all levels by adhering to practices of corporate governance, such as managing its affairs with responsibility, accountability, diligence and transparency. We have therefore deliberated policies, processes, procedures and plans to enhance performance and stakeholders' value in the long run.

The Company's visionary founder and promoter Mr. Anand Swarup Agarwal established a culture which ensures that all its activities are for the mutual benefit of the Company and stakeholders comprising customers, regulators, employees, shareholders and the community at large.

The Company has adopted practices to sustain the culture of good governance that comprise of fair representation of professionally qualified Directors on the Board, disclosure of information on performance, constitution of Board Committees as a part of the internal control system, adequate and timely compliance, payment of statutory dues, ownership, governance and accountability at all levels, and overall effective management control.

The organisational and governance structure enables an environment for value creation through sustainable and profitable growth. The governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibilities.

Governance structure of the Company comprises of the Board of Directors at the top level and the internal governance structure at the operational level. The Chairman and Chief Executive Officer are in overall control and responsible for the working of the Company, gives strategic directions, lays down the policy guidelines and ensures the implementation of the decisions of the Board and its committees. The primary role of the Board is to protect the interest and enhance the value for all the stakeholders. It conducts the overall strategic supervision and control by setting policies, reporting mechanism and accountability and decision making process to be followed.

Executives of the Company, one level below the Board, on quarterly basis reviews certain parameters such as health of the organization, regulatory management, risks management strategy, HSE (Health, Safety& Environment), succession planning and leadership development. Apart from reviews, Executives and leaders discuss the most important business issues and challenges and takes decisions within the framework of the Board.

The Company has fortified itself from any unwanted incidents through effective Vigil Mechanism & Whistle Blower Procedure, Anti-Bribery and Anti-Corruption Policy, Risk Management Policy, Anti Sexual Harassment Policy. Employees of the Company are free to report violations of any laws, rules, regulations and concerns about unethical conduct under this policy in good faith. All these policies ensure that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination with any person for a genuinely raised concern

2. BOARD OF DIRECTORS:

The Board of Directors comprises Six (6) Directors, three (3) of whom are Independent Directors out of which 1 (One) is an Independent Woman Director, Two (2) are Non-Executive Non-Independent and 1 (one) Executive Director more than 50 % Non- Executive of the total strength of the Board. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 and 152 of the Act.

As the Chairman of the Board is a Non-Executive Director, the provisions of Regulation 17(1)(b) of the Listing Regulations stipulate that if the Chairperson of a Company is a Non-Executive Director, at least one third of the Board should consist of Independent Directors, have been complied with. In the opinion of the Board, the Independent Directors of the Company fulfill the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 ("the Act") read with the Rules made thereunder and Schedule IV thereto and also Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

The Board comprises Directors of repute, who are experienced business persons, professionals, and executives. The Executive Directors command respect in the industry for their valuable experience and contribution. They look after the areas of responsibilities independently and seek directions/ guidance from the Chairman on all important matters. IPL's management team endeavors to adhere to the directions of the Board.

In line with the Nomination, Remuneration Policy of the Company, the Directors are identified based on their qualifications, positive attributes, area of expertise, etc.

3. COMPOSITION OF BOARD OF DIRECTORS AND PARTICULARS THEREOF:

3.1 The composition of the Company's Board and other requisite details, which is in conformity with Regulation 17 of the Listing Regulations and other applicable requirements, and other requisite details are given in the table below:

S. No.	Name of the Director	Category of Director	Relationship with other Directors	Shareholding in the Company as at March 31, 2022 (in Number and Percentage)
1.	Mr. Anand Swarup Agarwal	Promoter, Non Executive, Non-Independent Director and Chairman	-	35283092 30.64%
2.	Mr. Rajendra Singh Sharma	Executive / Non-Independent Whole-time Director	-	Nil
3.	Mr. Mohan Vasant Tanksale	Non-Executive / Independent Director	-	Nil
4.	Mr. Adesh Kumar Gupta	Non-Executive / Independent Director	-	Nil
5.	Dr. Madhu Dikshit	Non-Executive / Independent Director	-	Nil
6.	Mr. Rahul Arun Bagaria	Non-Executive / Non-Independent Director	-	Nil

3.2 Attendance of Directors at Board Meetings and Annual General Meeting (AGM):

S. No.	Name of the Director	No. of Board Meetings attended during financial year 2021-22	Whether attended last AGM held on May 31, 2021
1.	Mr. Anand Swarup Agarwal	6	Yes
2.	Mr. Rajendra Singh Sharma	6	Yes
3.	Mr. Mohan Vasant Tanksale	6	Yes
4.	Mr. Adesh Kumar Gupta	6	Yes
5.	Dr. Madhu Dikshit	6	No
6.	Mr. Rahul Arun Bagaria	6	Yes

NOTES:

1. Relationship with other Director(s) means 'Relative' of other Director(s) as defined under section 2(77) of the Act.
2. Company has not issued any convertible instrument.

The details of Directors seeking appointment / re-appointment, and changes in the Board are mentioned in the Board's Report read with the Notice convening the 37th Annual General Meeting, forming part of the Annual Report.

4. NUMBER OF DIRECTORSHIP(S) AND CHAIRPERSONSHIP(S)/MEMBERSHIP(S) IN BOARD COMMITTEES OF OTHER COMPANIES AS AT MARCH 31, 2022:

S. No.	Name of the Director	Number of directorships in other public companies (including IPL)	Details of Directorship in other listed entities	Number of committee positions held in other companies including IPL	
				Chairpersonship(s)	Membership(s) (including chairpersonship)
1.	Mr. Anand Swarup Agarwal	1	Nil	1	1
2.	Mr. Rajendra Singh Sharma	3	Nil	1	1
3.	Mr. Mohan Vasant Tanksale	8	1. Raja Bahadur International Limited Non-Executive – Independent director 2. Ladderup Finance Limited Non-Executive – Independent director 3. Anand Rathi Wealth Limited Non-Executive – Independent director	4	7

S. No.	Name of the Director	Number of directorships in other public companies (including IPL)	Details of Directorship in other listed entities	Number of committee positions held in other companies including IPL	
				Chairpersonship(s)	Membership(s) (including chairpersonship)
4.	Mr. Adesh Kumar Gupta	6	1. Grasim Industries Ltd Non-Executive – Independent director 2. Vinati Organics Limited Non-Executive – Independent director 3. Care Ratings Limited Non-Executive – Independent director 4. ZEE Entertainment Enterprises Limited-Non-Executive – Non-Independent director	2	6
5.	Dr. Madhu Dikshit	2	1. Bharat Immunologicals And Biologicals Corporation Limited-Non-Executive -Independent director	Nil	Nil
6.	Mr. Rahul Arun Bagaria	1	Nil	Nil	1

NOTES:

1. This excludes directorships in private limited companies, foreign companies and companies licensed under Section 8 of the Act, if any.
2. This relates to chairpersonship / membership in the Audit Committees and Stakeholders Relationship Committees of the board of public limited companies in compliance with Regulation 26(1) of the Listing Regulations.
3. The Directorships and Committee memberships/ chairpersonships of all Directors are in accordance with the provisions of the Act and the Listing Regulations.

5. BRIEF PROFILE OF THE DIRECTORS:

Mr. Anand Swarup Agarwal

Mr. Anand Swarup Agarwal (77 years) is the Promoter, Chairman and non-executive Director of our Company.

He holds a bachelor's degree in law from the University of Lucknow. He has over 36 years of experience in agrochemical manufacturing. He is one of the Promoters and one of the founders of our Company. In the year 2003, the Government of India, Ministry of Finance (Department of Economic Affairs – Banking Division) nominated him as a part time non-official director on the board of directors of Punjab National Bank for a period of three years from November 25, 2003. He has also been a director on the board of directors of PNB Gilts Limited. He has been awarded with the UP Ratan award in the year 2013 by the All India Conference of Intellectuals.

Mr. Rajendra Singh Sharma

Mr. Rajendra Singh Sharma is a Whole-time Director of our Company. He holds a bachelor's degree of science in agriculture from the University of Meerut. He has been associated with the Company since last 23 years and was initially appointed as a director of our Company on June 10, 1998. He has experience in agro-chemical manufacturing and marketing.

Mr. Mohan Vasant Tanksale

Mr. Mohan Vasant Tanksale (68 years) is an Independent Director of the Company. Mr. Tanksale has been a Director of the Company since December 21, 2020.

Mr. Tanksale is one of the most senior and respected bankers in India, having been the Chairman & Managing Director of Central Bank of India and the CEO of the Indian Banks Association (IBA). He is a Fellow member of Management Accountants of India (FCMA) and Indian Institute of Banking and Finance (CAIIB) and has spent over 4 decades in the Indian banking industry, during which he led three major Indian Public Sector banks. Mr. Tanksale has been conferred with several prestigious awards and recognitions and served on important committees of the Reserve Bank of India (RBI) and the Government of India. Besides serving on Company Boards, Mr. Tanksale is also an Advisor to SWIFT India (SWIFT India Domestic Services Private Limited, a majority owned subsidiary of Society of Worldwide Interbank Financial Telecommunication, Belgium) which supports high quality financial messaging services globally.

Dr. Madhu Dikshit

Dr Madhu Dikshit (64 years) is an Independent Director of the Company, since December 21, 2020.

Prof. Madhu Dikshit, the former Director of the prestigious CSIR – Central Drug Research Institute, Lucknow, holds a Ph.D. in Chemistry from the Chhatrapati Shahuji Maharaj University, Kanpur . After her superannuation she joined Indian Institute of Technology (IIT) Jodhpur, as Head of Bioscience and Bioengineering Department and subsequently moved to Transitional Health Science and Technological Institute, Faridabad where she was offered a National Chair. She has more than 40 year of experience in the area of Molecular Pharmacology and drug discovery. She is a Fellow of all three National Academies of Sciences and National Academy of Medical Science. Currently she holds JC Bose National Fellowship at CSIR – Central Drug Research Institute, Lucknow.

Mr. Adesh Kumar Gupta

Mr. Adesh Kumar Gupta (65 years) is an Independent Director of the Company. Mr. Gupta has been a Independent Director of the Company since January 23, 2021.

Mr. Gupta is a qualified Chartered Accountant, Company Secretary and AMP from Harvard is a professional with rich experience of over 40 years in Corporate Strategy, M&A, Business restructuring, Fund raising, Taxation etc. During his distinguished career of over 3 decades in Aditya Birla Group, Mr. Adesh kumar Gupta held various senior positions (including Board positions) in companies in various fields including Indian Rayon, Birla Global Finance, Aditya Birla Nuvo Ltd and Grasim Industries Ltd. Post his retirement as Whole-Time Director & CFO of Grasim Industries Ltd. Mr. Adesh Kumar Gupta is working as insolvency professional and currently service on the board of various boards which includes Care Ratings Ltd, Vinati Organics Ltd. Mr. Adesh Kumar Gupta was awarded with Best CFO award by ICAI, IMA and Business Today. He had also represented FICCI as a Member of NACAS (National Accounting and Auditing Standards) which was instrumental in setting up Accounting Standards in India.

Mr. Rahul Arun Bagaria

Mr. Rahul Arun Bagaria (32 years) is a Non-Executive Director of the Company. Mr. Bagaria has been a Director of the Company since January 23, 2021.

Mr. Bagaria is the Non-Executive Director of our Company. He holds a bachelor's degree in commerce from the University of Mumbai and is a Qualified Chartered Accountant. He has more than six years of professional experience and expertise

The core skills/expertise/competencies identified by the Board as required in the context of the Company's business and sector for it to function effectively and actually available with the Board and the names of directors who possess such skills/ expertise/competence is as under:

Sr. No.	Name & Category of the Director	Expertise/ Skills	Experience	Qualification and Competencies
1)	Mr. Anand Swarup Agarwal Promoter, Non Executive, Non-Independent Director and Chairman	• Leadership / Operational experience • Strategic Planning • Industry Experience, Research & Development and Innovation • Global Business • Financial, Regulatory / Legal &Risk Management • Corporate Governance	over 36 years	He holds a bachelor's degree in law from the University of Lucknow. He has over 36 years of experience in agrochemical manufacturing. He is one of the Promoters and one of the founders of our Company. In the year 2003, the Government of India, Ministry of Finance (Department of Economic Affairs – Banking Division) nominated him as a part time non-official director on the board of directors of Punjab National Bank for a period of three years from November 25, 2003. He has also been a director on the board of directors of PNB Gilts Limited. He has been awarded with the UP Ratan award in the year 2013 by the All India Conference of Intellectuals.
2)	Mr. Rajendra Singh Sharma Whole-time Director	• Leadership / Operational experience • Strategic Planning • Industry Experience &Research • Corporate Governance	31 years	He holds a bachelor's degree of science in agriculture from the University of Meerut. He has been associated with the Company since last 23 years and was initially appointed as a director of our Company on June 10, 1998. He has experience in agro-chemical manufacturing.

Sr. No.	Name & Category of the Director	Expertise/ Skills	Experience	Qualification and Competencies
3)	Mr. Mohan Vasant Tanksale Independent Director	• Leadership / Operational experience • Strategic Planning • Industry Experience, Research & Development and Innovation Regulatory / Legal & Risk Management • Corporate Governance	over 40 year	Mr. Tanksale is one of the most senior and respected bankers in India, having been the Chairman & Managing Director of Central Bank of India and the CEO of the Indian Banks Association (IBA). He is a Fellow member of Management Accountants of India (FCMA) and Indian Institute of Banking and Finance (CAIIB) and has spent over 4 decades in the Indian banking industry, during which he led three major Indian Public Sector banks. Mr. Tanksale has been conferred with several prestigious awards and recognitions and served on important committees of the Reserve Bank of India (RBI) and the Government of India. Besides serving on Company Boards, Mr. Tanksale is also an Advisor to SWIFT India (SWIFT India Domestic Services Private Limited, a majority owned subsidiary of Society of Worldwide Interbank Financial Telecommunication, Belgium) which supports high quality financial messaging services globally
4)	Mr. Adesh Kumar Gupta Independent Director	• Leadership / Operational experience • Strategic Planning • Industry Experience, • Global Business • Financial, Regulatory / Legal & Risk Management • Corporate Governance	41 years	Mr. Gupta is a qualified Chartered Accountant, Company Secretary and AMP from Harvard is a professional with rich experience of over 40 years in Corporate Strategy, M&A, Business restructuring, Fund raising, Taxation etc. During his distinguished career of over 3 decades in Aditya Birla Group, Mr. Adesh Gupta held various senior positions (including Board positions) in companies in various fields including Indian Rayon, Birla Global Finance, Aditya Birla Nuvo Ltd and Grasim Industries Ltd. Post his retirement as Whole-Time Director & CFO of Grasim Industries Ltd. Mr. Adesh Gupta is working as insolvency professional and currently service on the board of various boards which includes Care Ratings Ltd, Vinati Organics Ltd. Mr. Adesh Gupta was awarded with Best CFO award by ICAI, IMA and Business Today. He had also represented FICCI as a Member of NACAS (National Accounting and Auditing Standards) which was instrumental in setting up Accounting Standards in India
5)	Dr. Madhu Dikshit Independent Director	• Strategic Planning • Industry Experience, • Research & Development • Innovation, Regulatory / Legal & Risk Management • Corporate Governance	40 Year	Prof. Dr. Madhu Dikshit holds a Ph.D. in chemistry from the Chhatrapati Shahuji Maharaj University, Kanpur. She was previously director of the prestigious CSIR – Central Drug Research Institute, Lucknow and was also a visiting professor of Indian Institute of Technology (IIT). She has been appointed as the national chair of the Transitional Health Science and Technological Institute, Faridabad.
6)	Mr. Rahul Arun Bagaria Non-Executive Director	• Leadership / Operational experience • Strategic Planning • Industry Experience, • Financial,Regulatory/ Legal & Risk Management • Corporate Governance	6 years	He holds a bachelor's degree in commerce from the University of Mumbai and is a Qualified Chartered Accountant. He has more than six years of professional experience and expertise in the fields of strategy, M&A, taxation, business restructuring.

6. BOARD MEETINGS AND PROCEDURES:

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company, management policies and their effectiveness and ensuring that the long-term interest of the shareholders is served. The internal guidelines of the Board and Committee Meetings facilitate the decision - making process at the meetings in an informed and efficient manner.

6.1 Scheduling and selection of Agenda Items for Board Meetings:

i) Minimum four (4) Board Meetings are held in each calendar year in accordance with the Act and Secretarial Standard-1 on Meetings of the Board of Directors ("SS-1"). Additional Board Meetings are convened to address the specific needs of the Company, as and when they arise. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

ii) The Board has complete access to any information within the Company and with the employees of the Company. The minimum information placed before the Board includes:

1) Annual operating plans and quarterly updates.
2) Capital budgets and any updates.
3) Quarterly results for the Company, its businesses and subsidiaries.
4) Minutes of meetings of Audit Committee and other committees of the Board, and also resolutions passed by way of circulation.
5) The information on recruitment, remuneration and resignation of senior management personnel just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
6) Show cause, demand, prosecution notices and penalty notices, which are materially important.
7) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8) Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
9) Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
10) Details of any joint venture or collaboration agreement.
11) Minutes of Board Meetings of Subsidiaries.
12) Statement of all significant transactions and arrangements entered into by the unlisted subsidiary.
13) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
14) Significant labour problems and their proposed solutions and any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of voluntary retirement scheme etc.
15) Sale of material nature of investments, subsidiaries and assets, which is not in normal course of business.
16) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
17) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
18) Dividend recommendation and / or declaration.
19) Quarterly summary of the borrowings, loans and investments.
20) Internal audit findings and statutory audit report.
21) Company's Annual Financial Results, Financial Statements, Auditor's Report and Board's Report and annexures thereto.
22) Formation / reconstitution of Board Committees.
23) Terms of reference of Board Committees.
24) Declaration of Independence by Independent Directors at the time of appointment and thereafter annually and as and when there is any change in the circumstances which may affect their status as an Independent Director.
25) Disclosure of Director's interest and their shareholding.
26) Appointment of Internal Auditors and Secretarial Auditors.
27) Annual Secretarial Audit Reports submitted by Secretarial Auditors.
28) Recommending the appointment of and fixing of remuneration of the Statutory Auditors as recommended by the Audit Committee.
29) Reconciliation of Share Capital Audit Report under Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
30) Quarterly Investor Grievance Redressal Report under Regulation 13(3) of the Listing Regulations.

iii) The Chairman of the Board and the Company Secretary of IPL finalize the Agenda Papers for the Board and Committee Meetings.

6.2 Board material distributed in advance:

i) Notices, Agendas and Notes on Agendas are circulated to the Directors in advance. All material information is incorporated in the Agenda Papers for facilitating meaningful and focused discussions at the meetings. Where it is not practicable to enclose any document to the Agenda, the same is placed at the meeting with specific reference to this effect in the Agenda, in accordance with SS-1.

ii) In special and exceptional circumstances, additional or supplementary item(s) on the Agenda is (are) permitted. Sensitive subject matters may be discussed at the meetings without written material being circulated in advance, in accordance with SS-1.

iii) General consent for giving Notes on items of Agenda which are in the nature of Unpublished Price Sensitive Information at a shorter Notice are taken in the first Meeting of the Board held in each financial year, in accordance with SS-1.

6.3 Recording Minutes of proceedings at Board and Committee Meetings:

The Company Secretary records the minutes of the proceedings of each Board and Committee Meeting. Draft minutes are circulated to all the members of the Board / Committee for their comments in accordance with Section 118 of the Act and SS-1.

6.4 Post Meeting follow-up mechanism:

Follow up in the form of an Action Taken Report on the decisions/ minutes of the previous meeting(s) is placed at the succeeding meeting for noting by the Board / Committee respectively.

6.5 Compliance:

The Company Secretary is responsible for and is required to ensure adherence to all the applicable laws and regulations including, inter-alia, the Act read with the Rules made thereunder and Schedules thereto and the Secretarial Standards issued by the Institute of Company Secretaries of India, each as amended from time to time.

6.6 Board Meetings held during the year:

Six (6) Board Meetings were held during the financial year 2021-22 on May 25, 2021; June 16, 2021, June 28, 2021, July 22, 2021; October 30, 2021; February 03, 2022. The gap between any two Board Meetings did not exceed 120 days.

Leave of absence was granted to the non-attending directors on their request and noted in the Attendance Register as well as in the minutes of the meetings.

6.7 Familiarization Programme:

During Financial Year 2021-2022, one meeting of the Independent Directors was held on March 26, 2022. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors, Non-Executive Directors. A familiarization programme for all, including Independent Directors is uploaded on the Company's website at: https://www.indiapesticideslimited.com/

6.8 Quorum:

The quorum of the Board has been adopted pursuant to Regulation 17(2A) of the Listing Regulations, i.e. the quorum of a Meeting of the Board of Directors shall be one-third of total strength of the Board or three directors, whichever is higher, including at least one independent director. Further, the participation of directors through video conferencing or by other audio-visual means is counted for the purpose of quorum.

7. BOARD COMMITTEES:

In terms of the Act and Listing Regulations, as amended from time to time, the Board has constituted the following Committees i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, and Risk Management Committee. The Board has also constituted a Sub-Committee/Management Committee to open/close bank accounts and give all such power of attorney/authorizations as may be needed by the Whole-Time Directors and employees to represent the Company before the Governmental authorities and any other matter as delegated by the board etc., and authorizations, as may be required.

7.1 Audit Committee:

In compliance with Regulation 18 of the Listing Regulations read with Section 177 of the Act and Rules made thereunder, the Audit Committee ("AC") has been constituted to monitor and supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and financial reporting.

According to Section 177 of the Companies Act, 2013, the company's Audit Committee comprised of three directors as on 31.03.2022. The Board accepted the recommendations of the Audit Committee. The composition of the Audit Committee as on 31.03.2022 is as under:

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

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

i) **The terms of reference of the Audit Committee include:**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, replacement, reappointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a) Matters required to be included in the director's responsibility statement to be included in the Board's report, in terms of the Companies Act, 2013, as amended;
   b) Changes, if any, in accounting policies and practices and reasons for the same;
   c) Major accounting entries involving estimates based on the exercise of judgment by management;
   d) Significant adjustments made in the financial statements arising out of audit findings;
   e) Compliance with listing and other legal requirements relating to financial statements;
   f) Disclosure of any related party transactions; and
   g) Qualifications and modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Examination of the financial statement and auditor's report thereon;
7. Monitoring the end use of funds raised through public offers and related matters;
8. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document/prospectus/ notice and making appropriate recommendations to the Board to take up steps in this matter;
9. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
10. Approval or any subsequent modification of transactions of the Company with related parties;
11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of the Company, wherever it is necessary;
13. Evaluation of internal financial controls and risk management systems;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussion with internal auditors of any significant findings and follow up thereon;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. Discussion with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
20. To review the functioning of the whistle blower mechanism;

21. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

22. Carrying out any other function as may be required / mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws;

23. Reviewing the utilization of loan and/or advances from investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;

24. Consider and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

The Audit Committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;

2. statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

3. management letters / letters of internal control weaknesses issued by the statutory auditors;

4. internal audit reports relating to internal control weaknesses;

5. the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee; and

6. statement of deviations as and when becomes applicable:

   (a) quarterly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

   (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015."

The Audit Committee is required to meet at least four times in a year and not more than 120 days are permitted to elapse between two meetings under the terms of the Listing Regulations.

ii) Composition and attendance in AC Meetings held during the year:

The Committee met four (4) times on May 25, 2021; July 22, 2021; October 30, 2021; and February 03, 2022. The gap between two AC meetings did not exceed 120 days.

The Composition of the AC along with the number of meetings attended by the members during the year is as follows:

Names of Committee Members	Position	Meetings held	Meetings attended
Mohan Vasant Tanksale	Chairman (Non-Executive and Independent)	4	4
Adesh Kumar Gupta	Member (Non-Executive and Independent)	4	4
Mr. Rahul Arun Bagaria	Member (Non-Executive and Non-Independent)	4	4

Ajeet Pandey, Company Secretary of the Company, is Secretary to the Committee.

The Chairman of the Committee was present at the last Annual General Meeting held on May 31, 2021.

The Chief Executive Officer and Chief Financial Officer are regular invitees to the meetings of the Committee. Representatives of the Statutory Auditors, Internal Auditors and Secretarial Auditors are invited to attend the Committee Meetings and share their findings and address queries, if any.

7.2 Nomination and Remuneration Committee:

In compliance with Regulation 19 of the Listing Regulations, and Section 178 of the Act read with the Rules made thereunder, the Nomination and Remuneration Committee ("NRC") of the Board has been constituted to primarily assist the Board in fulfilling its responsibilities by, inter-alia, recommending the criteria for Board membership and senior management, recommend the appointment (including re-appointment), remuneration and removal of Board members and senior management, and specify the manner for effective evaluation of Chairman, individual directors, Committees and the Board.

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

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

1.A. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a. use the services of an external agencies, if required;

b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

c. consider the time commitments of the candidates.]

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

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting shortand long term performance objectives appropriate to the working of the Company and its goals;

2. Formulating criteria for evaluation of performance of independent directors and the Board of Directors;

3. Devising a policy on diversity of Board;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

5. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

6. Recommending to the Board, all remuneration, in whatever form, payable to senior management.

7. Carrying out any other function as may be required/ mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws; and

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

The Nomination, Remuneration and Evaluation Policy of the Company is annexed as an annexure to the Board's Report, forming part of the Annual Report, and is also uploaded on the Company's website at https://www.indiapesticideslimited.com/InvestorRelations.php.

The Chairman of the NRC or any other Member of the Committee, so authorised, shall be present at the Annual General Meeting to answer the shareholders' queries.

All recommendations made by the Committee during the financial year were accepted by the Board.

i) **Composition and attendance in NRC Meetings held during the year:**

During the year, the NRC met on July 21, 2021 and March 16, 2022.

The composition, along with the number of meetings attended by the members during the year is as follows:

Names of Committee Members	Position	Meetings held	Meetings attended
Mr. Adesh Kumar Gupta	Chairman (Non-Executive and Independent)	2	2
Dr. Madhu Dikshit	Member (Non-Executive and Independent)	2	2
Mr. Rahul Arun Bagaria	Member (Non-Executive and Non-Independent)	2	2

Ajeet Pandey, Company Secretary of the Company, is Secretary to the Committee.

Pursuant to Regulation 19(2A) of the Listing Regulations, the quorum for the meeting of the Nomination and Remuneration Committee shall be one-third of the members of the committee or two members, whichever is higher, and shall include at least one independent director.

ii) **Performance Evaluation criteria for the Board, its Committees and Individual Directors including Independent Directors and Chairman of the Company:**

Pursuant to Sections 134 and 178 of the Act read with Regulations 17 and 19 of the Listing Regulations, a formal evaluation of the performance of the Board, its Committees, the Chairman and Individual Directors was carried out in the financial year 2021-22, details of which are provided in the Board's Report forming part of the Annual Report. Parameters for evaluation of Independent Directors include, inter-alia, constructive participation in meetings, intellectual independence, engagement with colleagues on the Board. All Directors were subjected to peer evaluation.

iii) **Remuneration of Directors**

1) **Non-Executive Directors' Compensation and Disclosures:**

The sitting fees for the Board Meeting and AC Meeting is ₹ 100,000/- and ₹ 50,000/- respectively. The sitting fees paid to Non-Executive Directors during the year are as under:

(Amounts in ₹ Million)

S. No.	Name	Sitting Fees
1.	Mr. Anand Swarup Agarwal	0.80
2.	Mr.Mohan Vasant Tanksale	1.05
3.	Dr. Madhu Dikshit	0.85
4.	Mr. Adesh Kumar Gupta	1.15
5.	Mr. Rahul Arun Bagaria	1.20

2) **Executive Directors:**

Managerial Remuneration to Executive Directors during the financial year 2021-22 was as under:-

(Amounts in ₹ Million)

S. No.	Name of Directors	Salary, Perquisites	Total
1.	Mr. Rajendra Singh Sharma	0.73	0.73

NOTES:

1. No bonus, stock option and pension were paid to the Directors.
2. No incentives linked with performance are paid to the Directors.
3. The term of Executive Directors is for a maximum period of 5 years from the date of appointment. The Company does not have any service contract with any Director.
4. Besides the above remuneration, all Executive Directors are also entitled to Company's contribution to Provident Fund, Gratuity and Encashment of Leave as per the Rules of the Company.

7.3 Stakeholders Relationship Committee:

In compliance with Regulation 20 of the Listing Regulations read with Section 178 of the Act and the Rules made thereunder, the Stakeholders Relationship Committee ("SRC") has been constituted by the Board for speedy disposal of grievances/complaints relating to stakeholders/investors

i) **Terms of Reference of the Stakeholders' Relationship Committee are as follows:**

1. To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
2. To review measures taken for effective exercise of voting rights by shareholders;
3. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. To review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
5. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended or by any other regulatory authority.

All recommendations made by the Committee during the financial year were accepted by the Board.

ii) **Composition and attendance in SRC Meetings held during the year:**

During the year, the SRC met on October 30, 2021and February 03, 2022.

The composition of the SRC along with the number of meetings attended by the members during the year is as follows:

Names of Committee Members	Category	Meetings Held	Meetings Attended
Mr. Anand Swarup Agarwal	Chairman (Non-Executive and Independent)	2	1
Mr. Adesh Kumar Gupta	Member (Non-Executive and Independent)	2	2
Mr. Rajendra Singh Sharma	Member (Executive and Non-Independent)	2	2

iii) **Compliance Officer:**

Ajeet Pandey, Company Secretary of the Company, is designated as the Compliance Officer for complying with the requirements of the Securities Law and the Listing Regulations.

iv) **Investor Grievance Redressal:**

The Committee specifically looks into the shareholder redressal and investor complaints on matters relating to refund orders transfer of shares, dematerialization/ rematerialization, sub-division, consolidation of share certificates, issue of duplicate share certificates, non-receipt of annual report, non-receipt of declared dividends etc. In addition, the Committee advises on matters which can facilitate better investor services and relations. As per the Certificate issued by the Registrar and Share Transfer Agents, KFin Technologies Private Limited ("the RTA" / "KFintech"), during the year under review, one hundred and eleven (2331) complaints were received from shareholders / investors and all of them were replied / resolved to the satisfaction of the shareholders / investors.

All complaints were resolved to the full satisfaction of the shareholders and no complaint was pending as on March 31, 2022.

7.4 Corporate Social Responsibility Committee:

In compliance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has constituted a Corporate Social Responsibility ("CSR") Committee. Statutory disclosures with respect to the CSR Committee and CSR activities form part of the Board's Report.

All recommendations made by the Committee during the financial year were accepted by the Board.

i) **Terms of Reference:**

The role of CSR includes the following:

1) To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and rules made thereunder;

2) To recommend the amount of expenditure to be incurred on the CSR activities;

3) To institute the transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company and perform any function as stipulated in Companies Act, 2013 and any applicable laws, as may be prescribed from time to time.

The Board amended the Corporate Social Responsibility Policy (CSR Policy) of the Company at their meeting held on March 02, 2021, in light of the recent amendments introduced by Ministry of Corporate Affairs vide the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dated January 22, 2021. The updated CSR Policy of the Company is uploaded on the website of the Company at https://www.indiapesticideslimited.com/InvestorRelations.php.

ii) **Composition of and attendance in CSR Committee meeting during the year:**

During the year, the CSR Committee met on September 20, 2021 and March 26, 2022.

The composition of the CSR Committee along with the number of meetings attended by the members during the year is as follows:

Names of Committee Members	Category	Meetings Held	Meetings Attended
Mr. Mohan Vasant Tanksale	Chairman (Non-Executive and Independent)	2	2
Mr. Anand Swarup Agarwal	Member (Non-Executive and Non-Independent)	2	2
Mr. Rajendra Singh Sharma	Member (Executive)	2	2

7.5 Risk Management Committee:

Pursuant to Regulation 21 of the Listing Regulations, IPL has constituted the Risk Management Committee ("RMC") for monitoring and reviewing of the risk management plan and specifically, cyber security.

The role of the RMC, is, inter-alia, to approve the strategic risk management framework of the Company, and review the risk mitigation strategies and results of risk identification, prioritisation and mitigation plans for all business units / corporate functions, as also the measures taken for cyber security.

i) Terms of reference:

The role of RMC includes the following:

1) Discuss with senior management, the Company's Risk Management System ("RMS") and provide oversight as may be needed.

2) Ensure it is apprised of the most significant risks along with the action management which is taking and how it is ensuring effective RMS.

3) Review and recommend changes to Risk Management Policy and / or associated frameworks / plans including cyber security, processes and practices of the Company.

4) Be aware and concur with the Company's risk appetite including risk levels, if any, set for financial and operational risks.

5) Ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

6) Being apprised of significant risk exposures of the Company.

7) Report periodically to the Board of Directors.

8) The RMC shall have access to any internal information necessary to fulfill its oversight role.

9) Perform such other activities related to this Policy as requested by the Board of Directors or as may be stipulated in any applicable provisions as amended from time to time or to address issues related to any significant subject within its term of reference.

10) To formulate a detailed risk management policy which shall include:

    i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

    ii. Measures for risk mitigation including systems and processes for internal control of identified risks.

    iii. Business continuity plan.

11) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

12) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

13) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

14) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

15) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Board amended the Risk Management Policy of the Company at its meeting held on May 28, 2021, in light of the recent amendments introduced by the SEBI vide the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 dated May 05, 2021. The updated Risk Management Policy of the Company is uploaded on the website of the Company at https://www.indiapesticideslimited.com/InvestorRelations.php

The Board has also updated the scope of the Risk Management Committee in light of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021.

During the year, the RMC met on September 20, 2021 and 16 March 2022.

The Composition of the RMC along with the number of meetings attended by the members during the year is as follows:

Names of Committee Members	Category	Meetings Held	Meetings Attended
Dr. Madhu Dikshit	Chairperson (Independent Director)	2	2
Mr. Anand Swarup Agarwal	Member (Non-Executive Director)	2	2
Mr. Adesh Kumar Gupta	Member (Independent Director)	2	2
Mr. Dheeraj Kumar Jain	Member (Chief Executive Director)	2	2
Mr. Satya Prakash Gupta	Member (Chief Financial Officer)	2	2

7.6 Meeting of Independent Directors:

Pursuant to the provisions of the Act and Regulation 25 of the Listing Regulations, the Independent Directors of the Board of the Company met on March 26, 2022, without the presence of Executive Directors or management personnel, except partial presence of Company Secretary to perform the duties of Secretary to the Meeting.

The terms of reference are aligned with Section 149 of the Act read with the Rules and Schedule IV made thereunder and Regulations 17 and 25 of the Listing Regulations, and any other applicable provisions.

8. CEO and CFO CERTIFICATION:

The CEO and CFO have certified to the Board, inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial year ended March 31, 2022, as required under Regulation 33(1)(e) read with Schedule IV of the Listing Regulations.

9. GENERAL BODY MEETINGS:

The details of Annual General Meetings held in last 3 years are as under:

Year	Day, Date and Time	Venue	Special Resolution passed at the General Meetings
2020-21*	36th AGM held on Monday May 31, 2021 at 04:30 P.M.	(VC) / Other Audio Visual Means (OAVM)	At the 36th Annual General Meeting held on Monday, May 31, 2021, through Video Conferencing (VC) / Other Audio Visual Means (OAVM), on shorter notice, the shareholders passed special resolution. 1. Payment or Remuneration to the Whole-Time Director for the Financial Year 2021-22 2. Increase in Borrowing Limits Under Section 180(1)(C) of the Companies Act 2013. 3. Creation of Charge/Mortgage over the assets: 4. Approve inter corporate loans and investment or guarantee or security in excess of the prescribed limit under section 186 of the Companies Act 2013.
2019-20	35th AGM held on Monday December 21, 2020 at 11:00A.M.	35-A Civil Lines, Bareilly-243001.	At the 35th Annual General Meeting held on Monday December 21, 2020, the shareholders passed special resolution. 1. Payment of remuneration to the Whole Time Director for the financial year 2020-21. 2. Appointment of Mr. Sanjay Khatau(DIN: 00008221) as an Independent Director. 3. Appointment of Mr. Mohan Vasant Tanksale (DIN: 02971181) as an Independent Director. 4. Appointment of Mrs. Madhu Dikshit (DIN: 08495360) as an Independent Director.
2018-19	34th AGM held on Monday, September 30, 2019 at 11:00 A.M.	35-A Civil Lines, Bareilly-243001.	At the 34th Annual General Meeting held on September 30, 2019, the shareholders passed Special Resolution. 1. Payment of Remuneration to the Whole-time Director for the financial year 2019-20. 2. Re-Appointment and payment of remuneration to the wholetime director for the financial year 2019-20.

*In view of the outbreak of the COVID-19 pandemic and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 08, 2020, April 13, 2020 and May 05, 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the Listing Regulations, the 36th AGM of the Company was conducted through VC/OAVM Facility, which does not require physical presence of Shareholders at a common venue. The deemed venue for the 36th AGM was the Corporate Office of the Company.

Further, The MCA vide its General Circular 19/2021 dated December 08, 2021, General Circular 21/2021 dated December 14, 2021 and General Circular No. 02/2022 dated 05.05.2022 it has been decided to allow the Companies whose AGMs are due in the Year 2022, to conduct their AGMs on or before 31st December, 2022 in accordance with the requirements laid down in PARA 3 and PARA 4 of the General Circular No. 20/2020 dated 05.05.2020. In compliance with these Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 37thAGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The Members can attend and participate in the AGM through VC/OAVM only. Further, the Company has entered into agreement with National Securities Depository Limited (NSDL) being the first year of listing for the purpose of availing remote e-voting/e-voting system for casting vote during AGM.

The shareholders passed all the resolutions with the requisite majority, including special resolutions set out in the respective notices.

No Extra-ordinary General Meetings were held during the financial year 2021-22.

10. POSTAL BALLOT:

During the financial year 2021-22, no resolution was passed through Postal Ballot.

Also, no resolution requiring postal ballot is proposed to be placed at the ensuing Annual General Meeting for obtaining shareholders' approval.

11. OTHER DISCLOSURES:

11.1 Internal Audit System:

The Company has a robust system for internal audit and assesses risk on an ongoing basis. The Company has appointed Ashok K Agarwal & Associates, Chartered Accountants, an independent firm of international repute as Internal Auditors and also assists us in risk identification and management. Audit observations are periodically reviewed by the Audit Committee, necessary directions are issued and actions are taken, wherever required.

Adequate internal control has been put in place in all areas of operations. The role and responsibility of all managerial positions are established, monitored and controlled regularly. All transactions are authorised, timely recorded and reported truly and fairly.

The Company is fully committed to continually work in strengthening the systems and processes so as to achieve the highest degree of transparency, efficiency and accuracy in reporting, monitoring and decision making and has done so during the year as well as part of an ongoing exercise.

11.2 Code of Conduct For Directors and Senior Management Personnel:

The Company has adopted a Code of Conduct for its Directors and Senior Management Personnel in terms of Regulation 17 of the Listing Regulations. This Code is a comprehensive Code applicable to all Directors (Executive and Non-Executive) as well as members of Senior Management. The Code lays down, in detail, the standards of business conduct, ethics and governance.

The Code is uploaded on the Company's website at https://www.indiapesticideslimited.com/InvestorRelations.php and has been circulated to all the members of the Board and Senior Management Personnel and the compliance of the same is affirmed by them annually under Regulation 26(3) of the Listing Regulations. Pursuant to Schedule V(D) of the Listing Regulations, a declaration signed to this effect by the Chairman and Managing Director of the Company forms part of the Annual Report.

11.3 Disclosures on materially significant related party transactions:

No significant or material related party transaction has taken place during the year, which has any potential conflict with the interest of the Company. The details of related parties and related party transactions have been provided in Note No. 38 of Standalone and Consolidated Notes to Accounts, respectively, forming part of the Annual Report.

The details of the transactions with the related parties are placed before the Audit Committee on a quarterly basis in compliance with the provisions of Section 177 of the Act and Regulation 23 of the Listing Regulations. All related party transactions are negotiated at an arm's length basis and are only intended to further the interest of the Company.

The Company has disclosed the policy on dealing with related party transactions pursuant to Regulation 23 of the Listing Regulations on its website at https://www.indiapesticideslimited.com/InvestorRelations.php.

11.4 Material Subsidiaries:

In accordance with Regulation 16(1)(c) of the Listing Regulations, Shalvis Specialities Limited is a non-material unlisted wholly-owned subsidiary.

Pursuant to the Explanation to Regulation 16(1) (c) of the Listing Regulations, the Company has adopted the policy for determining material subsidiaries and the said policy is available on the Company's website at https://www.indiapesticideslimited.com/InvestorRelations.php.

11.5 Pecuniary Relationship and Transactions of Non-Executive Director with IPL: The Company pays sitting fees to Non-Executive Directors as detailed in 7.2 (iv) above.

11.6 There was no instance of public issue / rights issue / preferential issue of shares / sweat equity / qualified institutional placement, etc.

11.7 Vigil Mechanism / Whistle-blower Policy:

A Vigil Mechanism / Whistle-blower Policy has been formed for the Directors and employees to report their genuine concerns or grievances, in compliance with the provisions of Section 177 of the Act read with Rule 7 of Chapter XII of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations.

The Vigil Mechanism / Whistle-blower Policy is hosted on the Company's website at https://www.indiapesticideslimited.com/InvestorRelations.php.

The Board has designated and authorized Mr. S. P. Gupta, CFO of the Company as the Vigilance Officer.Mr. D.K. Jain, CEO of the Company and Mr. Mohan Vasant Tanksale, Chairman of the Audit Committee, to oversee the Vigil Mechanism.

The Vigil Mechanism provides for adequate safeguards against victimization of employees and Directors who use the Vigil Mechanism and also provides for direct access to the Chairman of the Audit Committee and in case of repeated frivolous complaints being filed by a Director or an employee, the Chairman of the Audit Committee may take suitable action against the concerned Director or employee including reprimanding. No personnel has been denied access to the Audit Committee to report their concerns / grievances.

11.8 Details of Non-Compliance by the Company, penalties, structure imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India or any statutory authorities or any matter related to capital markets.

There has been no instance of any non-compliance to warrant imposition of any penalty and issuance of any strictures on the Company by the stock exchange(s) or Securities Exchange Board of India or any statutory authority, on any matter related to capital markets.

11.9 Details of fees paid to the Statutory Auditor:

Details of total fees for all services paid by IPL and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm / network entity of which the Statutory Auditor is a part, for financial year 2021-22 is tabled hereunder:

(Amounts in ₹ Million)

S. No.	FEES PAID TO STATUTORY AUDITOR $	
	Particulars	**Fees Paid**
1.	Audit fee	2.40
2.	Other services	1.45
3.	Re-imbursement of expenses	0.17
	TOTAL	4.02

$ Net of GST input credit, as applicable

11.10 Compliance with Mandatory Requirements and adoption of the non-mandatory requirements:

i) Compliance with mandatory requirements:

The Company has complied with all the mandatory requirements as prescribed under the Listing Regulations, including Corporate Governance requirements as specified under Regulations 17 to 27, Regulation 34 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, as applicable.

ii) Adoptions of the non-mandatory requirements:

1) Details regarding circulating financial performance of the Company including significant events are provided in the head 'Means of communication'.

2) Pursuant to the provisions of Part E of Schedule II of the Listing Regulations, the Auditor's Report on statutory financial statements of the Company has an unmodified opinion.

3) The Internal Audit Plan is approved by the Audit Committee and the Internal Auditors present their report to the Audit Committee for its consideration.

11.11 Insider Trading:

The Company has formulated the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and Immediate Relatives and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in accordance with the guidelines specified under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Compliance Officer designated under the Code of Conduct is responsible for complying with the procedures, monitoring adherences to the rules for the prevention of disclosure of unpublished price sensitive information, pre-clearance of trade, monitoring of trades and implementation of Code of Conduct under the overall supervision of the Board.

The Company's Codes, inter- alia, prohibits purchase and / or sale of shares of the Company by an Insider, while in possession of Unpublished Price Sensitive Information ("UPSI") in relation to the Company during the prohibited period which is notified to all sufficiently in advance. The Company's Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is uploaded on the Company's website at https://www.indiapesticideslimited.com/InvestorRelations.php.

11.12 A certificate has been obtained from GSK and Associates, Practicing Company Secretaries, confirming that none of the directors on the Board has 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 and is annexed hereto as **Annexure I**.

11.13 The Company has followed the relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time while preparing Financial Statements.

11.14 Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

i) Number of complaints filed during the financial year: Nil

ii) Number of complaints disposed of during the financial year: N.A.

iii) Number of complaints pending as on end of the financial year: N.A.

11.15 Corporate benefits to investors (Since Date of Listing i.e. 05.07.2021):

i) Bonus Issues of fully paid-up equity shares: No Bonus Issues Since Date of Listing i.e. 05.07.2021

ii) Stock Split : no stock split during the Financial year

iii) Dividend:

The Directors are pleased to recommend a dividend of ₹ 0.75 paisa per equity share (i.e. @75% of Face Value) on the Equity Shares of the Company of ₹ 1 each for the year ended March 31, 2022 (previous year ₹ 0.32 paisa per equity share). If the dividend, as recommended above, is declared by the Members at the ensuing Annual General Meeting ('AGM'), the total outflow towards dividend on Equity Shares for the year would be ₹ 83. 84 million (previous year ₹ 35.77 million).

Dividend Distribution Policy

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Board of Directors of the Company has adopted a Dividend Distribution Policy ('Policy') which aims to maintain a balance between profit retention and a fair, sustainable and consistent distribution of profits among its Members.

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

iv) Unclaimed Dividend & Transfer to IEPF:

The Company confirms that there are no cases of unclaimed dividend with respect to past dividends and hence no such amount is required to be transferred to IEPF account.

v) Buy-back of fully paid-up equity shares: No Buy Back

11.16 Green Initiative for Paperless Communications:

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. In accordance with Sections 20 and 101 of the Act, companies can now send various notices / documents to their shareholders through electronic mode to the e-mail addresses of the shareholders, registered with either the Company or Depository Participant and changes therein from time to time. This is an opportunity for every shareholder of the Company to contribute to the Green Initiative for paperless communication.

The shareholders holding shares in demat mode are requested to register their e-mail address / change their email address with their Depository Participant, in the event they have not done so earlier for receiving notices / documents through electronic mode.

11.17 Non-Convertible Debentures:

During the year, the Company has not issued, listed, redeemable, non-convertible debentures ("NCDs")

11.18 Information pursuant to Regulation 39(4) of the Listing Regulations:

S. No.	Particulars	Number of Shareholders	Number of Shares
1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e., on April 01, 2021.	24	NIL
2.	Number of shareholders who approached issuer for transfer of shares from suspense account during the year.	2	100
3.	Number of shareholders whose shares were transferred from suspense account during 2021-22.	2	100
4.	Aggregate number of shareholders and outstanding shares in the suspense account lying at the end of the year as on March 31, 2022.	Nil	Nil

Voting rights on the equity shares lying in the suspense account shall remain frozen until the rightful owner of such equity shares claims these equity shares.

11.19 Information relating to Section 125 and relevant provisions of Act for the Unpaid Dividend:

Pursuant to the section 124 and 125 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government, after the completion of seven years. Further, according to the IEPF Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall be transferred to the demat account created by the IEPF Authority.

Accordingly, in the Financial Year 2021-22, the Company has no Unpaid and unclaimed shares/amount.

Procedure / Guidelines for Investors to file claim in respect of the Unclaimed Dividend or Shares transferred to the IEPF:

With effect from September 07, 2016, Investors / Depositors whose unpaid dividends, matured deposits or debentures etc. have been transferred to IEPF under Companies Act, 1956 and / or the Act, can claim the amounts. In addition, claims can also be made in respect of shares which have been transferred into the IEPF.

The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

For this purpose, the investors may also contact the Nodal Officer of the Company for IEPF, Ajeet Pandey, whose contact details are mentioned elsewhere in this Report, or refer the Company's website https://www.indiapesticideslimited.com/index.php or the RTA of the Company, KFin Technologies Limited (KFin Technologies Private Limited) on the mail id einward.ris@kfintech.com.

11.20 Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Para C to Schedule V of the Listing Regulations:

The Company has complied with all the requirements in this regard, to the extent applicable.

11.21 Disclosure as per Regulation 34(3) and 53(f) read with Part A of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in respect of loans/ advances/ investments outstanding as at year end

Particulars	Investment in equity / preference at cost held as at		Gross loans outstanding as at		Maximum Amount of loans and advances outstanding during the year	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Swarup Chemical Private Limited	0.39	0.39	46.80	34.00	47.80	34.00

12. MEANS OF COMMUNICATION:

12.1 Quarterly results: The Company regularly publishes its audited and unaudited results in all the Financial Express (All Edition) in English daily and Jansatta (All Edition) in Hindi daily. Quarterly results are sent to the Stock Exchanges immediately after the approval of the Board. The financial results, official news releases and other relevant information are updated regularly and promptly on the Company's corporate website at https://www.indiapesticideslimited.com/InvestorRelations.php.

12.2 Presentations to institutional investors / analysts: Detailed presentations are made to institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results. These presentations are sent to the stock exchanges and are also uploaded on the Company's corporate website at https://www.indiapesticideslimited.com/InvestorRelations.php.

12.3 Concalls with institutional investors / analysts: Conference calls are held with investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results. Prior intimation of the concalls along with details is sent to the stock exchanges and is also uploaded on the corporate website of the Company at https://www.indiapesticideslimited.com/InvestorRelations.php. The transcripts of these calls are uploaded on the Company's corporate website.

12.4 Website: The Company's corporate website https://www.indiapesticideslimited.com/InvestorRelations.php. contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

12.5 Annual Report: The Annual Report containing, inter-alia, Audited Standalone Financial Statements, Audited Consolidated Financial Statements, Board's Report including annexures thereto, Auditors' Report and other important information are circulated to Members and others entitled thereto.

12.6 Communique / Reminders to Investors: The Company also takes into consideration the shareholders' queries, complaints and suggestions which are responded timely

and in consistent manner. Shareholders can contact the Company as well as the Registrar and Transfer Agents, KFin Technologies Limited (formerly known as KFin Technologies Private Limited) for their services.

12.7 NSE Electronic Application Processing System ('NEAPS'), Digital exchange of NSE and BSE Corporate Compliance and Listing Centre ('Listing Centre'): NEAPS, Digital exchange of NSE and Listing Centre are web-based applications for corporates to undertake electronic filing of all periodical compliance related filings like shareholding pattern, corporate governance report, media releases, among others.

12.8 Securities and Exchange Board of India Complaints Redress System (SCORES): The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

12.9 Designated Exclusive email-id: The Company has designated the following email-ids exclusively for investor servicing:

For queries on Annual Report:
investor@indiapesticideslimited.com

For any other queries: einward.ris@kfintech.com

13. GENERAL SHAREHOLDERS INFORMATION:

The Corporate Identification Number (CIN) allotted to the Company by the MCA is L24112UP1984PLC006894.

13.1 Annual General Meeting:

Day and Date: Tuesday, August 23, 2022
Time: 12:30 P.M.
Venue: Through Video Conferencing / Other Audio Visual Means

13.2 Financial Calendar (tentative): The financial year of the Company starts on April 01 and ends on March 31 of next year.

13.3 For the year ended March 31, 2023, interim results will be announced as follows:

First Quarter	On or before August 14, 2022
Second Quarter	On or before November 14, 2022
Third Quarter	On or before February 14, 2022
Fourth Quarter	On or before May 30, 2023

13.4 Book Closure: The Register of Members and Share Transfer Books of the company will remain closed from Tuesday, 16th August, 2022 to Tuesday, 23rd August, 2022 (both days inclusive).

13.5 Dividend: The Directors are pleased to recommend a dividend of ₹ 0.75 paisa per equity share (i.e. @75% of Face Value) on the Equity Shares of the Company of ₹ 1 each for the year ended March 31, 2022. if the dividend, as recommended above, is declared by the Members at the ensuing Annual General Meeting ('AGM') will be made on or after 24th August 2022 to all the Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively referred as "Depositories", as on record date i.e. Friday, 12th August, 2022

13.6 Listing on Stock Exchanges:

Type of Securities	Name of Stock Exchange	Security Code/ Trading Symbol	Address of Stock Exchange	International Securities Identification Nos. (ISIN)
Equity shares (listed from July 05, 2021)	BSE Limited (BSE)	543311	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	INE0D6701023
Equity shares (listed from July 05, 2021)	National Stock Exchange of India Limited (NSE)	IPL	"Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.	INE0D6701023

Annual Listing fee for the year 2021-22 and 2022-2023 has been paid.

13.7 Stock Data:

The table below shows the monthly high and low share prices and volumes of India Pesticides Limited at NSE and BSE for the year ended March 31, 2022.

MONTH	NSE			BSE		
	High (in ₹)	Low (in ₹)	Volume (in No.)	High (in ₹)	Low (in ₹)	Volume (in No.)
July 2021	368.00	330.05	52720217	368.00	325.00	5356555
August 2021	341.00	301.00	12694644	341.00	301.00	4554226
September 2021	334.00	306.50	7065297	333.55	306.50	3154507
October 2021	353.95	306.00	9933681	353.9	306.10	1286340
November 2021	345.40	289.00	5487633	345.00	289.10	551899
December 2021	327.60	293.00	6604065	327.35	293.00	375562
January 2022	336.00	290.00	4090313	335.55	290.15	432497
February 2022	336.20	260.00	4908156	335.75	261.00	359207
March 2022	292.40	267.05	7030409	290.00	267.35	2640192

Source: NSE and BSE Websites.

Note: Closing share prices are considered

13.8 Share price performance in comparison to broad-based indices, BSE Sensex and NSE Nifty:

Since the Company got listed on July 05, 2021, the relevant historical data is not available for making comparison.

13.9 Share transfer system:

In terms of SEBI Circular No D&CC/FITT/CIR-15/2002 dated December 27, 2002, the Company is providing facility of a common agency for all the work related to share registry in terms of both physical and electronic at a single point by the RTA, whose address is given below:

KFin Technologies Limited
(*formerly known* KFin Technologies Private Limited):
Selenium Tower B, Plot Nos. 31 & 32 | Financial District
Nanakramguda |Serilingampally Mandal
Hyderabad - 500032 | India
P: +91 40 79611000 / +91 40 6716 2222
Toll Free No: 1800-309-4001 | www.kfintech.com
ris.kfintech.com | Mail Id: einward.ris@kfintech.com
Contact Person:
Ms. Swati Reddy
Manager
Tel no.: +91 40 79611000 / +91 40 6716 2222

Presently, all the shares are in demat form. however, the share transfers which are received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Similarly, the processing activities of dematerialisation / rematerialisation requests are normally confirmed within 15 days from the date of their receipt provided the documents are in order in all respects. Rajendra Singh Sharma, Whole-time Director and Ajeet Pandey, Company Secretary are severally empowered to approve transfer of shares. The Company obtains from a Practicing Company Secretary, half-yearly certificate of compliance as required under Regulation 40 of the Listing Regulations and duly files the same with stock exchanges.

13.10 List of credit ratings: The details of credit rating are available on the Company's website at https://www.indiapesticideslimited.com/InvestorRelations.php.

Details of credit rating assigned by CARE Ratings are given below:

Facility	Rated Amount (in ₹ Crores)	Rating	Rating Action
Long Term / Short Term Bank Facilities	70.00 (Enhanced from 45.00)	CARE A+; Stable / CARE A1+ (Single A Plus; Outlook: Stable/ A One Plus)	Revised from CARE A; Stable / CARE A1 (Single A; Outlook: Stable / A One)
Short Term Bank Facilities	35.00 (Enhanced from 15.00)	CARE A1+ (A One Plus)	Revised from CARE A1 (A One)
Total Bank Facilities	105.00 (₹ One Hundred Five Crore Only)		

*total bank loan facility rated.

13.11 Audit for Reconciliation of Share Capital:

Pursuant to Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 all issuer companies shall submit an audit report of capital integrity, reconciling the total shares held in both the Depositories, viz. NSDL and CDSL and in physical form with the total issued, subscribed and paid-up capital of the Company.

The said report, duly signed by a Practicing Company Secretary is submitted to the stock exchanges where the securities of the Company are listed, within 30 days of the end of each quarter and the audit report is also placed before the Board of Directors of the Company.

13.12 Shareholding Pattern:

The tables below show the shareholding pattern of IPL as on March 31, 2022.

i. Distribution of Shareholding by size, as on March 31, 2022:

S. No.	Category	Cases	% of Cases	Amount	% Amount
1	upto 1 - 5000	139313	99.78	11036914.00	9.58
2	5001 - 10000	147	0.11	1115141.00	0.97
3	10001 - 20000	57	0.04	824914.00	0.72
4	20001 - 30000	22	0.02	526675.00	0.46
5	30001 - 40000	14	0.01	509474.00	0.44
6	40001 - 50000	6	0.00	284030.00	0.25
7	50001 - 100000	14	0.01	1012920.00	0.88
8	100001 & ABOVE	54	0.04	99853440.00	86.71
	Total:	**139627**	**100.00**	**115163508.00**	**100.00**

ii. Categories of Shareholding as on March 31, 2022:

S. No.	Category	Amount	% Amount
1	Promoters and Promoters Group	7,66,58,180	66.56
2	Mutual Funds	12,23,847	1.06
4	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors	25,33,409	2.20
5	Corporate Bodies	41,93,986	3.64
6	Resident Individual	2,90,86,661	25.26
7	NRIs / OCBs	511365	0.44
8	Clearing Members	4,39,211	0.38
9	Trust	1010	0.00
10	NBFC	50	0.00
11	HUF	5,15,789	0.45
	Total:	**115163508**	**100.00**

iii. Dematerialization of shares as on March 31, 2022:

Form	No. of Shares	% of Total
Held in dematerialized form in CDSL	22263392	19.33
Held in dematerialized form in NSDL	92900116	80.67
Total:	**115163508**	**100.00**

The Company's shares are regularly traded on NSE and BSE, in electronic form.

13.13 Commodity price risk or foreign exchange risk and hedging activities:

The foreign exchange risk is insignificant as it relates primarily to the imported newsprint for which the Company does not remain exposed to the fluctuation for a period exceeding 2–3 months. On the basis of its past experience, the management believes that cost of hedging of such insignificant risk is much higher than the value of risk and therefore it does not hedge such risk.

13.14 Outstanding Global Depository Receipts (GDRs) or warrants or any convertible instrument, conversion dates and likely impact on equity:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2022, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

13.15 Investor services:

The Company, under the overall supervision of Ajeet Pandey, Company Secretary and Compliance Officer, is committed to providing efficient and timely services to its shareholders. The Company has appointed KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) as its Registrar and Share Transfer Agents for rendering the entire range of services to the shareholders of the Company in regard to share transfer, refund, rematerialisation, dematerialisation, change of address, change of mandate, dividend etc.

13.16 Nomination:

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in the case of death of all the registered shareholder(s) pursuant to the provisions of Section 72 of the Act. The prescribed form for such nomination can be obtained from the Company. Nomination facility in respect of shares held in electronic form is also available with the Depository Participant (DP) as per the bye-laws and business rules applicable to NSDL and CDSL.

13.17 Address for correspondence:

i. Investors and shareholders can correspond with the Company at the following address:-

Name: Mr. Ajeet Pandey (Company Secretary & Compliance Officer)

Address: India Pesticides Limited Swarup Cold Storage Compound, Water Works Road, Aishbagh, Lucknow – 226 004, Uttar Pradesh, India.

Telephone: +91 0522 2653602

E-mail: investor@indiapesticideslimited.com

Website: https://www.indiapesticideslimited.com/index.php

ii. The Registrar and Share Transfer Agent of the Company:-

KFin Technologies Limited (Formerly known as KFin Technologies Private Limited)

Selenium, Tower B, Plot 31 & 32, Financial District,

Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana-500032, India

Tel No.: +91 40 6716 2222; Toll Free No.1800 3454 001

E-mail: einward.ris@kfintech.com

14. DETAILS OF PLANT LOCATIONS:

The Company has following Manufacturing Unit as at March 31, 2022:

- Unit 1 : Plot No: E-17 To E-23, G-31 To G-35, UPSIDC Industrial Area, Dewa Road, Chinhat, Lucknow. Uttar Pradesh, India
- Unit 2 Plot No: K-6 To K-10, D-2 To D-4, UPSIDC Industrial Area, Village: Mahsona, Tehsil: Sandila, Uttar Pradesh, India.
- we have a network of over 20 sales depot consisting of branches, carrying and forwarding agents, and warehouses spread across 15 states in India and our distribution network comprised various dealers and distribution partners across India.Registered Office: 35-A Civil Lines Bareilly Uttar Pradesh UP 243001

  Corporate Office:- Water Works Road Swarup Cold Storage Compound, Aishbagh, Lucknow-226004 Uttar Pradesh

15. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS:

The Company has complied with corporate governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the Listing Regulations.

The requisite Certificate from the Secretarial Auditors of the Company, GSK & Associates, Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations is annexed hereto as **Annexure II**. The Company has also obtained an Annual Secretarial Compliance Report from the Secretarial Auditors of the Company on compliance of all applicable SEBI Regulations and circulars / guidelines issued thereunder, as mandated by SEBI Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019.

16. CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT:

I, Anand Swarup Agarwal, Chairman and Non- executive Director, do hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2021-22, as laid down by the Company.

for and behalf of the Board of the Company

Place: Lucknow
Date: May 28, 2022

Anand Swarup Agarwal
Chairman and Director

Compliance Certificate by CEO and CFO for the financial year ended March 31, 2022 as required under Regulation of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015

A. We have reviewed the financial statements for the Financial Year March 31, 2022 and to the best of our knowledge and belief:

(1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) These statements together present a true and fair view of the listed entity'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 listed entity during the quarter which are fraudulent, illegal or violative of the listed entity'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 listed entity 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

(1) Significant changes in internal control over financial reporting during Financial Year ended March 31, 2022;

(2) Significant changes in accounting policies during the quarter and that the same have been disclosed in the notes to the financial statements; and

(3) That there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Thanking You,
For India Pesticides Limited

Dheeraj Kumar Jain
Chief Executive Officer

Satya Prakash Gupta
Chief Financial Officer

Date: 28.05.2022
Place: Lucknow

Annexure I

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
India Pesticides Limited
35-ACivil Lines, Bareilly- 243001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **India Pesticides Limited** having **CIN: L24112UP1984PLC006894** and having registered office at 35-ACivil Lines, Bareilly –243001(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 Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

In our opinion and to the best of my/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 us by the Company & its officers, we, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 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.

S. No.	Name of Director	DIN	Date of Appointment in Company
1	Rajendra Singh Sharma	02487797	10.06.1998
2	Anand Swarup Agarwal	00777581	10.09.2020
3	Mohan Vasant Tanksale	02971181	21.12.2020
4	Madhu Dikshit	08495360	21.12.2020
5	Rahul Arun Bagaria	06611268	23.01.2021
6	Adesh Kumar Gupta	00020403	23.01.2021

Ensuring the eligibility of 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 management has conducted the affairs of the Company.

For **GSK & Associates**
Company Secretaries
FRN: P2014UP036000

Khushboo Gupta
Partner
(M. No: F7243)
(C.P. No: 7886)
UDIN: F007243D000416487
PR No: 2072/2022
Date:28.05.2022
Place: Kanpur

Annexure II

SECRETARIAL COMPLIANCE REPORT

PURSUANT TO REGULATION 24A OF SEBI LODR, REGULATIONS, 2015
FOR THE YEAR ENDED 31ST MARCH, 2022

To,
The Members
India Pesticides Limited
35-ACivil Lines,
Bareilly - 243001

We, GSK & Associates have examined:

a) all the documents and records made available to us and explanation provided by [**India Pesticides Limited**] ("the entity"),

b) the filings/ submissions made by the entity to the stock exchanges,

c) website of the entity,

d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the financial year ended 31st March, 2022 in respect of compliance with the provisions of:

a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time;

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;(**Not applicable to the Company during the period under review**);

d) 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**);

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013; (**Not applicable to the Company during the period under review**);

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

g) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;(**Not applicable to the Company during the period under review**);

h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; as amended from time to time;

i) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client and;

j) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder.

Based on the above examination, we hereby report that, during the Review Period:

a) The Entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NIL		

b) The Entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.

c) No action was required to be taken against the entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.

Sr. No	Action taken by	Details of Violation	Details of action taken E.g. fines, warning letter, debarment, etc	Observations/remarks of the Practicing Company Secretary, if any.
NIL				

d) This Entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Observations made in the secretarial compliance report	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable			

e) The Company rolled out an Initial Public Offering ("IPO") during the Audit Period, and has filed Red Herring Prospectus (RHP) on 16.06.2021 and Prospectus on 28.06.2021 with SEBI for its IPO. The offer was opened on June 23, 2021, and closed on June 25, 2021.

f) The Company offered 2,70,27,026 equity shares comprised of fresh issue of 33,78,378 and an offer for sale of 2,36,48,648 equity shares of face value ₹ 1 per equity share at offer price of ₹ 296 per equity shares. The equity shares of the Company were fully subscribed and listed on National Stock Exchange of India Limited and BSE Limited on July 05, 2021.

For **GSK & Associates**
(Company Secretaries)
FRN: P2014UP036000

Khushboo Gupta
Partner
(M. No.: F7243)
(CP No.: 7886)

Date: 24.05.2022
Place: Kanpur
UDIN: F007243D000374951
PR No: 2072/2022

Management Discussion and Analysis

Global Economic Overview

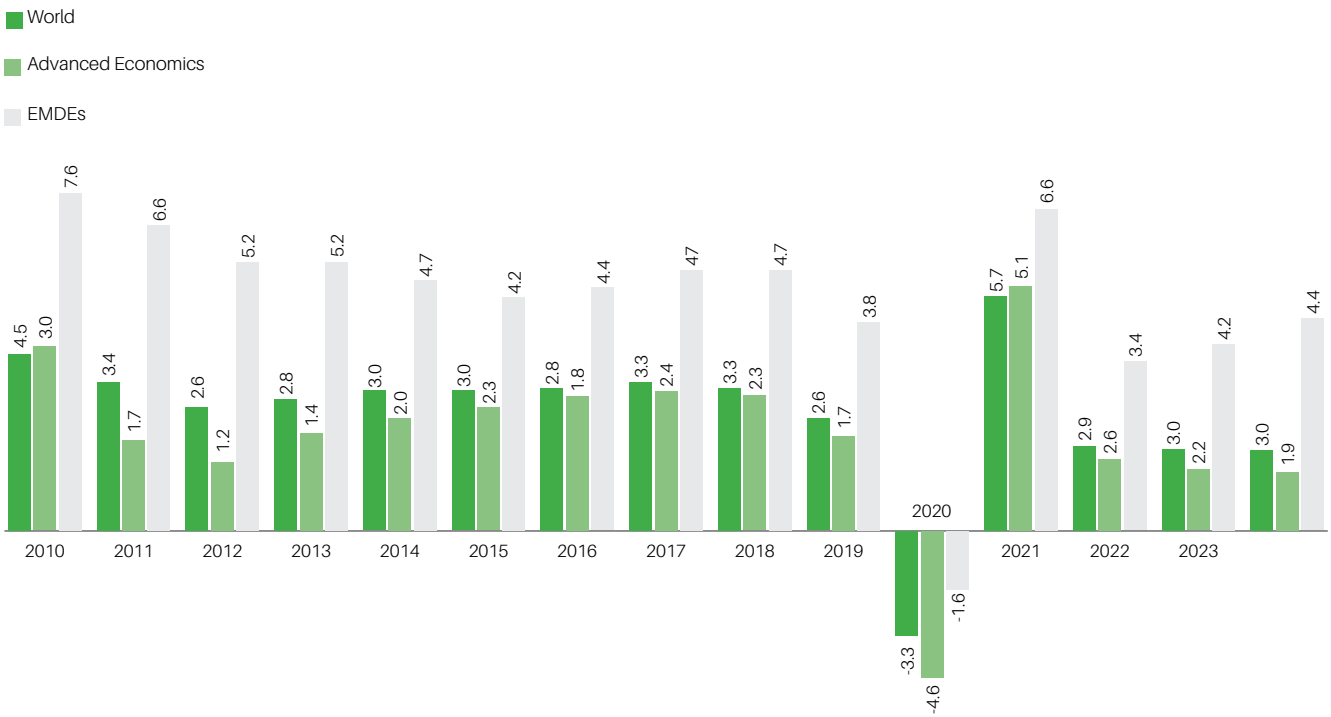
Another volatile, unpredictable year has passed us by in 2021, and it may feel as though the globe is always plagued by issues and threats. For economists all throughout the world, predicting the future has never been more difficult. COVID-19 made no distinctions because every country was affected by the epidemic, which had severe economic effects. The Russian invasion of Ukraine has caused not just a humanitarian tragedy but also a profound regional slowdown and significant negative worldwide spill overs. Pre-existing pandemic strains, such as bottlenecks in global supply chains and considerable rises in the price of several commodities, are being amplified by these spill overs. In light of this substantially more difficult background, the global economy is anticipated to undergo its greatest decline in more than 80 years following an initial rebound from the global recession. Global GDP decreased to 5.7 percent in 2022, which is lower than the predictions made in January.

Outlook

Over the medium run, global growth is expected to slow to around 3.3 percent after 2023. Inflation forecasts for 2022 are 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies, owing to war-induced commodity price hikes and expanding pricing pressures.[1] Multilateral measures to address the humanitarian crisis, avoid further economic fragmentation, maintain global liquidity, manage debt distress, combat climate change, and The conflict in Ukraine has resulted in a costly humanitarian tragedy that must be peacefully resolved.

At the same time, economic implication of the conflict will result in a significant downturn in the global economy and an increase in inflation in 2022. Fuel and food prices have risen dramatically, disproportionately harming low-income countries' most vulnerable populations. From 6.1 percent in 2021 to 3.6 percent in 2022 and 2023, the global economy is predicted to slow.[2]

Global Growth



[1] https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022
[2] https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022

Indian Economic Overview

After the worst of the COVID-19 epidemic had passed, the Russia-Ukraine conflict occurred just as the world economy appeared to be on the mend (despite uncertainties linked with following waves of illness and rising global inflationary pressures). As a result, the price of crude oil and gas, as well as food grains such as wheat and corn and a variety of other commodities, has soared.

The crisis has hidden India's development potential, which is understandable. Crude oil prices have remained above $100 per barrel, while wheat and edible oil prices have climbed by 50% and 20%, respectively, all of which are crucial imports from the two warring states. Some fertilisers are also imported from the region by India. This condition is increasing India's inflation problems, which have existed for some time. Government revenues will fall as fuel and fertiliser prices rise, while subsidy expenses will grow. Capital outflows and rising import costs will have an impact on the current account balance and currency valuation.[3]

India's GDP grew at an annual rate of 8.7% in FY2021–22, with growth rates of more than 7.5 percent and 6.5 percent in the following two fiscal years.[4] Overall development was hampered by the inconsistency (at best) of recovery in a few sectors, such as agriculture, manufacturing, and contact-intensive industries. In January 2022, India's consumer price inflation (CPI) surpassed the upper band of the Reserve Bank of India's (RBI) comfort zone, rising to 6% from 5.7 percent. Inflation in wholesale prices reached a decadal high of 12.96 percent. Due to interruptions in logistics and supply chains, prices increased as the number of infections increased and regional lockdowns were implemented. Prices for vegetables, edible oils, and chicken products have all skyrocketed.

Outlook

Inflation was always a problem in India, escalating geopolitical tensions worsened. Due to increasing inflation, supply chain disruptions, and geopolitical concerns, India's GDP is predicted to fall to 7.5 percent in fiscal year 2022/23, countering buoyancy in service demand recovery following the pandemic. Fixed investment by the private sector and the government, which has implemented incentives and reforms to improve the business climate, will both help to drive growth. Growth is expected to slow to 7.1 percent in 2023/24, returning to its long-run potential.

In addition, India's success on key high-frequency indicators, such as the PMI, power/diesel consumption, and e-bill creation, has been positive. In addition, to combat increasing inflation, the RBI is implementing liquidity restriction measures. Although capital outflows and rapid currency depreciation pose some concerns, the government is currently well-equipped to deal with them[5].

Global Agrochemical Industry`

The agrochemical business is expected to see a significant surge in 2022 as a result of the sector's diverse implementation strategies for food safety and the problems faced in maintaining effective management of food safety procedures.[6]

In recent years, agrochemicals have become an essential aspect of agriculture, helping to increase soil fertility, crop yield, and crop protection against pests, weeds, insects, and other threats. According to Global Agrochemicals Market Report by Expresswire, the Agrochemicals market is predicted to develop significantly over the forecast period due to increased food demand and increasing pressure on farms. Asia-Pacific is expected to be the most prominent region in the agrochemicals market among all significant areas.

Since the beginning of the year, there has been an increase in chances to expedite reforms in the food and agrochemical sectors in order to improve resilience in the face of several challenges, including climate change. Due to the ongoing development in food demand and a significant population in the region, Asia has the greatest agrochemical production and consumption levels.

In 2021, the agrochemical sector saw some significant improvements and product developments. Even in difficult circumstances, the introduction of speedier and more cost-effective analytical technologies has provided the sector a significant boost. Despite rising input prices, earnings have risen dramatically as a result of higher output prices and higher output volumes. Continuing this trend, the producers are all aiming to set a standard through new fertiliser, agrochemical, and other product approaches.

With new technology changing the face of food production, from how it is grown, produced, packaged, and sold, it presents both opportunities and challenges, such as the adoption of a broader and dynamic risk management plan for mitigating various challenges, such as the ongoing pandemic and the resulting labour shortage, changing work environments, inflation, commodity prices, and supply chain concerns. These actions are anticipated to alter the agrochemical industry's landscape in the following year.

In light of recent pandemic events, the agrochemical business has remained untouched from the start. Effective regulatory measures are set to be implemented to protect the environment since the industry contributes significantly to food security and employs a huge workforce. With all of the developments and innovations on the horizon, 2022 is projected to be a game-changer for the industry.

The agrochemical industry is quickly establishing itself as one of the frontrunners in the race to become a major global supply hub. Although IT technologies have aided in the evolution of the

[3] https://www2.deloitte.com/xe/en/insights/economy/asia-pacific/india-economic-outlook.html
[4] https://www2.deloitte.com/xe/en/insights/economy/asia-pacific/india-economic-outlook.html
[5] https://openknowledge.worldbank.org/bitstream/handle/10986/37224/9781464818431.pdf
[6] https://agriculturepost.com/farm-inputs/agrochemicals/agrochemical-industry-outlook-2022/

agrochemical sector's workflow, we are focusing our efforts on skill building and ongoing training of the workforce in order to achieve greater results in the coming year.

The agrochemical business is expected to grow significantly in 2022 as a result of the sector's diverse implementation strategies for food safety and the issues faced in maintaining effective management of food safety processes.[7]

Indian Agrochemical Industry

According to a CRISIL analysis, the agrochemical sector is expected to grow by double digits to 10-12 percent in revenue in the next financial year due to high exports, even though domestic sales may be hampered by an erratic monsoon and a slower increase in rural incomes.

Exports will help the agrochemical sector maintain double-digit revenue growth this fiscal and next (at 12-13 percent and 10-12 percent, respectively), compared to 15% last fiscal, CRISIL Ratings predicts, even as domestic sales growth will be stifled by an uneven monsoon and a slower increase in rural incomes.[8]

As large export buyers diversify their supplier base, the 'China +1' procurement strategy has been a key tailwind for Indian businesses. This, together with ongoing strong demand from Brazil and the United States (45 percent of India's exports) and increased supplies to Europe (15 percent of India's exports), will result in export growth of 15% this fiscal year and 12-13 percent the next year. As a result, by fiscal 2023, export revenue is estimated to account for 53% of total revenue.

According to the CRISIL assessment, following a high 20 percent rise last fiscal year, domestic demand growth will slow to 8-9 percent this fiscal year, with inconsistent monsoon affecting offtake during the important kharif season (June-October) and having a mild impact on rural incomes.

In addition, in this rabi season, the area under seeding has only increased by 1%. (October 2021-February 2022).Domestic GDP will stay consistent at 8-10% next fiscal if there is a decent monsoon, a moderate increase in area under cultivation, and stronger rural incomes, according to the CRISIL analysis.[9]

In the next two financial years, a substantial rise in input prices, particularly imported commodities, would result in a 150-250 basis point (bps) reduction in operating profitability. Healthy cash accruals and balance sheets, on the other hand, will guarantee that credit profiles stay stable despite predicted increases in working capital and capital expenditures, according to CRISIL.

Indian Pesticides Market

In 2021, the Indian pesticides market was estimated to be worth roughly INR 212 billion. According to IMARC Group, the market will reach INR 320 billion by 2027, with a CAGR of 7.07 percent from 2022 to 2027.[10]

Pesticides have been increasingly important in recent decades, driven by the need to improve total agricultural production and provide adequate food availability for the country's rapidly growing population. Pests and illnesses consume approximately 20-25 percent of the entire food produced in India.

Growth Drivers

a) As a result of rising urbanisation, total usable arable land per capita has been decreasing in recent years and is likely to continue to decline in the coming years. Food demand is predicted to continue to rise in the coming years, owing to rising population levels. Pesticides are expected to play a significant influence in raising average agricultural yields per hectare.

b) The pesticides sector is projected to benefit greatly from government attempts to provide financing to farmers in rural areas. Farmers are likely to use more pesticides to increase crop yields as agricultural loans become more widely available and have lower interest rates.

c) Farmers are becoming more conscious of pesticides as a result of both government and private initiatives. In various sections of the country, farmers are being educated on the proper use of pesticides in terms of quantity, application methods, and appropriate chemicals to use for identified insect problems, among other things.

d) Pesticide penetration in India is substantially lower than in other major countries such as the United States and China. This shows that the pesticide business is still substantially untapped, with plenty of possibility for future expansion.

Key Challenges

a) High R&D costs: It takes an average of 9 years and USD 180 million to develop a new agrochemical compound. Companies in India have traditionally not concentrated on developing novel compounds, and they will have problems in establishing these competencies while remaining cost competitive.

b) Threat from Genetically Modified (GM) seeds: Genetically modified seeds have self-immunity against natural enemies, which could have a severe influence on the agrochemicals industry.

c) Need for efficient distribution systems: Because there are so many end users, effective distribution through merchants is critical to ensure product availability. Companies have recently been negotiating directly with retailers, removing the distributor from the value chain to save distribution costs, educate merchants on product usage, and provide farmers competitive rates.

[7] https://agriculturepost.com/farm-inputs/agrochemicals/agrochemical-industry-outlook-2022/
[8] https://www.outlookindia.com/business/india-budget-2021-22-agrochem-sector-may-continue-with-double-digit-growth-in-revenue-next-fiscal-report-news-51443
[9] https://www.outlookindia.com/business/india-budget-2021-22-agrochem-sector-may-continue-with-double-digit-growth-in-revenue-next-fiscal-report-news-51443
[10] https://www.imarcgroup.com/indian-pesticides-market

Indian API Market

The API sector is thought to have relocated to India from Europe, where it had thrived for over a century, due to cost arbitrage. India's chemistry propelled the migration, and her competence in process design and engineering gave her the authority to stay.

Another fallacy is that India's patent system provided it with a structural edge. While this may be true for the home market, where APIs can be manufactured and sold even if they are not patentable, it would not have helped India become a hub for exports to regulated markets.

In 2021, the Indian active pharmaceutical ingredients (APIs) market was valued at $11.8 billion, and it is still growing. During the projected period, the active pharmaceutical ingredients market is expected to increase at a compound annual growth rate (CAGR) of 12.24 percent (2021 to 2027).[11]

This expansion can be ascribed to the country's burgeoning biopharmaceutical industry. The research also discusses how India's growing senior population is likely to drive demand even more through FY2027. Furthermore, the market will benefit from the rising prevalence of chronic diseases such as cardiovascular disease, diabetes, cancer, and respiratory disorders, among others.

Rising drug research, increased drug development and manufacturing, increased uptake of biopharmaceuticals, the need for active pharmaceuticals during the COVID-19 pandemic, the widespread boycott of China, and supportive government policies such as Atmanirbhar Bharat, Pharma Vision 2020, and Production Linked Incentive Scheme, among others, are all driving the growth of the Indian APIs market.

Because of the ready availability of raw materials and the simpler process for developing active pharmaceutical components, the synthetic method of synthesis dominated the market in 2021. Due to rising demand for vaccines, monoclonal antibodies, recombinant proteins, and biosimilars, the biological method of synthesis segment is predicted to rise at a rate of 13.21% over the forecast period. The (bio)pharmaceutical continuous production market is expected to reach $2.3 billion by 2027.[12]

The market is divided into generics and innovators based on medicine kind. Generics dominated the market in 2021, with a 69.56 percent share. India is the third-largest producer of pharmaceuticals by volume and the fourteenth-largest by value. The pharmaceutical sector in India is responsible for the second-largest number of Abbreviated New Drug Applications (ANDAs).

Company Overview

India Pesticides Limited (" IPL") is one of the country's most rapidly expanding chemical manufacturers. IPL was founded in 1984 and is a pioneer in the development of technical and formulations in agro-chemicals as well as active pharmaceutical ingredients for the pharmaceutical industry.

Company is the only Indian manufacturer of few fungicides and herbicides and is among the top five manufacturers in the world for these fungicides and herbicides. We are strategic supplier for the United States, Australia, Europe, Africa, South America and Asia because of our diverse portfolio of niche and high-quality products.

IPL has a track record of strong financial performance, with revenue from operations increasing by 22 percent compounded from FY20 to FY 22. The Company is primarily engaged in-house process and technology R&D, manufacture, and distribution and sales of a variety of agro-chemicals and APIs, with an annual turnover of around Rs. 7161 million (in FY 2021-22).

Status of Subsidiary

Shalvis Specialties Limited has acquired around 25 acre land in Hamirpur (U.P.) for setting up new manufacturing plant. Land registration was completed in October 2021. Environment clearance has been applied and TOR received. Plant is likely to commence operations in FY 2023-24.

Credit Rating

Company's credit rating has been upgraded from Single A to A plus (A+) by CARE rating on November 20, 2021. The revision in the ratings of India Pesticides Limited (IPL) factors in the improvement in the overall financial risk profile of the Company characterized by the sustained growth in total operating income and improvement in profitability supported by growth across all major segments.

Operational overview

Company's revenue stood at Rs. 716 crore in FY 2021-22 as compared to Rs. 649 crore in previous year. Satisfactory growth was recorded in the business.

Technical & API

Revenue of Technical business & API stood at Rs. 541 crore. Installed capacity of Technicals increased to 21500 MT as at 31.03.2022 from 19500 MT as on 31.03.2021. Company launched 5 (five) Technicals during the year & response of new products has been very good. Technicals & API contributed 76% of total revenue during FY 22.

Formulation Business

Revenue of formulation business increased to Rs. 175 crore in FY 2021-22 as compared to Rs. 136 crore achieved in previous year. Formulation contributed 24% of total revenue during FY 22. Growth in turnover has been achieved due to introduction of new products & opening of new branches & depot. Company's main brands are IPL Soldier, IPL 505, IPL Tara FS, Tridev, Takatvar, etc.

International Business

Export sales have declined to Rs. 330 crore in current financial year as compared to Rs. 368 crore in FY 2020-21. The main reason of decline was that one of the largest customer which was earlier buying at European Facility has now started buying at Indian Facility.

[11] https://www.europeanpharmaceuticalreview.com/news/163653/indian-active-pharmaceutical-ingredients-market-to-grow-by-12-24-percent/
[12] https://www.europeanpharmaceuticalreview.com/news/163653/indian-active-pharmaceutical-ingredients-market-to-grow-by-12-24-percent/

Financial Overview

Standalone performance for the year ended March 31, 2022

Analysis of the Standalone Profit and Loss Statement

Particulars	FY 2021-22	FY 2020-21	Change
	Rs. in crore	Rs. in crore	in %
Revenue from operations (Net)	716	649	10
Other income	13	6	105
Cost of materials consumed	327	310	5
Power and fuel	33	28	18
Freight, handling and packing	25	25	-
Employee benefits expenses	30	22	36
Depreciation and amortization expenses	8	6	37
Finance costs	6	3	90
EBITDA	227	190	19
Profit after tax	158	135	17

Note: Figures are rounded off to the nearest crore

Income

During FY 2021-22, total income of the Company increased 11.29% from Rs. 655 crore in FY 2020-21 to Rs. 729 crore in FY 2021-22. This comprises revenue from operations and other income.

Revenue from operations increased by 10% during the year, from Rs. 649 crore in FY 2020-21 to Rs. 716 crore in FY 2021-22, driven by growth in formulation business & technical business. Other income increased by 105% from Rs. 6 crore in FY 2020-21 to Rs. 13 crore in FY 2021-22, which was due to interest on FDR & profit on sale of mutual funds.

Expenses

The Company's total expenses increased by 8.84% from Rs. 475 crore in FY 2020-21 to Rs. 517 crore in FY 2021-22. Major expense items comprise the cost of material consumed, change in inventories, power & fuel, employee benefits, finance costs, depreciation and amortization expenses.

Cost of material consumed (including stock adjustments and purchases) increased by 5% from Rs. 310 in FY 2020-21 to Rs. 327 in FY 2021-22, due to higher sales of formulation business.

Power and fuel expenses increased 18% from Rs. 28 crore in FY 2020-21 to Rs. 33 crore in FY 2021-22, mainly due to the higher production coupled with increase in the prices of fuel.

Employee benefit expenses increased 36% from Rs. 22 crore in FY 2020-21 to Rs. 30 crore in FY 2021-22. This increase was on account of regular increments and increase in number of employees to support future growth.

Depreciation and amortization expenses increased by 37% from Rs. 6 crore in FY 2020-21 to Rs. 8 crore in FY 2021-22. This is on account of commercialization of projects in line with the capacity expansion strategy.

Profitability

EBITDA margins increased by 381 basis points (bps) from 29.2% in FY 2020-21 to 31.7% in current year under review. Increase in EBITDA margin was on account of higher yield due to efforts of R&D.

Profit After Tax (PAT) increased from Rs. 135 crore in FY 2020-21 to Rs. 158 crore in FY 2021-22. PAT was reflective of the EBITDA trend. It was also impacted by higher other income due to reasons stated earlier.

Analysis of the Standalone Balance Sheet

Non-Current Assets

Particulars	FY 2021-22	FY 2020-21	Change
	Rs. in crore	Rs. in crore	in %
Property, plant and equipment	158	120	31.7
Right-of-use assets	5	4	25
Capital work-in-progress	44	12	266
Other intangible assets	0*	0*	-
Financial assets			
I. Investments	20	10	100
II. Loans	1	-	-
III. Other Financial Assets	4	3	33
Other non-current assets	2	1	50
Total non-current assets	**234**	**150**	**56**

Note: Figures are rounded off to the nearest crore

*value is less than Rs. 1 crore

Non-current assets increase by 56% from Rs. 150 crore as on March 31, 2021 to Rs. 234 crore as on March 31, 2022.

An increase of 31.7% in property, plant and equipment was on account of capitalization done towards setting up of the new technical plant at Sandila Hardoi and other items in line with the capacity expansion strategy.

Working Capital

Particulars	FY 2021-22	FY 2020-21	Change
	Rs. in crore	Rs. in crore	in %
Current assets			
Inventories	140	70	100
Financial assets			
I. Trade receivables	248	214	16
II. Cash and cash equivalent	16	2	700
III. Other balances with banks	91	41	121
IV. Other financial assets	4	1	300
Other current assets	52	39	33
Current tax assets (Net)	0*	-	33
Total current assets	**551**	**367**	**50**
Current liabilities			
Financial liabilities			
I. Borrowings	11	23	(52)
II. Lease liabilities	0*	0*	-
III. Trade payables	96	74	29
IV. Other financial liabilities	12	5	140
Other current liabilities	9	5	80
Provisions	4	3	33
Current tax liabilities	-	1	-
Total current liabilities	**132**	**111**	**19**
Working capital (Net Current Assets)Current Assets)	**419**	**256**	**67**

Note: Figures are rounded off to the nearest crore
*value is less than Rs. 1 crore

Working capital (net current assets) of the company increased by 67% from Rs. 256 crore as on March 31, 2021 to Rs. 419 crore as on March 31, 2022. The current ratio was at a comfortable level of 4.17.

Key elements of current assets comprise investment, inventory, trade receivables, cash and cash equivalents and bank balances

Inventory

Inventory increased by 100% from Rs. 70 crore as on March 31, 2021 to Rs. 140 crore as on March 31, 2022. Inventory Turnover Ratio was at 3.11 vis-à-vis 5.71 in the previous year. Higher inventory levels were on account of the build-up of some raw materials to meet the next season's demands as a part of the strategic procurement and shortage of containers for imported material.

Trade receivables

Trade receivables increased by 16% compared to the previous year. Increase in debtors was mainly reported in domestic business on account of an increased turnover.

Trade payables

Creditors increased by 29% during the year owing to better credit terms.

Net cash flows

Net cash flows from operating activities were Rs. 76 against Rs. 83 crore for the mentioned period, respectively.

Capital Employed

Particulars	FY 2021-22	FY 2020-21	Change
	Rs. in crore	Rs. in crore	in %
Equity			
Equity share capital	11.52	11.18	3
Other equity	626.86	378.32	66
Total equity (A)	**638.38**	**389.50**	**64**
Financial liabilities			
I. Non-Current Borrowings	3.55	7.45	(52)
II. Non-Current Lease Liabilities	0.63	0.11	472
III. Current Borrowings	10.80	22.85	(53)
Total Debt (B)	**14.98**	**30.41**	**(51)**
Deferred Tax Liabilities (Net) (C)	**8.02**	**8.10**	**(0.98)**
Total Capital Employed (A+B+C)	**661.38**	**428.01**	**55**

Capital employed increased by 55% to Rs. 661.38 crore as on March 31, 2022. Return on Capital Employed (ROCE) stood at 33% as on March 31, 2022 as against 43% as on March 31, 2021. Capital employed comprises net worth and non-current liabilities.

Net worth increased by 64% from Rs. 389.50 crore as on March 31, 2021 to Rs. 638.38 crore as on March 31, 2022. It comprises equity share capital divided into 11,51,63,508 equity shares of Rs. 1 each and reserves and surplus of Rs. 626.86 crore. Return on Net Worth (RONW) as on March 31, 2022 decreased to 30.82 % from 41.63% as on March 31, 2021 due to new project under implementation.

Key Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor. The key financial ratios are given below:

Ratios	FY 2021-22	FY 2020-21
Current Ratio	4.16	3.30
Debt – Equity Ratio	0.02	0.08
Debt Service Coverage Ratio	58.20	67.04
Return on Equity (ROE):	30.82%	41.63%
Inventory Turnover Ratio	6.83	11.95
Trade receivables turnover ratio	3.10	3.27
Trade payables turnover ratio	4.64	5.03
Net profit ratio	22.12%	20.73%
Net capital turnover ratio (in times)	1.74	2.56
Return on capital employed (%)	33%	43%
Return on investment (ROI)	25%	35%

Information to be given – Please note that Return on Networth is a mandatory field and other ratios to be given only if the change is 25% or more

Risk management

IPL management has all measures in place to safeguard sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the Company's business.

The risk management framework is administered by the Committee as per SEBI regulations. Risk Management Committee is chaired by an Independent Director and has Chairman, CEO, CFO and an Independent Director as members. Risk factors are clearly identified and the company has conducted Probability & Impact Analysis on each factor. Based on the analysis, risks are prioritised as 'to be focused' and 'to be monitored'. Pro-active mitigation measures are in place, which are reviewed periodically.

The company also has a Sub-Committee of Executives (Risk Management Committee of Executives), which holds responsibility of effective practices and efficient timely identification of potential risks, reviewing mitigation plans, implementing risk reduction strategies, and integration of the same with all & every planning and management activities and overall functioning of the framework throughout the year.

Internal Financial Controls and their Adequacy

The Company's Internal Financial Control Systems commensurate with the nature of its business, the size and complexity of its operations and such internal controls with reference to the financial statements are adequate.

The Internal Audit is performed by an external independent firm which reports its findings to the Audit Committee periodically. Inter Audit provides assurance to the Board on effectiveness of internal financial control functioning and quality through continuous monitoring and operational testing by the internal audit function.

Human Resources

Employees play a significant role in determining the workplace culture. The culture is formed through their actions, attitudes, and interests at work. Employees play a big role in shaping the workplace culture. Their actions, attitudes, and interests shape the culture at work. The workplace culture is shaped by the working style and behaviour of employees. Individual cognitive processes and prejudices have an impact on the culture of an organisation. A happy and motivated employee, rather than a disgruntled one, would contribute to a great workplace culture.

Every business has a set of principles and policies that all employees must adhere to. Employees have a feeling of direction because of the values, ideologies, and practises that make up an organization's culture. Workplace culture has a significant impact on a company's brand image and helps it differentiate itself from competitors. Employees are a company's most valuable asset. They are individuals who make a significant contribution to an organization's success. They put in a lot of effort to do their finest work and meet the set deadlines.

Disclaimer

Statements in Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward looking statements' within the meaning of applicable securities law and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to results include economic conditions affecting demand / supply, price conditions in domestic and overseas markets in which the Company operates, competitive pressures in these markets, changes in government regulations, tax laws and other statutes and incidental factors.

Independent Auditor's Report

To,
The Members,
India Pesticides Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **India Pesticides Limited** ("the Company"), which comprises of Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matters	Auditor's response
1	The Company determines the allowance for credit losses on trade receivables based on historical loss experience adjusted to reflect current and estimated future economic conditions. In calculating expected credit loss, the Company also considers the security deposit and other securities, besides other related information to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19. The Management has exercised significant judgement in estimating the allowance for credit losses. Refer Note 9 and 43 to the Standalone Financial Statements	Our principal procedures included the following, but were not limited to: a) Evaluated the design and tested operating effectiveness of internal controls over allowance for credit losses on trade receivables; b) development of the expected credit model for the allowance for credit losses, including consideration of the current and estimated future economic conditions, c) completeness and accuracy of information used in the estimation of probability of default and d) computation of the allowance for credit losses. e) Testing the arithmetical accuracy and computation of the allowances prepared by the Management. f) Assessed the appropriateness of disclosures in standalone financial statements in accordance with the applicable accounting standards.

Sr. No	Key Audit Matters	Auditor's response
2	Inventories represent significant portion of total assets as at March 31, 2022 with carrying value of INR 1396.85 millions (net of allowances). Inventories are valued at lower of cost and net realization value. The Company writes down inventories to net realisable value on account of obsolescence, expiry and non-moving inventory, based on the management's assessment. Assessing net realizable value and identification of slow-moving, expired and obsolete inventory are areas which require use of significant judgements and owing to the inherent complexities, this is considered to be a key audit matter.	Our principal procedures included the following, but were not limited to: a) Understood and evaluated the process relating to determination of net realizable value of inventories and identification of slow-moving, expired or obsolete inventories; b) Evaluated the design and tested operating effectiveness of internal controls over inventory valuation; c) Tested the valuation of inventories, on sample basis, by comparing the value of raw materials with the underlying supporting documents. For work in process and manufactured finished goods, verified the bill of materials and tested computation for labour and manufacturing overhead absorption. d) Obtained age wise analysis of inventories, made specific inquiries with the management with regards to expiry, slow moving and obsolete inventories and evaluated the adequacy of write-down of inventories provided by the management; and e) Assessed the appropriateness of disclosures in standalone financial statements in accordance with the applicable accounting standards.

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

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Business responsibility Report, Corporate Governance report and Shareholder's information, but does not include the standalone financial statement and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Matter:

We draw your attention to note no 43 of the standalone financial statements regarding the assessment made by management relating to impact of COVID-19 pandemic on operations of the Company.

Our opinion on the standalone financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2020 ("the Order" "CARO"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.

   (c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

   (e) On the basis of the written representation received from the directors as on March 31, 2022 taken on records

by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a Directors in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".

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

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

(h) With respect to the matters to be included in the Auditor's report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigation which would impact its financial performance in its standalone financial statements. (Refer Note No.-36(A) to standalone financial statements)

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

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

iv. (a) The management has represented that, to the best of its knowledge and belief, 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 or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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;

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement.

v. (a) The final dividend paid by the Company during the year in respect of the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

(b) As stated in the note 16 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 the declaration of dividend.

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

R.P. Baradiya
Partner
Membership No. 44101
UDIN : 22044101AMFNMN3935

Place : Mumbai
Date : May 28, 2022

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

i. (a). In respect of Company's Property, Plant and Equipment (PPE) and Intangible Assets:

A. The Company has maintained proper records, showing full including quantitative details and situation of Property, Plant and Equipment (PPE) and right of use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) As explained to us, the Company has a phased program for physical verification of the PPE for all locations. In our opinion, the frequency of verification is reasonable, considering the size of the Company and nature of its PPE. Pursuant to the program of the physical verification of PPE, physical verification of the assets has been carried out during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination and records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets or both during the year and hence reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, neither any proceedings have been initiated during the year nor are pending as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder and hence reporting under clause 3(i)(e) of the Order is not applicable to the Company.

ii. (a) The inventories have been physically verified by the management at reasonable intervals during the year, except for goods in transit and those lying with third parties. The procedures of physical verification of the inventories followed by the management and its coverage are reasonable and adequate in relation to the size of the Company and nature of its business. As per the information and explanations given to us, no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification of inventories as compared to book records.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs 5 crore, in aggregate from banks on the basis of security of current assets. The quarterly statements filed by the Company with such banks are generally in agreement with the books of account of the Company. The Company has not been sanctioned working capital limits in excess of Rs 5 crore, in aggregate from financial institutions on the basis of security of current assets.

iii. According to the information and explanations given to us, during the year, the Company has made investments and granted loans and advances in the nature of loans in respect of which the requisite information is as mentioned below. The Company has not provided any 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 not made any investments in firms and limited liability partnership.

(a) During the year, the Company has provided loan to its wholly owned subsidiary of Rs. Rs. 5.80 million and Rs. 5.80 million is outstanding at the year end and the Company has given advance in the nature of loan to a related party of Rs. 16.97 million and Rs. 46.80 million is outstanding as at year end.

(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 in its wholly owned subsidiary and the terms and conditions of the grant of all loans and advances in the nature of loans are in the ordinary course of business and accordingly, not prejudicial to the Company's interest.

(c) According to the information and explanations given to us and based on the audit procedures conducted by us, the loans and advances in the nature of loans are repayable on demand and the repayment and receipts are regular.

(d) According to the information and explanations given to us there are no amount which are overdue.

(e) According to the information and explanations given to us none of the loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

(f) During the year, the Company has granted Loans which are repayable on demand or without specifying any terms or period of repayment details of which are given below:

Type	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Advance in the nature of loan granted to related party	46.80	100%
Loan to wholly owned subsidiary	5.80	100%

iv. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, the Company has complied with the provisions of section 185 and 186 of the Act, to the extent applicable with respect to the loans and investments made during the year. The Company has not provided any guarantee and security during the year.

v. In our opinion and according to the information and explanations given to us, no deposits or amounts which are deemed to be deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 have been accepted by the Company and hence reporting under clause 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to rules made by the central government for the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a year of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues as referred in clause vii (a) above which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and hence reporting under clause 3(viii) of the Order is not applicable to the Company.

ix (a) Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of loans or other borrowings or in the repayment of interest thereon to the lenders and hence reporting under clause 3(ix) of the Order is not applicable to the Company.

(b) The Company has not been declared as willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) Based on our audit procedures and on the basis of information and explanations given to us, during the year the Company has not raised any funds on the pledge of securities held in its subsidiaries and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) In our opinion and according to the information and explanations given to us, money raised by way of Initial public offer during the year were applied for the purposes for which those are raised.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment, private placement of shares or fully or partly

convertible debentures during the year or in the recent past and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by the management.

(b) During the year, no report under sub section 12 of Section 143 of the Act has been filed by us in Form ADT-4 as prescribed in rule 13 of Companies (Audit and Auditors) rules, 2014 with the Central Government.

(c) Based on our audit procedures performed and according to the information and explanations given to us, no whistle blower complaints received during the year by the Company and hence reporting under clause 3 (xi) (c) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with related parties are in compliance with section 177 and 188 of the Act and all the details have been disclosed in the standalone financial statements as required by the applicable Accounting Standard (Refer Note 38 to the standalone financial statements).

xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining nature, timing and extent of our audit procedure

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.

(b) In our opinion, there is no core investment company within the "Companies in the Group" as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year and hence reporting under clause 3 (xviii) of the Order is not applicable to the Company.

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 financial statements and 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 indicating that 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. (a) According to the information and explanations given to us, there are no other than ongoing projects and hence reporting under clause 3 (xx)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us amount remaining unspent under subsection (5) of section 135 of the Act, pursuant to ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

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

R.P. Baradiya
Partner
Membership No. 44101
UDIN : 22044101AMFNMN3935

Place : Mumbai
Date : May 28, 2022

Annexure "B" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the Members of The India Pesticides Limited of even date:

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

We have audited the internal financial controls over financial reporting of the India Pesticides Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii)provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorisations of management; (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements and (iv) also provide us reasonable assurance by the internal auditors through their internal audit reports given to the organization from time to time.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to

error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the best of our information and according to the explanations given to us, the Company has, broadly in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential Component of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

R.P. Baradiya
Partner
Membership No. 44101
UDIN : 22044101AMFNMN3935

Place : Mumbai
Date : May 28, 2022

Standalone Balance Sheet

as at 31st March 2022

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment and Intangible Assets			
Property, Plant and Equipment	2A	1,579.66	1,199.92
Capital work-in-progress	2C	444.10	118.85
Other Intangible Assets	3	0.79	1.22
Right of Use Assets	2B	48.47	43.54
Financial Assets			
Investments	4	202.69	99.05
Loans	5	5.80	-
Other Financial Assets	6	42.19	28.49
Other Non-current Assets	7	15.08	11.53
Total Non current assets		**2,338.78**	**1,502.60**
Current Assets			
Inventories	8	1,396.85	700.79
Financial Assets			
Trade Receivables	9	2,479.26	2,142.20
Cash and Cash Equivalents	10	162.61	19.07
Other Balances with Banks	11	905.15	410.55
Other Financial Assets	12	37.82	7.75
Other Current Assets	13	518.84	387.84
Current Tax Assets (Net)	14	2.28	-
Total Current Assets		**5,502.81**	**3,668.20**
Total Assets		**7,841.59**	**5,170.80**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	15	115.16	111.79
Other Equity	16	6,268.62	3,783.16
Total Equity		**6,383.78**	**3,894.95**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	17	35.54	74.49
Lease Liabilities	18	6.34	1.13
Provisions	19	12.83	6.89
Deferred Tax Liabilities (Net)	20	80.15	81.03
Total Non Current Liabilities		**134.86**	**163.54**
Current Liabilities			
Financial liabilities			
Borrowings	21	107.97	228.46
Lease Liabilities	22	0.03	0.03
Trade Payables	23		
Total outstanding dues of micro enterprises and small enterprises		45.10	47.17
Total outstanding dues of creditors other than micro enterprises and small enterprises		916.83	693.30
Other Financial Liabilities	24	118.96	52.44
Other Current Liabilities	25	90.06	53.57
Provisions	26	44.00	31.81
Current Tax Liabilities (Net)	27	-	5.53
Total Current Liabilities		**1,322.95**	**1,112.31**
Total Liabilities		**1,457.81**	**1,275.85**
Total Equity and Liabilities		**7,841.59**	**5,170.80**
Significant accounting policies and Key accounting estimates and judgements	1		
See accompanying notes to Standalone Financial Statements	2-49		

As per our report of even date attached

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

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

R.P. Baradiya
Partner

A. S. Agarwal
Director
DIN: 00777581

R. S. Sharma
Director
DIN: 02487797

D. K. Jain
Chief Executive Officer

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Mumbai
Dated: May 28, 2022

Place : Lucknow
Dated: May 28, 2022

Standalone Statement of Profit and Loss

for the year ended 31st March 2022

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue from Operations	28	7,161.43	6,489.54
Other Income	29	131.65	64.23
Total Income (I)		**7,293.08**	**6,553.77**
EXPENSES			
Cost of Materials Consumed	30	3,706.58	3,300.90
Changes in inventories of finished goods and work-in-progress	31	(441.15)	(196.77)
Employee Benefits Expense	32	296.84	224.96
Finance Costs	33	65.06	34.33
Depreciation and Amortisation Expense	2 & 3	84.46	61.35
Other Expenses	34	1,460.62	1,329.35
Total Expenses (II)		**5,172.41**	**4,754.12**
Profit Before Tax (I-II)		**2,120.67**	**1,799.65**
Tax Expense			
(1) Current Tax		533.24	448.03
(2) Deferred Tax		0.74	8.27
(3) Current taxes relating to earlier years		2.84	(2.09)
Profit for the period		**1,583.85**	**1,345.44**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(6.53)	1.20
- Equity Instruments through OCI		0.08	2.30
- Income tax related to items that will not be reclassified to Profit and loss		1.62	0.28
Total Other comprehensive income/(loss) for the year (Net of Tax)		**(4.83)**	**3.78**
Total Comprehensive income for the Year		**1,579.02**	**1,349.22**
Earnings per Equity Share of ₹ 1 Each (Refer note 13(d), 13('e) and 13(f)	42		
Basic (in ₹)		13.82	12.07
Diluted (in ₹)		13.82	12.07
Significant accounting policies and Key accounting estimates and judgements	1		
See accompanying notes to Standalone Financial Statements	2-49		

As per our report of even date attached

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

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

R.P. Baradiya
Partner

A. S. Agarwal
Director
DIN: 00777581

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Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Mumbai
Dated: May 28, 2022

Place : Lucknow
Dated: May 28, 2022

Standalone Statement of Cash Flow

for the year ended 31st March 2022

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A. Cash flow from operating activities:		
Net profit before tax	2120.67	1799.65
Adjustment to reconcile profit before tax to net cash flows		
Depreciation	84.46	61.35
Net unrealised foreign exchange loss/(gain)	(8.61)	9.12
Net gain on sale / fair valuation of investments through profit and loss	(23.34)	(20.18)
(Profit)/Loss on Sale of property, plant and equipment (net)	(0.88)	(0.03)
Dividend Income	(0.04)	(0.08)
Provision for Employee Benefits	3.14	4.38
Finance Lease	0.14	0.02
Interest received	(44.88)	(22.47)
Provision for Expected Credit Loss	64.76	20.46
Bad Debt	48.00	17.49
Interest expenses	39.01	28.27
Operating profit before working capital changes	**2282.43**	**1897.98**
Adjustment for		
Decrease/ (Increase) in other financial assets	(43.79)	19.35
Decrease/ (Increase) in non current assets	(3.55)	4.56
Decrease/ (Increase) in trade receivables	(449.82)	(345.21)
Decrease/(Increase) in other current assets	(131.00)	(140.96)
Decrease/(Increase) in Inventories	(696.06)	(315.06)
(Decrease)/Increase in other financial liabilities	71.73	10.72
(Decrease)/Increase in trade payables	221.46	126.52
(Decrease)/ Increase in other current liabilities	36.49	(8.96)
(Decrease)/ Increase in provisions	14.99	32.94
Cash generated from operations	**1302.88**	**1281.88**
Direct taxes paid (net)	(543.85)	(448.93)
Net cash generated from / (used in) operating activities	**759.03**	**832.95**
B. Cash generated from investing activities		
Purchase of property, plant and equipment, Intangible assets and Capital work in progress	(792.20)	(419.15)
Proceeds from sale of property, plant and equipment	2.01	0.11
Investment in Subsidiary	(23.00)	(8.00)
Purchase of Investments	(146.43)	(71.41)
Sale proceeds of Investments	88.34	33.21
Increase in Term Deposits with Banks	(494.60)	(397.43)
Interest Income	44.88	22.47
Net cash flow from / (used in) from investing activities	**(1321.00)**	**(840.20)**
C. Cash generated from financing activities		
Proceeds from Initial Public Offering	1000.00	-
Offer Expenses on Initial Public Offering	(54.41)	-
Loans to subsidiary	(5.80)	-
Proceeds from Long term Borrowings	18.76	8.20
Repayment of Long term Borrowings	(49.96)	(70.13)
Proceeds/(repayment) from short-term borrowings (net)	(123.56)	89.62
Dividend paid (including corporate dividend tax)	(35.77)	(35.02)
Interest paid (net)	(43.75)	(33.52)
Cash generated from / (used in) financing activities	**705.51**	**(40.85)**
D. Net Increase/ (Decrease) in cash and cash equivalent (A+B+C)	**143.54**	**(48.10)**
Cash and Cash equivalents		
At the beginning of the year	19.07	67.17
At the end of the year	162.61	19.07

Standalone Statement of Cash Flow

for the year ended 31st March 2022

Notes:

Net Debt Reconciliation

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening Net Debt	302.95	280.39
Proceeds from Borrowings (net)	(104.80)	97.82
Repayment of Borrowings (net)	(49.96)	(70.13)
Interest Expense (net)	39.01	28.27
Interest Paid (net)	(43.75)	(33.52)
Discounting adjustment for borrowing cost	0.07	0.12
Closing Net Debt	**143.51**	**302.95**

As per our report of even date attached

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

R.P. Baradiya
Partner

Place : Mumbai
Dated: May 28, 2022

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

A. S. Agarwal
Director
DIN: 00777581

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Director
DIN: 02487797

D. K. Jain
Chief Executive Officer

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Lucknow
Dated: May 28, 2022

Standalone Statement of Changes in Equity

for the year ended 31st March 2022

A. Equity Share Capital

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	No. of Shares	Amount
As at 1st April, 2020	318,325	31.83
Changes in equity share capital during the period	111,466,805	79.95
As at 31st March, 2021	**111,785,130**	**111.79**
Changes in equity share capital during the period	3,378,378	3.38
As at 31st March, 2022	**115,163,508**	**115.16**

B. Other Equity

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Securities Premium	General Reserve	Retained Earnings	Equity Instruments through OCI	Remeasurement of net defined benefit plan through OCI	Total Amount
Balance as on 1st April, 2020	8.58	589.37	1,941.08	-	(2.64)	2,536.39
Profit/(loss) for the year	-	-	1,345.44	-	-	1,345.44
Other Comprehensive Income / (loss)	-	-	-	2.30	1.48	3.78
Total Comprehensive Income for the year	8.58	589.37	3,286.52	2.30	(1.16)	3,885.61
Dividends paid	-	-	(35.02)	-	-	(35.02)
Amounts utilized towards issue of fully paid up bonus shares to the extent available (Refer note 15(e))	(8.58)	(71.00)	-	-	-	(79.58)
Add: On Preferrential Allotment (Refer note 15(f))	12.14	-	-		-	12.14
Balance as on 31st March 2021	**12.14**	**518.37**	**3,251.50**	**2.30**	**(1.16)**	**3,783.16**
Profit/(loss) for the year	-	-	1,583.85	-	-	1,583.85
Other Comprehensive Income / (loss)	-	-	-	0.08	(4.91)	(4.83)
Total Comprehensive Income for the year	12.14	518.37	4,835.35	2.38	(6.06)	5,362.18
Dividends paid		-	(35.77)	-	-	(35.77)
Amounts utilized towards Offer Expenses on Initial Public Offering (Refer note 15(j))	(54.41)	-	-	-	-	(54.41)
Add: Proceeds from Initial Public Offering (Refer note 15(i))	996.62	-	-		-	996.62
Balance as on 31st March 2022	**954.36**	**518.37**	**4,799.58**	**2.38**	**(6.06)**	**6,268.62**

As per our report of even date attached

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

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

R.P. Baradiya
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Ajeet Pandey
Company Secretary

Place : Mumbai
Dated: May 28, 2022

Place : Lucknow
Dated: May 28, 2022

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

Company Profile

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

The financial statements were authorised for issue in accordance with a resolution of the directors on May 28, 2022.

1 Significant Accounting policies

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

1.1 Basis of Preparation

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

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

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

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

Current versus non-current classification

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

1.2 Use of Estimates and Judgments

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

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

Significant accounting estimates and assumptions

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

(a) Income taxes

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

(b) Defined Benefit Obligation

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

1.3 Summary of Significant accounting policies

(a) Property, Plant & Equipment

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

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

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

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

Depreciation and Amortisation

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

Leasehold improvements are amortized over the period of the lease.

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

Derecognition:

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

(b) Intangible Assets

Measurement at recognition:

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

Amortization:

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

Asset Class	Useful Life
Software	5 years
Know How	10 years

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

Derecognition:

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

(c) Revenue Recognition

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

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

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

Sale of Products:

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

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

Export Incentive:

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

(d) Other Income

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

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

(e) Inventories

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

(f) Financial Instruments

(i) Financial Assets

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

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

Financial assets are subsequently classified as measured at

- **amortised cost**

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

- **fair value through profit and loss (FVTPL)**

  Assets shall be measured at FVTPL unless it is measured at amortised cost or at FVOCI. A gain or loss on a debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in the Statement

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

of Profit and Loss and presented within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in Other Income.

- **fair value through other comprehensive income (FVOCI)**

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

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

  Derecognition

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

(ii) Financial Liabilities

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

Derecognition

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

(g) Impairment of Financial Assets

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

(h) Fair Value Measurement

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

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)"

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

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

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

(i) Trade Receivables and Loans

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

(j) Investments

Financial assets are recognised and measured in accordance with Ind AS 109 - Financial Instruments. Accordingly, the Company recognises financial asset only when it has a contractual right to receive cash or other financial assets from another entity. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. Subsequent to initial recognition, financial assets are measured at amortised cost, fair value through other comprehensive income (FVOCI) or FVTPL. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

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

(k) Foreign Currency Transactions

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

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

Monetary items:

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

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

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

Non – Monetary items:

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

(l) Income tax

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

Current Tax:

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

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

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

Deferred Tax:

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

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

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

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

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

Presentation of current and deferred tax:

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

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

(m) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

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

(n) Cash & Cash Equivalents

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

(o) Provision for Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

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

Post-Employment Benefits:

I. Defined Contribution plans:

ance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans:

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

II. Defined benefit plans:

i) **Provident fund scheme:**

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

ii) **Gratuity scheme:**

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

Recognition and measurement of defined benefit plans:

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

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

The Company presents the above liability/(asset) as current and non-current in the

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

balance sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

Other Long Term Employee Benefits:

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

(p) Lease accounting

Assets taken on lease:

The Company mainly has lease arrangements for land.

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

The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

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

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

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

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

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

(q) Impairment of Non-financial Assets

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

indication of such impairment exists, the recoverable amount of such assets / cash generating unit is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised.

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

(r) Borrowing Costs

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

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

(s) Government Grants / Subsidies:

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

(t) Segment reporting

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

(u) Dividends Payable

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

(v) Earnings Per Share

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

(w) Events after reporting date

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

(x) Offsetting of financial instruments

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

(y) Rounding Of Amounts

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

(z) Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards / amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below :

(a) Ind AS 16 – Property, plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022.

(b) Ind AS 37 - Provisions, contingent liabilities and contingent assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022, although early adoption is permitted.

(c) Ind AS 103 – Business combinations – The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

(d) Ind AS 109 – Financial instruments – The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The Company is in the process of evaluating the impact of these amendments.

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

2A Property, Plant and Equipment

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Factory Building	Plant & Equipment	R&D Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross Carrying Amount								
Balance as at 1st April, 2020	261.85	736.32	1.17	8.91	26.00	1.69	2.52	1,038.47
Additions during the year	97.00	200.90	-	0.94	10.17	1.11	0.76	310.88
Disposals/ Reclassifications during the year	-	-	-	-	0.34	-	-	0.34
Balance as at 31st March, 2021	**358.85**	**937.22**	**1.17**	**9.85**	**35.83**	**2.80**	**3.28**	**1,349.01**
Additions during the year	68.00	358.21	0.77	0.89	33.18	0.92	1.19	463.17
Disposals/ Reclassifications during the year	-	-	-	-	6.13	-	-	6.13
Balance as at 31st March, 2022	**426.84**	**1,295.43**	**1.94**	**10.74**	**62.87**	**3.72**	**4.47**	**1,806.05**
Accumulated depreciation, amortisation and impairment								
Balance as at 1st April, 2020	17.66	60.26	0.11	1.63	6.52	0.61	1.66	88.45
Depreciation expense for the year	9.08	45.34	0.06	1.02	4.39	0.41	0.59	60.89
Eliminated on disposal of asset/ reclassifications	-	-	-	-	0.25	-	-	0.25
Balance as at 31st March, 2021	**26.74**	**105.60**	**0.17**	**2.65**	**10.66**	**1.02**	**2.25**	**149.09**
Depreciation expense for the year	14.15	59.45	0.06	1.11	6.18	0.62	0.71	82.28
Eliminated on disposal of asset/ reclassifications	-	-	-	-	5.00	-	-	5.00
Balance as at 31st March, 2022	**40.89**	**165.05**	**0.22**	**3.75**	**11.83**	**1.64**	**2.96**	**226.35**
Net Carrying amount								
Balance as at 1st April, 2020	244.19	676.06	1.06	7.28	19.49	1.08	0.86	950.01
Balance as at 31st March, 2021	**332.11**	**831.62**	**1.00**	**7.20**	**25.17**	**1.78**	**1.03**	**1,199.92**
Balance as at 31st March, 2022	**385.95**	**1,130.38**	**1.72**	**6.99**	**51.04**	**2.08**	**1.51**	**1,579.66**

Refer Note 17 & 21 for details of security charge on Property, Plant and Equipment.

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

2B Right of Use Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	43.54	42.57
Additions	6.68	0.99
Deletions	-	-
Amortization	1.75	0.02
Closing Balance	**48.47**	**43.54**

2C Capital work-in-progress

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Plant & Machinery under Installation	Buildings under construction	Total
Balance as at 1st April, 2020	1.14	10.43	11.57
Balance as at 31st March, 2021	**102.84**	**16.01**	**118.85**
Balance as at 31st March, 2022	**322.95**	**121.15**	**444.10**

Capital work in progress (CWIP) Ageing Schedule

As at 31 March 2022

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Less than 1Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	400.73	43.37	-	-	444.10
Projects temporarily suspended	-	-	-	-	-
Total	**400.73**	**43.37**	**-**	**-**	**444.10**

As at 31 March 2021

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Less than 1Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	118.85	-	-	-	118.85
Projects temporarily suspended	-	-	-	-	-
Total	**118.85**	**-**	**-**	**-**	**118.85**

3 Other Intangible Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Software	Know How	Total
Gross Carrying Amount			
Balance as at 1st April, 2020	0.40	2.12	2.52
Additions during the year	-	-	-
Deductions during the year	-	-	-
Balance as at 31st March, 2021	**0.40**	**2.12**	**2.52**
Additions during the year	-	-	-
Deductions during the year	-	-	-
Balance as at 31st March, 2022	**0.40**	**2.12**	**2.52**
Accumulated amortization			
Balance as at 1st April, 2020	0.16	0.70	0.86
Amortization expense for the year	0.08	0.36	0.44
Deductions for the year	-	-	-
Balance as at 31st March, 2021	**0.24**	**1.06**	**1.30**

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

3 Other Intangible Assets (Contd.)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Software	Know How	Total
Amortization expense for the year	0.07	0.36	0.43
Deductions for the year	-	-	-
Balance as at 31st March, 2022	**0.31**	**1.42**	**1.73**
Net Carrying amount			
Balance as at 1st April, 2020	0.24	1.41	1.65
Balance as at 31st March, 2021	**0.16**	**1.06**	**1.22**
Balance as at 31st March, 2022	**0.09**	**0.71**	**0.79**

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

4 Investments

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(A) INVESTMENTS MEASURED AT COST		
In Unquoted, fully paid up Equity Shares of Subsidiary		
Shalvis Specialities Ltd	31.00	8.00
31,00,000 (31st March, 2021 : 800000) equity shares of Rs.10 each		
TOTAL	**31.00**	**8.00**
(B) INVESTMENTS MEASURED AT AMORTISED COST		
In Unquoted, fully paid up Debt Instrument		
India Infoline Finance Ltd	4.05	4.86
4,000 @ 9.6% (31st March, 2021 : 4,000 @ 9.6 %) non-convertible debentures of Rs. 1000 each		
TOTAL	**4.05**	**4.86**
In Unquoted Government Securities		
National Saving Certificate	0.04	0.04
TOTAL	**0.04**	**0.04**
(C) INVESTMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)		
In Unquoted, fully paid up Equity Shares of Other Company		
Swarup Chemicals Pvt Limited		
3900 (31st March, 2021 : 3900) equity shares of Rs.10 each		
TOTAL		
(D) INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS (FVTPL)		
In Quoted, fully paid up Equity Shares of Other Companies		
1. Punjab National Bank	-	0.00
Nil (31st March, 2021 : 50) equity shares of Rs.2 each		
2. Coromandal International Ltd	-	0.10
Nil (31st March, 2021 : 125) equity shares of Re.1 each		
3. Suditi Industries Ltd	0.22	0.12
4,632 (31st March, 2021 : 11,739) equity shares of Re.10 each		
4. Vedanta Ltd	-	0.71
Nil (31st March, 2021 : 3,086) equity shares of Re.1 each		
5. K M Sugar Mills Ltd	1.79	1.62
60,979 (31st March, 2021 : 136325) equity shares of Rs.2 each		
6. PI Industries Ltd	-	0.34
Nil (31st March, 2021 : 151) quity shares of Re.1 each		
7. ICICI Bank Ltd.	-	0.36
Nil (31st March, 2021 : 616) equity shares of Rs.2 each		
8. Navin Fluorine International Ltd.	-	0.34
Nil (31st March, 2021 : 124) equity shares of Rs.2 each		
9. Sam Industries Ltd	-	0.03
Nil (31st March, 2021 : 2,200) equity shares of Rs.10 each		

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

4 Investments (Contd.)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
10. Modipon Ltd 100 (31st March, 2021 : 100) equity shares of Rs.10 each	0.00	0.00
11. Apollo Hospitals Enterprises Ltd Nil (31st March, 2021 : 228) equity shares of Rs.10 each	-	0.66
12. Bank of Baroda Nil (31st March, 2021 : 5,686) equity shares of Rs.10 each	-	0.42
13. Bharti Airtel Ltd Nil (31st March, 2021 : 696) equity shares of Rs.10 each	-	0.41
14. Bharat Petroleum Corporation Ltd Nil (31st March, 2021 : 1,299) equity shares of Rs.10 each	-	0.56
15. Dr Reddy Laboratories Nil (31st March, 2021 : 76) equity shares of Rs.10 each	-	0.34
16. Gujarat Narmada Valley Fertilizers & Chemicals Nil (31st March, 2021 : 1,657) equity shares of Rs.10 each	-	0.50
17. HCL Technologies Ltd Nil (31st March, 2021 : 466) equity shares of Rs.10 each	-	0.46
18. Indian Railway Catering & Tourism Nil (31st March, 2021 : 281) equity shares of Rs.10 each	-	0.49
19. Infosys Ltd Nil (31st March, 2021 : 340) equity shares of Rs.10 each	-	0.47
20. Karnataka Bank Ltd Nil (31st March, 2021 : 6,825) equity shares of Rs.10 each	-	0.42
21. Polycab India Limited Nil (31st March, 2021 : 377) equity shares of Rs.10 each	-	0.52
22. Reliance Indiustries Ltd - Right Issue 300 (31st March, 2021 : 300) equity shares of Rs.10 each	0.79	0.33
23. State Bank India Nil (31st March, 2021 : 1,176) equity shares of Rs.10 each	-	0.43
24. Sun TV Network Nil (31st March, 2021 : 911) equity shares of Rs.10 each	-	0.43
25. Ultramarine & Pigments Ltd Nil (31st March, 2021 : 1,248) equity shares of Rs.10 each	-	0.36
26. Infrastructure Development Finance Co. Ltd. (Equity) Nil (31st March, 2021 : 10,586) equity shares of Rs.10 each	-	0.50
TOTAL	2.80	10.92
In Unquoted, fully paid up Equity Shares of Other Companies		
1. Kalyanpur Cements Ltd 16,500 (31st March, 2021 : 16,500) equity shares of Rs.10 each	-	-
2. Eggro Paper Moulds Ltd 3,300 (31st March, 2021 : 3,300) equity shares of Rs.10 each	-	-
3. United Health Care Ltd 100 (31st March, 2021 : 100) equity shares of Rs.10 each	-	-
4. XLO Machine Tool Ltd 200 (31st March, 2021 : 200) equity shares of Rs.10 each	-	-
5. Stallion Shox Ltd 100 (31st March, 2021 : 100) equity shares of Rs.10 each	-	-
6. Swarup Publication P Ltd 1,900 (31st March, 2021 : 1,900) equity shares of Rs.10 each	-	-
7. Indo fil Limited 21 (31st March, 2021 : 21) equity shares of Rs.10 each	-	-
TOTAL	-	-
In Quoted, Mutual Funds (Equity Oriented)		
1. Master Share UTI 162.569 (31st March, 2021 : 162.569) equity shares of Rs.10 each	0.00	0.00
2. BOI AXA Midcap Tax Fund Nil (31st March, 2021 : 1,50,000) units.	-	10.51

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

4 Investments (Contd.)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
3. ICICI Prudential Balanced Advantage Fund 15,173.377 (31st March, 2021 : 68,810.472) units.	0.87	0.82
4. ICICI Prudential Equity Arbitrage Fund 91,903.791 (31st March, 2021 : Nil) units.	2.56	
5. BOI AXA Midcap Tax Fund Nil (31st March, 2021 : 1,50,000) units.	-	1.98
6. ICICI Prudential Balanced Advantage Fund 15,173.377 (31st March, 2021 : 68,810.472) units.	0.75	3.04
7. BOI AXA Mid & Small Cap Equity & Debt Fund Nil (31st March, 2021 : 1,57,472.441) units.	-	2.72
8. Axis Special Situations Fund 5,00,087.396 (31st March, 2021 : 5,00,087.396) units.	6.33	5.17
9. Axis Growth Opportunities Fund 1,57,621.375 (31st March, 2021 : 1,57,621.375) units.	3.25	2.51
10. Axis Small Cap Fund 45,175.062 (31st March, 2021 : Nil) units.	2.77	-
11. BOI AXA Flexi Cap Fund Nil (31st March, 2021 : 4,69,994.501) units.	-	6.97
12. DSP Mid Cap Fund 64,785.317 (31st March, 2021 : 64,785.317) units.	5.58	4.94
13. DSP Flexi Cap Fund 1,64,187.315 (31st March, 2021 : Nil) units.	10.38	-
14. Edelweiss Greater China Equity Off Shore Fund Nil (31st March, 2021 : 1,02,479.093) units.	-	5.37
15. Edelweiss Arbitrage Fund 3,71,381.901 (31st March, 2021 : Nil) units.	5.84	-
16. HDFC Dividend Yield Fund 12,79,506.97 (31st March, 2021 : 4,62,554.354) units.	18.18	5.06
17. SBI Balance Advantage Fund-Direct Growth 9,99,950.02 (31st March, 2021 : Nil) units.	10.27	-
18. Mirae Asset Mid Cap Fund 1,50,350.334 (31st March, 2021 : Nil, units.	3.09	2.42
19. PGIM India Emerging Markets Equity fund Nil (31st March, 2021 : 1,28,462.231) units.	-	2.25
20. PGIM India Flexi Cap Fund 60,824.209 (31st March, 2021 : 60,824.209) units.	1.56	1.24
21. PGIM India Midcap Opportunities Fund 40,754.402 (31st March, 2021 : 40,754.402) units.	1.72	1.28
22. SBI Multicap Fund-Regular Fund 2,99,985.001 (31st March, 2021 : Nil) units.	3.09	-
23. PGIM India Arbitrage Fund 3,48,338.332 (31st March, 2021 : 1,71,340.499) units.	5.26	2.50
24. Parag Pareikh Flexicap Fund 48,300.417 (31st March, 2021 : Nil) units.	2.39	-
25. Mahindra manulife Hybrid Equity Nivesh Yojana 3,00,841.798 (31st March, 2021 : Nil) units.	5.11	-
26. Invesco India Dynamic Equity Fund 69,114.598 (31st March, 2021 : Nil) units.	2.52	-
27. Invesco India Equity Savings Fund 1,94,704.93 (31st March, 2021 : Nil) units.	2.56	-
28. Tata Arbitrage Fund 17,50,168.467 (31st March, 2021 : Nil) units.	20.46	-
29. Nippon India Arbitrage Fund 4,73,252.783 (31st March, 2021 : Nil) units.	10.24	-
30. SBI Balance Advantage Fund-Regular Growth 7,49,962.502 (31st March, 2021 : Nil) units.	7.73	-

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

4 Investments (Contd.)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
In Quoted, Mutual Funds (Debt Oriented)		
1. HDFC Ultra Short Term Fund 8,33,743.279(31st March, 2021 : Nil) units.	10.24	-
2. Nippon India Ultra Short Duration Fund 1,565.127 (31st March, 2021 : Nil) units.	5.14	-
3. SBI Savings Fund 4,31,859.760 (31st March, 2021 : 4,31,859.760) units.	14.55	14.16
TOTAL	**162.42**	**72.94**
TOTAL NON CURRENT INVESTMENT	**202.69**	**99.05**
Aggregate book value of:		
Quoted investments	151.37	74.98
Unquoted investments	35.92	12.92
Aggregate market value of:		
Quoted investments	165.22	83.85
Unquoted investments	37.47	15.20
Aggregate amount of impairment in value of Investments	**0.89**	**0.89**

5 Loans

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non current		
Loan to subsidiary [refer Note (a) below]	5.80	-
Total	**5.80**	**-**

(a) The Loan to Shalvis Specialities Ltd., a wholly owned subsidiary company, was given after complying with the provisions of section 186(4) of the Companies Act, 2013. The loan was given in accordance with the terms and conditions agreed between the parties and is to be used by the recipient in the normal course of business. The loan is repayable on demand. The Rate of Interest on the loan is 8% p.a.

6 Other Financial Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured and Considered Good		
Security Deposits	24.01	20.00
Term Deposits with more than 12 months maturity*	18.18	8.49
Total	**42.19**	**28.49**

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

7 Other Non-current Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Others		
Advance to Gratuity Trust (Net of Obligation)	3.43	2.07
Capital Advances	11.65	9.46
Total	**15.08**	**11.53**

Note: Capital expenditures contracted for but not recognised in the financial statements is Rs. 32.74 mn as at 31st March, 2022(Rs. 22.41 mn as at 31st March, 2021).

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

8 Inventories

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw Materials	470.89	235.84
Work-in-Progress	45.86	14.04
Finished Goods	803.00	393.66
Packing Materials	54.58	44.79
Stores, Spares and Consumables	22.52	12.46
Total	**1,396.85**	**700.79**

Refer Note 21 for details of security charge on Inventories.

9 Trade Receivables

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured:		
Considered good	2,479.26	2,142.20
Considered doubtful	97.21	32.45
	2,576.47	**2,174.65**
Less: Allowance for Expected Credit Loss	(97.21)	(32.45)
Total	**2,479.26**	**2,142.20**

i) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

ii) Trade receivables are non interest bearing and generally on terms of 30 to 180 days.

iii) Refer Note 21 for details of security charge on Trade receivables.

Trade Receivable Ageing As at 31 March 2022

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Less than 6 Months	6 Months to 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivable						
Considered good	2,137.13	288.53	53.60	-	-	2,479.26
Which have significant increase in credit risk	-	-	-	-	-	-
Credit Impaired	2.14	0.29	53.60	41.17	-	97.21
Disputed Trade Receivable	-	-	-	-	-	-
Considered good	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-
Total	**2,139.27**	**288.82**	**107.21**	**41.17**	**-**	**2,576.47**

Trade Receivable Ageing As at 31 March 2021

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Less than 6 Months	6 Months to 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivable						
Considered good	1,735.86	348.89	48.35	9.11	-	2,142.20
Which have significant increase in credit risk	-	-	-	-	-	-
Credit Impaired	-	-	-	32.40	0.05	32.45
Disputed Trade Receivable	-	-	-	-	-	-
Considered good	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-
Total	**1,735.86**	**348.89**	**48.35**	**41.51**	**0.05**	**2,174.65**

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

10 Cash and Cash Equivalents

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and Cash Equivalents		
Cash on hand	7.48	1.98
Balances with Banks		
In Current Accounts	118.12	17.09
In Cash Credit Accounts	37.01	-
Total	**162.61**	**19.07**

11 Other Balances with Banks

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with Banks		
Term Deposits with remaining maturity of less than 12 months	905.15	410.55
Total	**905.15**	**410.55**

*out of the above Term Deposit of Rs. 881.10 mn is on lien against margin money, against bank guarantee and other commitments as at March 2021 (Rs. 199.45 mn for March 2021)

12 Other Financial Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured and Considered Good		
Other Receivables	-	0.89
Interest Subsidy Receivable	-	0.27
Security Deposits	37.53	6.59
Interest Receivable on loan to subsidiary	0.29	#REF!
Total	**37.82**	**#REF!**

13 Other Current Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance with Government Authorities	424.65	185.69
Prepaid Expenses	19.53	2.77
Others		
Advances to Employees	7.54	9.35
Advances to Suppliers*	67.12	190.03
Total	**518.84**	**387.84**

*Includes related party balance of Rs.46.80 mn (Rs. 34 mn as on 31st March 2021).

14 Current tax Assets (Net)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Income Tax Assets (Net of Provision 533 mn as at 31st March, 2022)(Nil as at 31st March, 2021)	2.28	-
Total	**2.28**	**-**

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

15 Equity Share Capital

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised :		
150,000,000 (31st March, 2021 : 150,000,000) Equity Shares of Re. 1 each (31st March, 2021 : Rs. 1).	150.00	150.00
	150.00	**150.00**
Issued, Subscribed and Paid up :		
115,163,508 (31st March, 2021 : 111,785,130) Equity Shares of Re. 1 (31st March, 2021 : Rs. 1).	115.16	111.79
	115.16	**111.79**

a) **Reconciliation of number of shares**

(All amounts in Rupees Millions, unless otherwise stated)

Equity Shares	As at 31st March, 2022		As at 31st March, 2021	
	Number	(Rs. in mn)	Number	(Rs. in mn)
Shares outstanding at the beginning of the year	111,785,130	111.79	318,325	31.83
Add: Splitting of equity shares to Re.1 from Rs.100 (Face Value)	-	-	31,514,175	-
Add: Shares Issued during the year				
Bonus Shares	-	-	79,581,250	79.58
Preferential allotment of Shares	-	-	371,380	0.37
Share Alloted in Fresh Issue	3,378,378	3.38		
Shares outstanding at the end of the year	**115,163,508**	**115.16**	**111,785,130**	**111.79**

Details of Shareholders holding more than 5% equity shares in the Company

(All amounts in Rupees Millions, unless otherwise stated)

Name of the Shareholders	As at 31st March, 2022		As at 31st March, 2021	
	Number of Equity Shares	Percentage holding	Number of Equity Shares	Percentage holding
Fully paid Equity Shares of Rs.1 each held by:				
1. Anand Swarup Agarwal	35,283,092	30.64%	44,789,850	40.07%
2. PSA Family Trust	12,422,242	10.79%	12,422,242	11.11%
3. Sudha Agarwal	8,793,631	7.64%	1,743,800	1.56%
4. ASA Family Trust	7,717,117	6.70%	7,717,117	6.90%
5. Mahendra Swarup Agarwal	245,895	0.21%	11,069,375	9.90%

b) **Details of shares held by Promoter as at 31/03/2022:**

(All amounts in Rupees Millions, unless otherwise stated)

Name of Promoter	No. of Shares held At the Beginning of the year	Sale/Transfer During the Year	No. of Shares held At the End of the year	% Change in shareholding during the year to total shares
Equity Shares of Re.1 (31st March, 2021 : Rs. 1) each held by:				
1. Anand Swarup Agarwal	44,789,850	(9,506,758)	35,283,092	(9.43%)
2. Sudha Agarwal*	1,743,800	7,049,831	8,793,631	6.08%
3. Mahendra Swarup Agarwal	11,069,375	(10,823,480)	245,895	(9.69%)
4. Pramood Swarup Agarwal	1,220,508	(1,111,486)	109,022	(1.00%)

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

15 Equity Share Capital (Contd.)

(All amounts in Rupees Millions, unless otherwise stated)

Name of Promoter	No. of Shares held At the Beginning of the year	Sale/Transfer During the Year	No. of Shares held At the End of the year	% Change in shareholding during the year to total shares
5. Virendra Swarup Agarwal	4,621,750	(979,730)	3,642,020	(0.97%)
6. Vishal Swarup Agarwal	985,000	(733,108)	251,892	(0.66%)
7. Vishwas Swarup Agarwal	860,000	(638,514)	221,486	(0.58%)
8. Sanju Agarwal	842,800	(766,892)	75,908	(0.69%)
9. VSA Family Trust	2,200,000	-	2,200,000	(0.06%)
10. ASA Family Trust	7,717,117	-	7,717,117	(0.20%)
11. PSA Family Trust	12,422,242	-	12,422,242	(0.33%)
12. MSA Family Trust	5,695,875	-	5,695,875	(0.15%)
	94,168,317	**(17,510,137)**	**76,658,180**	**(16.51%)**

Details of shares held by Promoter as at 31/03/2021:

(All amounts in Rupees Millions, unless otherwise stated)

Name of Promoter	No. of Shares held At the Beginning of the year	Changes (Net) During the Year	No. of Shares held At the End of the year	% Change in shareholding during th year to total shares
Equity Shares of Re.1 (31st March, 2020 : Rs. 100) each held by:				
1. Anand Swarup Agarwal	127,971	44,661,879	44,789,850	(0.13%)
2. Mahendra Swarup Agarwal*	33,375	11,036,000	11,069,375	(0.58%)
3. Pramood Swarup Agarwal*	14,945	1,205,563	1,220,508	(3.60%)
4. Virendra Swarup Agarwal*	13,205	4,608,545	4,621,750	(0.01%)
5. Vishal Swarup Agarwal*	9,850	975,150	985,000	(2.21%)
6. Vishwas Swarup Agarwal*	8,600	851,400	860,000	(1.93%)
7. Sanju Agarwal*	10,320	832,480	842,800	(2.49%)
8. VSA Family Trust*	-	2,200,000	2,200,000	1.97%
9. ASA Family Trust*	-	7,717,117	7,717,117	6.90%
10. PA Family Trust*	-	12,422,242	12,422,242	11.11%
11. MSA Family Trust*	-	5,695,875	5,695,875	5.10%
Total	**218,266**	**92,206,251**	**92,424,517**	**14.11%**

* Promoter with effect from February 8, 2021

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

c) Rights, preferences and restrictions :

The Company has only one class of equity shares having a par value of Re. 1 Per Share (March 31, 2021 - Rs 1 per share). Each holder of equity share is entitled to one vote per share.

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

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

d) Split shares

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

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

15 Equity Share Capital (Contd.)

e) Bonus Shares

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

f) Preferential allotmen

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

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

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

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

i) During the year the Company completed the Initial Public offer ("the offer/IPO") of 2,70,27,027 Equity Shares of Face Value of Rs. 1/- each at a price of Rs. 296/- per equity share (including a premium of Rs. 295/- per share which has been charged to security premium) The offer comprised of a fresh issue of 33,78,378 equity shares aggregating to Rs. 100 million and an offer for sale of 2,36,48,649 equity shares aggregating to Rs. 700 million.

j) Amounts utilized towards Offer Expenses on Initial Public Offering Rs. 54.41 Million was charged to Securities Premium.

16 Other Equity

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Securities Premium		
As per Opening Balance	12.14	8.58
Less: Amounts utilized towards Offer Expenses on Initial Public Offering (Refer note 15(j))	54.41	8.58
Add: On Preferrential Allotment (Refer note 15(f))	-	12.14
Add: Proceeds from Initial Public Offering (Refer note 15(i))	996.62	-
Closing Balance	**954.35**	**12.14**
General Reserve		
As per last Balance Sheet	518.37	589.37
Less : amounts utilized towards issue of fully paid up bonus shares ((Refer note 15(e))	-	71.00
Closing Balance	**518.37**	**518.37**
Retained Earnings		
As per last Balance Sheet	3,252.65	1,938.44
Add: Net Profit after Tax transferred from the Statement of Profit and Loss	1,583.85	1,345.44
Less: Other Comprehensive income (net of tax)	4.83	(3.78)
Dividend distributed during the year (refer note below)	35.77	35.02
Closing Balance	**4,795.90**	**3,252.65**
Total	**6,268.62**	**3,783.16**

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

16 Other Equity (Contd.)

Nature and purpose of reserves

a) **Securities premium** - Securities premium is used to record the premium on issue of shares. This will be utilised in accordance with the provisions of the Act.

b) **General reserve** - : The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act.

c) **Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Note 1:

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Final Dividend Rs. 0.32 for FY 2020-21 (March 31, 2021 : Rs.110 for FY 2019-20) per equity share of 1 each (31st March, 2021 : Rs. 1)	35.77	35.02

Note 2:

The Board of Directors at its meeting held on 28th May, 2022 have recommended a payment of final dividend of Rs. 0.75 per equity share of face value of Re.1 each resulting in an outflow of Rs. 86.37 mn for the financial year ended 31st March, 2022.

17 Borrowings

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured Term Loan:		
From Banks	26.19	12.32
Less: Current maturities of Long term Debt	6.46	3.38
Unsecured Term Loan:		
From Others	15.81	65.55
Total	**35.54**	**74.49**

i) **Detail of Securities and Terms of repayment**

a Secured Term Loan from Banks comprise of multiple Vehicle Loans which are each repayable in balance 12 to 60 monthly instalments from the date of balance sheet. Interest rate for these loans ranges between 7.95 % to 10.00%.

b Loans from Others comprise of Inter corporate loans which are not due for repayment in the next 12 months from the date of the Balance Sheet. Interest on these loans are payable at rates ranging between 9% to 12% per annum.

ii) Refer Note 41 for maturity analysis.

18 Lease Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured		
Lease Liability	6.34	1.13
Total	**6.34**	**1.13**

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

19 Provisions

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits		
Provision for Compensated Absences	12.83	6.89
Total	**12.83**	**6.89**

20 Deferred Tax Liabilities (Net)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities		
Arising on account of:		
Difference between written down of fixed assets as per the books of accounts and Income Tax Act, 1961	105.11	85.81
Increase in borrowing cost pursuant to application of effective interest rate method	-	0.06
Provision for Employee Benefit	0.83	0.59
Difference in carrying value and Tax base of investments measured at FVTPL and Amortised Cost	3.88	2.80
Deferred Tax Assets		
Arising on account of:		
Lease liability amortisation	1.60	0.06
Allowances for Doubtful debt and Advances	24.46	8.17
Provision for Compensated Absences	3.61	-
Total	**80.15**	**81.03**

21 Borrowings

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
From Banks	101.51	225.08
Current maturities of Long term Debt From Banks (Refer note no 17)	6.46	3.38
Total	**107.97**	**228.46**

i) Working capital loans are secured by first charge by way of hypothecation on the current assets of the Company namely inventories of raw materials, finished and work in progress, stores spares and consumables and packing materials, book debts and all other movable assets both present and future, and additionally secured by way of second charge on :

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

b. Land & building situated at Khasra No. 691, Village Uttar Dhauna, Tiwariganj, Chinhat, Faizabad Road, Lucknow owned by M/s Ram Swarup Cold Storage & Allied Ind. Lucknow.

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

d. Leasehold Industrial plot at K4 & K5 at UPSIDC, Sandila, UP.

ii) The Company has availed working capital loan from banks on the basis of security of current assets. The quarterly statements of current assets filed by Company with banks are in agreements with the books of accounts with no discrepancy.

iii) Refer Note 41 for maturity analysis.

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

22 Lease Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease Liability	0.03	0.03
Total	**0.03**	**0.03**

23 Trade Payables

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Dues to MSME	45.10	47.17
(b) Dues to Other than MSME	916.83	693.30
Total	**961.93**	**740.47**

Terms and conditions of the above financial liabilities:

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

Trade Payables Ageing As at 31 March 2022

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	45.10	-	-	-	45.10
(ii) Others	902.78	4.15	7.35	2.55	916.83
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**947.88**	**4.15**	**7.35**	**2.55**	**961.93**

Trade Payables Ageing As at 31 March 2021

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	47.17	-	-	-	47.17
(ii) Others	681.85	8.78	2.67	-	693.30
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**729.02**	**8.78**	**2.67**	**-**	**740.47**

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

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Amount remaining unpaid to any supplier at the end of each accounting year:	45.10	47.17
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.04	0.37
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

24 Other Financial Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade and Security Deposits from Customers	56.69	52.44
Payable towards IPO Expenses	62.27	-
Total	**118.96**	**52.44**

25 Other Current Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other Advances		
Advance from Customers	79.91	47.52
Others		
Statutory Liabilities	10.15	6.05
Total	**90.06**	**53.57**

26 Provisions

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits		
Provision for Compensated Absences	1.52	0.77
Provision for Corporate Social Responsibility* (refer Note 34)	42.48	31.04
Total	**44.00**	**31.81**

* In accordance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 notified by Ministry of Corporate Affairs on January 22, 2021, the Company has created provision for the cumulative unspent amount as on March 31, 2022.

27 Current Tax Liabilities (Net)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Tax Payable (Net of Advance Tax & TDS 442.51 mn as at 31st March, 2021)	-	5.53
Total	-	**5.53**

28 Revenue from Operations

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(i) Sales of products (Net of Returns)		
Domestic	3,789.54	2,746.01
Exports	3,302.12	3,680.33
	7,091.66	6,426.34
(ii) Other Operating Revenues		
Export Incentives	69.77	63.20
Total	**7,161.43**	**6,489.54**

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

28 Revenue from Operations (Contd.)

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

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue as per contracted price	7,363.87	6,574.91
Less: Discounts/Sales Return	272.21	148.57
Revenue from contract with customers	7,091.66	6,426.34

29 Other Income

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest Income from financial assets at amortised cost		
On bank deposits	41.70	19.65
Other Interest	3.18	2.82
Dividend Income	0.04	0.08
Other non-operating Income		
Fair value gain on Investment through Amortised cost	0.05	0.42
Fair value gain on Investments at fair value through profit and loss	13.93	18.52
Miscellaneous income	6.85	0.86
Other gains and losses		
Net Gain on foreign currency transactions & translation	55.65	20.61
Profit from Sale of Investments	9.35	1.24
Profit on Sale of Property, Plant & Equipment	0.88	0.03
Total	**131.65**	**64.23**

30 Cost of Materials Consumed

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Raw materials Consumed		
Opening stock	235.84	145.78
Add : Purchases of Raw Material	3,768.21	3,210.27
	-	-
Less: Closing stock	470.89	235.84
TOTAL	**3,533.16**	**3,120.21**
Packing Materials Consumed		
Opening Stock	44.79	23.47
Add:Purchases of Packing Material	183.21	202.01
Less: Closing Stock	54.58	44.79
	173.42	**180.69**
Total	**3,706.58**	**3,300.90**

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

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

(All amounts in Rupees Millions, unless otherwise stated)

Particulars		Year ended 31st March, 2022	Year ended 31st March, 2021
Inventories at the beginning of the year			
Finished Goods		393.66	182.85
Work-in-Progress		14.04	28.08
	(a)	407.70	210.93
Inventories at the end of the year			
Finished goods		803.00	393.66
Work-in-Progress		45.85	14.04
	(b)	848.85	407.70
Net (Increase)/Decrease in Inventories	(a) -(b)	(441.15)	(196.77)

32 Employee Benefits Expense

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries, wages and benefits	274.12	196.66
Contribution to provident and other funds	14.27	20.67
Staff welfare expenses	8.45	7.63
Total	296.84	224.96

33 Finance Costs

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest on borrowings	26.09	18.75
Interest on Statutory Dues	24.21	-
Interest on lease liabilities	0.21	0.10
Other Interest Costs	1.85	6.06
Other Borrowing Costs	12.70	9.41
Total	65.06	34.33

2 & 3 Depreciation and Amortisation Expense

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation on Property, Plant & equipment	82.71	60.89
Amortisation of Right of Use	1.75	0.02
Amortisation of Intangible Assets	-	0.44
Total	84.46	61.35

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

34 Other Expenses

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Consumption of stores, spares and consumables	272.24	271.54
Power and Fuel	326.99	282.87
Labour & Processing Charges	213.48	180.24
Pollution Control Expenses	26.73	27.77
Freight and handling Charges	255.18	254.86
Advertisement and Sales Promotion Expenses	11.27	16.77
Legal and Professional expenses	68.95	84.13
Travelling & Conveyance	53.00	33.50
Rent Expenses	11.57	9.18
Directors Fees	5.05	2.46
Repairs & Maintenance		
- Building	5.44	5.81
- Others	6.98	8.06
- Machinery	19.90	31.60
Rates, Fees and Taxes	5.31	6.24
Testing and Sampling Charges	0.40	3.63
Insurance	8.70	7.90
Printing, Stationery and Communication Expenses	11.75	7.89
Corporate Social Responsibility Expenses and Other Donations (refer note 45)	22.54	39.82
Payment to Auditors		
- Statutory Audit Fees	2.40	2.00
- In other Capacity		
For Tax Audit	0.40	0.40
For Limited Review & Certification fees	1.05	4.00
For Reimbursement of Expenses	0.17	-
Bad Debts	48.00	17.49
Provision for Doubtful Debts / Expected Credit Loss	64.76	20.46
Miscellaneous Expenses	18.35	10.74
Total	**1,460.62**	**1,329.35**

35 Leases

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

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	43.54	40.64
Additions	6.68	0.99
Deletions	-	-
Amortisation	1.75	0.02
Closing Balance	**48.47**	**43.54**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. Rent expense recorded for short-term leases was Rs. 11.57 mn for the year ended March 31, 2022 (Rs. 9.18 Mn for the year ended March 31, 2021). The Company's lease asset classes primarily consist of leases for land.

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

36 Contingent Liabilities & Capital Commitments

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A. Contingent Liabilities		
- Tax or other Statutory litigations	-	-
- Claims against the Company not acknowledged as debts	-	-
B. Capital Commitments		
Capital expenditures contracted for but not recognised in the financial statements (net of advance Rs. 11.65 Mn (March 2021- Rs. 9.46 Mn)	32.74	22.42

37 DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS"

See accounting policy in Note 1.(o)

For details about the related employee benefit expenses, refer Note 32

A. Defined Contribution Plan:

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

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

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Provident Fund and other Funds	17.43	13.73
Total (included in Note 32 - 'Contribution to provident and other funds')	**17.43**	**13.73**

B. Defined Benefit Obligation:

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

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

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

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

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

(All amounts in Rupees Millions, unless otherwise stated)

Actuarial study analysis	Gratuity		Leave Encashment	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Principal actuarial assumptions				
Discount rate	6.90%	6.50%	6.90%	6.50%
Range of compensation increase	10.00%	7.00%	10.00%	7.00%
Withdrawal Rate:				
- Younger ages	10.00%	10.00%	10.00%	10.00%
- Older ages	8.00%	8.00%	8.00%	8.00%

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

37 DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS" (Contd.)

(All amounts in Rupees Millions, unless otherwise stated)

Actuarial study analysis	Gratuity		Leave Encashment	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Components of income statement charge				
Current service cost	5.62	4.66	6.69	1.72
Interest cost	2.53	2.28	-	-
Recognition of past service cost	-	-	-	-
Immediate recognition of (gain)/losses	-	-	-	-
Settlement/curtailment/termination loss	-	-	-	-
Total charged to statement of profit or loss	**8.16**	**6.94**	**6.69**	**1.72**
Total charged to Retained Earnings	-	-	-	-
Movements in net liability/(asset)				
Net liability at the beginning of the year	41.80	36.06	7.64	5.92
Adjustment to the opening fund	(55.12)	-	-	-
Employer contributions	(4.67)	-	-	-
Total expense recognised in the statement of profit or loss	8.16	6.94	6.69	1.72
Total expense recognised in the Retained Earnings	-	-	-	-
Total amount recognised in OCI	6.53	(1.20)	-	-
Net liability/(asset) at the end of the year	**(3.31)**	**41.80**	**14.33**	**7.64**
Reconciliation of benefit obligations				
Obligation at start of the year	41.80	36.06	7.64	5.92
Current service cost	5.62	4.66	6.69	1.72
Interest cost	2.61	2.28	-	-
Benefits paid directly by the Group	(2.08)	-	-	-
Extra payments or expenses/(income)	-	-	-	-
Obligation of past service cost	-	-	-	-
Actuarial gain/loss	9.91	(1.20)	-	-
Defined benefits obligations at the end of the year	**57.86**	**41.80**	**14.33**	**7.64**
Reconciliation of plan assets	-	-	-	-
Adjustment to the Opening Fund	55.12	-	-	-
Interest Income	0.07	-	-	-
Return on plan assets excluding amounts included in interest income	3.39	-	-	-
Contributions by Employer	4.67	-	-	-
Benefits paid	(2.08)	-	-	-
Closing value of plan assets	**61.16**	**-**	**-**	**-**
Re-measurements of defined benefit plans				
Actuarial gain/(loss) due to changes in demographic assumptions	-	-	-	-
Actuarial gain/(loss) due to changes in financial assumptions	9.68	0.47	-	-
Actuarial gain/(loss) on account of experience adjustments	0.23	(1.66)	-	-
Return on plan assets excluding amounts included in interest income	(3.39)			
Total actuarial gain/(loss) recognised in Other Comprehensive Income	**6.53**	**(1.19)**	**-**	**-**
The Maturity Profile of Defined Benefit Obligation				
Year 1 Cashflow	4.62	3.38	-	-
Year 2 Cashflow	4.81	3.50	-	-
Year 3 Cashflow	6.89	3.92	-	-
Year 4 Cashflow	4.30	5.50	-	-
Year 5 Cashflow	4.88	4.02	-	-
Year 6 to Year 10 Cashflow	29.39	21.78	-	-

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

37 DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS" (Contd.)

Sensitivity analysis of significant assumptions

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

(All amounts in Rupees Millions, unless otherwise stated)

Sensitivity of DBO, Service Cost, and P&L Account	Gratuity			
	Year ended 31st March, 2022		Year ended 31st March, 2021	
	% increase in DBO	Liability	% increase in DBO	Liability
Discount rate				
+ 0.5% discount rate	-3.97%	55.56	-3.64%	40.28
- 0.5% discount rate	4.26%	60.32	3.89%	43.42
Salary increase				
+ 0.5% salary growth	3.09%	59.64	3.77%	43.37
+ 0.5% salary growth	-3.42%	55.88	-3.60%	40.29
Withdrawal rate				
+ 0.5% salary growth	-0.71%	57.44	-0.23%	41.70
- 0.5% salary growth	0.74%	58.28	0.24%	41.90

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Leave Encashment	
	Year ended 31st March, 2022	Year ended 31st March, 2021
Discount rate		
+ 0.5% discount rate	13.62	7.31
- 0.5% discount rate	15.11	7.99
Salary increase		
+ 0.5% salary growth	15.08	7.99
+ 0.5% salary growth	13.64	7.31
Withdrawal rate		
+ 1.1 % salary growth	14.14	7.63
- 1.1 % salary growth	14.54	7.65

Note:

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

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

38 Related party disclosures as per Ind AS 24

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

(All amounts in Rupees Millions, unless otherwise stated)

Name of the related parties	Designation / Relationship
Anand Swarup Agarwal (w.e.f 6th October, 2020)	Chairman and Non Executive Director
Rahul Arun Bagaria (w.e.f 23rd January 2021)	Non Executive Director
Adesh Kumar Gupta (w.e.f 23rd January 2021)	Independent Director
Mohan Vasant Tanksale (w.e.f 21st December 2020)	Independent Director
Madhu Dikshit (w.e.f 21st December 2020)	Independent Director
Shalvis Specialities Ltd (w.e.f 18th January 2021)	Wholly Owned Subsidiary
Swarup Publications Private Limited (w.e.f 6th October, 2020)	Entity in which Directors have significant influence

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

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

(All amounts in Rupees Millions, unless otherwise stated)

Name of the related parties	Designation / Relationship
Swarup chemicals Private Limited (w.e.f 6th October, 2020)	Entity in which Directors have significant influence
M/s Ram Swarup Cold Storaqe & Allied Industries.	Entity in which Directors have significant influence
Sanju Agarwal	Relative of director
Vishwas Swarup Agarwal	Relative of director
Komal Swarup Agarwal	Relative of director
Vishal Swarup Agarwal	Relative of director
Kajaree Swarup Agarwal	Relative of director
Mahendra Swarup Agarwal	Relative of director
Sudha Agarwal	Relative of director
Pramod Swarup Agarwal	Relative of director
Virendra Swarup Agarwal	Relative of director
Madhu Arun Bagaria (w.e.f 23rd January 2021)	Relative of director
Arun Kishanlal Bagaria (w.e.f 23rd January 2021)	Relative of director
Ashok Kumar Gupta (Resigned w.e.f 10th December 2020)	Whole-time Director
Pranav Agarwal (Resigned w.e.f 29th September 2020)	Independent Director
Shweta Agarwal (Resigned w.e.f 21st December 2020)	Independent Director
G S Mehta (Resigned w.e.f 10th December 2020)	Non Executive Director
Sanjay Khatau Asher (21st December 2020 - 8th February 2021)	Independent Director
Kuruba Adeppa (10th December 2020 - 8th February 2021)	Whole-time Director
Key Managerial Personnel	
Satya Prakash Gupta (w.e.f 1st November 2020)	Chief Financial Officer
Dheeraj Kumar Jain (w.e.f 23rd January 2021)	Chief Executive Officer
Ajeet Pandey (w.e.f 1st October 2020)	Company Secretary
Ajai Kumar Sinha	General Manager
B.T. Hanumantha Reddy	General Manager
Rajendra Singh Sharma	Whole-time Director

2 Transactions during the year

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Remuneration		
Rajendra Singh Sharma	0.73	0.64
Ashok Kumar Gupta	-	1.19
Ajeet Pandey	0.87	0.34
Satya Prakash Gupta	2.70	0.72
Dheeraj Kumar Jain	7.65	1.53
Ajai Kumar Sinha	0.87	0.16
Kuruba Adeppa	-	0.30
B.T. Hanumantha Reddy	2.00	1.82
Director Sitting fees		
G S Mehta	-	0.04
Pranav Agarwal	-	0.06
Shweta Agarwal	-	0.24
Anand Swarup Agarwal	0.80	0.72
Adesh Kumar Gupta	1.15	0.30
Mohan Vasant Tanksale	1.05	0.25
Rahul Arun Bagaria	1.20	0.30
Madhu Dikshit	0.85	0.40
Sanjay Khatau Asher	-	0.15
Professional Fees		
Sanju Agarwal	-	0.90
Vishal Swarup Agarwal	12.00	12.00
Vishwas Swarup Agarwal	12.00	12.00
Anand Swarup Agarwal	-	6.00

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

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

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Mahendra Swarup Agarwal	-	0.60
Virendra Swarup Agarwal	-	0.60
Pramod Swarup Agarwal	-	0.60
Sudha Agarwal	-	0.30
Komal Swarup Agarwal	-	0.90
Kajaree Swarup Agarwal	-	0.90
Interest Income		
Swarup Chemicals Private Limited	2.95	1.01
Shalvis Specialities Limited	0.32	-
Expenses (net)		
Swarup Chemicals Pvt Limited (Processing Charges/ Rent Expenses/ Others)	13.54	8.68
Swarup Publications Private Limited (Advertisement)	2.64	1.75
Vishal Swarup Agarwal (Rent Expenses)	0.54	0.54
Swarup Cold Storage & Ice Factory (Rent Expenses)	0.12	-
Reimbursement of Expenses made on behalf of the Company		
Vishal Swarup Agarwal	0.50	1.20
Reimbursement of Expenses made on behalf of the related party		
Shalvis Specialities Limited	0.04	0.23
Interest Expense on Unsecured Loan		
Mahendra Swarup Agarwal	-	0.42
Pramod Swarup Agarwal	-	0.28
Sudha Agarwal	-	0.20
Equity Investment		
Shalvis Specialities Limited	23.00	8.00
Issue of shares		
Madhu Arun Bagaria	-	6.26
Arun Kishanlal Bagaria	-	6.26

3 Outstanding balances as at the year end

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances		
Swarup Chemicals Private Limited	46.80	34.00
Loan Given		
Shalvis Specialities Private	5.80	-
Interest Receivable		
Swarup Chemicals Private Limited	0.13	-
Shalvis Specialities Limited	0.29	-
Payable		
Swarup Publications Private Limited	2.27	1.54
Swarup Chemicals Private Limited	-	3.23

Land & building situated at Khasra No. 691, Village Uttar Dhauna, Tiwariganj, Chinhat, Faizabad Road, Lucknow owned by M/s Ram Swarup Cold Storage & Allied Ind. Lucknow is secured against short term borrowing.

4 Terms and conditions of transactions with related parties

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

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

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

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

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

5 (a) Loans or advances to related parties

(All amounts in Rupees Millions, unless otherwise stated)

Type of Borrower	As at 31st March, 2022		As at 31st March, 2021	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	-	-	-	-
- Advance	46.80	100%	34.00	100%
- Loan	5.80	100%	-	-

(b) Disclosure as per Regulation 34(3) and 53(f) read with Part A of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in respect of loans/ advances/ investments outstanding as at year end

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Investment in equity / preference at cost held as at		Gross loans outstanding as at		Maximum Amount of loans and advances outstanding during the year	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Swarup Publications Private Limited	0.39	0.39	46.80	34.00	47.80	34.00
Shalvis Specialities Limited	31.00	8.00	5.80	-	5.80	-

39 Financial instruments

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

A Calculation of fair values

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

i The fair value of the long-term borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company (since the date of inception of the loans).

ii Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

39 Financial instruments (Contd.)

Financial Assets and Liabilities

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

a. Financial Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Instruments carried at fair value					
	FVOCI (Equity instruments)	FVOCI (Other instruments)	FVTPL	Instruments carried at amortized cost	Total Fair Value	Total Carrying Value
As at 31st March, 2022						
(i) Investments	2.38	-	165.22	35.09	202.69	202.69
(ii) Other financial assets	-	-	-	85.81	85.81	85.81
(iii) Trade receivables	-	-	-	2,479.26	2,479.26	2,479.26
(iv) Cash and cash equivalents	-	-	-	162.61	162.61	162.61
(v) Other Balances with Banks	-	-	-	905.15	905.15	905.15
Total	**2.38**	**-**	**165.22**	**3,667.93**	**3,835.53**	**3,835.53**
As at 31st March, 2021						
(i) Investments	2.30	-	83.84	12.90	99.05	99.05
(ii) Other financial assets	-	-	-	29.64	29.64	29.64
(iii) Trade receivables	-	-	-	2,142.20	2,142.20	2,142.20
(iv) Cash and cash equivalents	-	-	-	19.07	19.07	19.07
(v) Other Balances with Banks	-	-	-	410.55	410.55	410.55
Total	**2.30**	**-**	**83.84**	**2,614.35**	**2,700.51**	**2,700.51**

b. Financial Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Fair value through profit & loss	At amortized cost*	Total carrying amount	Total Fair Value
As at 31st March, 2022				
(i) Borrowings	-	143.51	143.51	143.51
(ii) Other financial liabilities	-	125.33	125.33	125.33
(ii) Trade payables	-	961.93	961.93	961.93
Total	**-**	**1,230.77**	**1,230.77**	**1,230.77**
As at 31st March, 2021				
(i) Borrowings	-	299.57	299.57	299.57
(ii) Other financial liabilities	-	56.99	56.99	56.99
(ii) Trade payables	-	740.47	740.47	740.47
Total	**-**	**1,097.03**	**1,097.03**	**1,097.03**

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

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

39 Financial instruments (Contd.)

c. Fair value hierarchy

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

The categories used are as follows:

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

The below table summarises the categories of financial assets and liabilities as at March 31, 2022 and March 31, 2021 measured at fair value:

(All amounts in Rupees Millions, unless otherwise stated)

As at 31st March, 2022	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value				
Investments in Equity Shares	2.80	-	2.38	5.18
Investment in Mutual Funds	162.42	-	-	162.42

(All amounts in Rupees Millions, unless otherwise stated)

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

40 Segment Reporting

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

Thus the segment revenue, interest revenue, interest expense, depreciation and amortisation, segment assets and segment liabilities are all in respect of aforesaid Agro Chemicals business.

Geographical Information

a. Revenue from external customers

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
attributed to the Company's country of domicile, India	3,789.54	2,746.01
attributed to all foreign countries	3,302.12	3,680.33
Total	**7,091.66**	**6,426.34**

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

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
	1,949.05	2,830.50

c. All Non-Current assets are located in India

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

41 Income tax

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

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Enacted income tax rate in India applicable to the Company (in %)	25.17	25.17
Profit/ (Loss) before income tax expense	2,120.67	1,799.65
Current tax expense on Profit/ (loss) before tax expenses at enacted income tax rate in India	533.73	452.94
Tax effects of :		
Tax effect on non-deductible expenses	5.67	10.02
Effect of Income which is taxed at special rates	(5.87)	(5.66)
Effect of Government grants offered to income tax on receipt basis	-	(1.55)
Effects of Adjustments for current tax of prior periods	2.84	2.09
Other items	0.45	0.56
Total Income tax expense	**536.82**	**458.39**

The Company elected to exercise the option of lower tax rate permitted under section115BAA of the Income-tax Act, 1961 inserted vide Taxation Laws (Amendment) Act, 2019.

The Company, accordingly has recognized Provision for Income Tax.

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

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Income Tax Assets	1,932.79	1,391.74
Current Income Tax Liabilities	1,930.51	1,397.27
Net Current Income Tax Liabilities/(Assets) at the end of the year	**(2.28)**	**5.53**

The major components of deferred tax charged/adjusted to profit & loss account.

As at 31st March, 2022

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Balance sheet 01st April 2021	Profit and loss For the Year	OCI For the Year	Balance sheet 31st March, 2022
Deferred Tax Liabilities				
Arising on account of:				
Difference between written down value of fixed assets as per the books of accounts andIncome Tax Act, 1961	85.81	19.30	-	105.10
Increase in borrowing cost pursuant to application of effective interest rate method	0.06	(0.06)	-	-
Provision for Employee Benefit	0.49	(1.28)	1.62	0.83
Difference in carrying value and Tax base of investments measured at FVTPL	2.80	1.08	-	3.88
Deferred Tax Assets				
Arising on account of:				
Lease liability amortisation	0.06	1.54	-	1.60
Allowances for Doubtful debt and Advances	8.17	16.30	-	24.47
Provision for Compensated Absences	(0.10)	3.71	-	3.61
Total	**81.03**	**(2.50)**	**1.62**	**80.15**

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

41 Income tax (Contd.)

As at 31st March, 2021

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Balance sheet 01st April 2020	Profit and loss For the Year	OCI For the Year	Balance sheet 31st March, 2021
Deferred Tax Liabilities				
Arising on account of:				
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961	73.28	12.53	-	85.81
Increase in borrowing cost pursuant to application of effective interest rate method	2.56	(2.50)	-	0.06
Provision for Employee Benefit	2.49	(2.27)	0.28	0.49
Difference in carrying value and Tax base of investments measured at FVTPL	(1.56)	4.36	-	2.80
Provision for Compensated Absences	0.01	0.09	-	0.10
Deferred Tax Assets				
Arising on account of:				
Lease liability amortisation	0.03	0.03	-	0.06
Allowances for Doubtful debt and Advances	3.70	4.46	-	8.17
Total	**73.05**	**7.71**	**0.28**	**81.03**

42 Earnings per share (EPS)

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

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

i Profit attributable to Equity holders of Company

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit attributable to equity share holders of the Company for basic and diluted earnings per share	1,583.85	1,345.44

ii Weighted average number of ordinary shares

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Equity shares outstanding as at year end	115,163,508	111,785,130
Equity shares		
Weighted average number of shares as at year end for basic earnings per shares	114,274,948	111,476,834
Weighted average number of shares as at year end for diluted earnings per shares	114,274,948	111,476,834
Basic earnings per share (in Rs)	**13.82**	**12.07**
Diluted earnings per share (in Rs)	**13.82**	**12.07**

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

43 Financial risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

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

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

A. Credit risk;

B. Liquidity risk;

C. Market risk; and

D. Interest rate risk

E. Risk due to outbreak of COVID 19 pandemic

(A) Credit risk

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

To manage credit risks from trade receivables other than Related Party, the credit managers from Order to Cash department of the Company regularly analyse customer's receivables, overdue and payment behaviours. Some of these receivables are collateralised and the same is used according to conditions. These could include advance payments, security deposits, post-dated cheques etc. Credit limits for this trade receivables are evaluated and set in line with Company's internal guidelines. There is no significant concentration of default risk.

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

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

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

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

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

43 Financial risk management (Contd.)

Credit risk is managed at Company level.

For other financial assets, the Company assesses and manages credit risk based on internal control and credit management system. The finance function consists of a separate team who assess and maintain an internal credit management system. Internal credit control and management is performed on a Company basis for each class of financial instruments with different characteristics.

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

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

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

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, no additional provision has been considered necessary in respect of trade receivables more than 3 months, since the management has taken suitable measures to recover the said dues and is hopeful of recovery in due course of time.

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

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

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

Additionally, considering the COVID 19 situation, the Company has also assessed the performance and recoverability of trade receivables. The Company believes that the current value of trade receivables reflects the fair value/ recoverable values. (Refer note 9)

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset

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

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

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

Maturities of financial liabilities

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

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

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

43 Financial risk management (Contd.)

Maturity analysis of significant financial liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Contractual cash flows					
	As at 31st March, 2022			As at 31st March, 2021		
	Carrying amount	Upto 1 year	More than 1 year	Carrying amount	Upto 1 year	More than 1 year
Non-derivative financial liabilities						
Term Loans	42.00	6.46	35.54	77.87	3.38	74.49
Short Term Borrowings	101.51	101.51	-	225.08	225.08	-
Trade and Other Payables	961.93	961.93	-	740.47	740.47	-
Other Financial Liabilities	125.30	118.96	6.34	53.60	52.47	1.13
Other Current Liabilities	90.06	90.06	-	53.57	53.57	-

(C) Market risk

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

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

Foreign Currency Risk

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

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

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

Exposure to currency risk

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

(All amounts in Rupees Millions, unless otherwise stated)

	As at 31st March, 2022				As at 31st March, 2021			
	INR Rs in mn	EURO Rs in mn	USD RS in mn	AUD RS in mn	INR Rs in mn	EURO Rs in mn	USD RS in mn	AUD RS in mn
Financial Assets								
Trade Receivables	1,859.44	174.87	444.95	-	1,481.55	154.93	467.32	38.41
Total	**1,859.44**	**174.87**	**444.95**	**-**	**1,481.55**	**154.93**	**467.32**	**38.41**
Financial Liabilities								
Trade payables	631.76	2.84	327.33	-	604.62	-	135.86	-
Total	**631.76**	**2.84**	**327.33**	**-**	**604.62**	**-**	**135.86**	**-**

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

(All amounts in Rupees Millions, unless otherwise stated)

Currency	31st March, 2022	31st March, 2021
USD	75.81	73.50
EURO	84.66	86.10
AUD	-	55.57

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

43 Financial risk management (Contd.)

Sensitivity analysis

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

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022		Year ended 31st March, 2021	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
USD	0.29	(0.29)	0.83	(0.83)
EURO	0.43	(0.43)	0.39	(0.39)
AUD	-	-	0.10	(0.10)

(D) Interest rate risk

- Interest rate risk management:

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

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

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

- Interest rate risk exposure:

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

(All amounts in Rupees Millions, unless otherwise stated)

Currency	As at 31st March, 2022	As at 31st March, 2021
Fixed-rate instruments		
Financial assets	-	-
Financial liabilities	42.00	77.87
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	101.51	225.08
Total	**143.51**	**302.95**

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

43 Financial risk management (Contd.)

- Interest rate sensitivity

Interest rate sensitivity

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

Price Risk

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

(E) Risk due to outbreak of COVID 19 pandemic

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these standalone financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

44 Capital management

(a) Risk management

The Company's objectives when managing capital are to:

1. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

2. Maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, reduce debt or sell assets.

The gearing ratios were as follows:

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Net debt (Total Debt - Cash & cash equivalent - Other Bank Balances other than on lien)	-	76.16
Total equity	6,383.78	3,894.95
Net debt to equity ratio	-	**0.02**

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

45 Corporate Social Responsibility

(All amounts in Rupees Millions, unless otherwise stated)

	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A	Gross Amount Required to be spent by the Company :	22.50	13.72
B	Amount Of Expenditure Incurred		
i	Construction / Acquisition of any assets	-	-
ii	Purpose other than above	3.51	8.73
C	Short Fall at the end of the year	18.99	4.99
D	Total Of Previous Years Shortfall	23.49	26.05
E	Reaon For Shortfall - Non Availability of Suitable Project		
F	Nature Of CSR Activities - Health and Education		

(All amounts in Rupees Millions, unless otherwise stated)

G	Details Of Related Party Transactions	Year ended 31st March, 2022	Year ended 31st March, 2021
	Related party transactions in relation to Corporate Social Responsibility:	-	-

(All amounts in Rupees Millions, unless otherwise stated)

H	Provision movement during the year/ Period:	Year ended 31st March, 2022	Year ended 31st March, 2021
	Opening provision	31.04	-
	Addition during the year / Period	18.99	31.04
	Utilised during the year /Period	7.55	-
	Closing provision	42.48	31.04

46 Financial Ratios

(All amounts in Rupees Millions, unless otherwise stated)

Sr. No.	Particulars	Note reference	March 31, 2022	March 31, 2021	% Variance	Reason for Variance
1	Current Ratio	a	4.16	#REF!	#REF!	Carrying higher inventory due to global supply chain disruption and increase in term deposits
2	Debt – Equity Ratio	b	0.02	0.08	-71.10%	Reduction in borrowing and increase in Equity base.
3	Debt Service Coverage Ratio	c	58.20	67.04	-13.19%	
4	Return on Equity (ROE):	d	30.82%	41.63%	-25.98%	Increase in Equity base due to fresh issue of shares
5	Inventory Turnover Ratio	e	6.83	11.95	-42.84%	Carrying higher inventory due to global supply chain disruption
6	Trade receivables turnover ratio	f	3.10	3.27	-5.11%	
7	Trade payables turnover ratio	g	4.64	5.03	-7.77%	
8	Net profit ratio	h	22.12%	20.73%	6.67%	
9	Net capital turnover ratio (in times)	i	1.74	#REF!	#REF!	Carrying higher inventory due to global supply chain disruption and increase in term deposits
10	Return on capital employed (%)	j	33%	43%	-22.82%	
11	Return on investment (ROI)	k	25%	35%	-28.18%	Increase in Equity base due to fresh issue of shares

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

46 Financial Ratios (Contd.)

Note :

a Current ratio (in times) : Current Assets / Current liabilities

b Debt - Equity ratio : Total Debt divided by Equity

c Debt Service Coverage Ratio (DSCR) (no. of times) : Profit before interest, divided by Interest expense.

d ROE : Net Profits after taxes – Preference Dividend (if any) / Average Shareholder's Equity

e Inventory turnover ratio: Revenue from operations / Average Inventory

f Trade receivable turnover ratio: Revenue from operations / Average (Trade receivable and contract assets)

g Trade payables turnover ratio = Net Credit Purchases / Average Trade Payables

h Net profit margin (in %) : profit after tax / Revenue from operation

i Net capital turnover ratio = Net Sales / Working Capital

j ROCE : Earning before interest and taxes / Capital Employed (Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability)

k Return on investment (ROI) : Profit after tax / Total Equity

47 (A) No proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.

(B) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(C) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(D) There were no transactions relating to previously unrecorded income that have been surrendered and disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(E) The Company does not have any transactions with companies struck off.

(F) The Company has not advanced or loaned to or invested in funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(G) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

(i) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

Significant Accounting Policies and Explanatory Notes to Standalone Financial Statements for the year ended 31st March 2022

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

49 The previous year figures have been re-grouped / re-classified wherever required to conform to current year's classification.

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

A. S. Agarwal
Director
DIN: 00777581

R. S. Sharma
Director
DIN: 02487797

D. K. Jain
Chief Executive Officer

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Lucknow
Dated: May 28, 2022

Independent Auditor's Report

To
The Members of

India Pesticides Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of India Pesticides Limited ("the Holding Company") and its subsidiaries (hereinafter to be referred as "the Group") which comprises of consolidated Balance Sheet as at March 31, 2022, the consolidated statement of Profit & Loss (including other comprehensive income), the consolidated Statement of changes in equity and the consolidated Statement of cash flow for the year than ended, and notes to the consolidated 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 consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2022, its profits (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matters	Auditor's response
1.	The Company determines the allowance for credit losses on trade receivables based on historical loss experience adjusted to reflect current and estimated future economic conditions. In calculating expected credit loss, the Company also considers the security deposit and other securities, besides other related information to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19. The Management has exercised significant judgement in estimating the allowance for credit losses. Refer Note 9 and 43 to the Consolidated Financial Statements	Our principal procedures included the following, but were not limited to: a) Evaluated the design and tested operating effectiveness of internal controls over allowance for credit losses on trade receivables; b) development of the expected credit model for the allowance for credit losses, including consideration of the current and estimated future economic conditions, c) completeness and accuracy of information used in the estimation of probability of default and d) computation of the allowance for credit losses. e) Testing the arithmetical accuracy and computation of the allowances prepared by the Management. f) Assessed the appropriateness of disclosures in Consolidated financial statements in accordance with the applicable accounting standards.

Sr. No	Key Audit Matters	Auditor's response
2	Inventories represent significant portion of total assets as at March 31, 2022 with carrying value of INR 1396.85 millions (net of allowances). Inventories are valued at lower of cost and net realization value. The Company writes down inventories to net realisable value on account of obsolescence, expiry and non-moving inventory, based on the management's assessment. Assessing net realizable value and identification of slow-moving, expired and obsolete inventory are areas which require use of significant judgements and owing to the inherent complexities, this is considered to be a key audit matter.	Our principal procedures included the following, but were not limited to: a) Understood and evaluated the process relating to determination of net realizable value of inventories and identification of slow-moving, expired or obsolete inventories; b) Evaluated the design and tested operating effectiveness of internal controls over inventory valuation; c) Tested the valuation of inventories, on sample basis, by comparing the value of raw materials with the underlying supporting documents. For work in process and manufactured finished goods, verified the bill of materials and tested computation for labour and manufacturing overhead absorption. d) Obtained age wise analysis of inventories, made specific inquiries with the management with regards to expiry, slow moving and obsolete inventories and evaluated the adequacy of write-down of inventories provided by the management; and e) Assessed the appropriateness of disclosures in Consolidated financial statements in accordance with the applicable accounting standards.

Information Other than the Consolidated Financial Statements and auditor's report thereon

The Holding Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Board's Report including Annexures to the Board report but does not include the consolidated financial statement and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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 Holding Company and its subsidiaries has adequate internal financial control system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business 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 consolidated financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company 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 statements of its wholly owned subsidiary included in the consolidated financial statements of the Group whose financial statements reflects total assets of ₹ 116.29 million as at March 31, 2022 (₹ 7.83 million as at March 31, 2021); total revenue for the year ended March 31, 2022 of ₹ 0.22 million (₹ Nil as at March 31, 2021), Net loss and other comprehensive loss for the year ended March 31, 2022 of ₹ 4.33 million (₹ 0.22 million as at March 31, 2021) and net cash outflow of ₹ 7.58 million for the year ended March 31, 2022 (Cash Inflow of ₹ 7.78 million as at March 31, 2021) , as considered in the consolidated financial statements. These financial statements have been audited by other auditors

whose reports 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 subsidiary, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of other auditors.

(b) We draw your attention to note no 43 of the consolidated financial statements regarding the assessment made by management relating to impact of COVID-19 pandemic on operations of the Company.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. 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 maintained by the Group have been kept so far as it appears from our examination of those books and records.

   (c) The Consolidated Balance sheet, the Consolidated Statement of Profit & Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and its subsidiaries incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its Indian subsidiary and the operating effectiveness of such controls, please refer Annexure B of the standalone audit report attached with the standalone financial statements included in this annual report.

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

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

   (h) 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:

      i. The Group does not have any pending litigation which would impact its financial performance in its consolidated financial statements.

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

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

      iv. (a) The respective Managements of the Holding Company and its subsidiary which are Companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, 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 or by any of the such subsidiary to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The respective Managements of the Holding Company and its subsidiary which are Companies incorporated in India has represented whose financial statements have been audited under the Act, that, to the best

of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Holding Company and by any of the such subsidiary from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to the notice that has caused to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.

v. (a) The final dividend paid by the Company during the year in respect of the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

(b) As stated in the note 16 to the consolidated 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 the declaration of dividend

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Parent Company and by the auditors of the subsidiary company included in the consolidated financial statements of the Parent Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

R.P. Baradiya
Partner
Membership No. 44101
UDIN : 22044101AMFNMW6694

Place : Mumbai
Date : May 28, 2022

Consolidated Balance Sheet

as at 31st March 2022

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment and Intangible Assets			
Property, Plant and Equipment	2A	1,579.66	1,199.92
Capital work-in-progress	2C	444.14	118.85
Other Intangible Assets	3	0.79	1.22
Right of Use Assets	2B	156.05	43.54
Financial Assets			
Investments	4	171.69	91.05
Other Financial Assets	5	49.92	28.49
Deferred Tax Assets	6	0.71	-
Other Non-current Assets	7	15.08	11.53
Total Non current assets		**2,418.04**	**1,494.60**
Current Assets			
Inventories	8	1,396.85	700.79
Financial Assets			
Trade Receivables	9	2,479.26	2,142.20
Cash and Cash Equivalents	10	162.81	26.86
Other Balances with Banks	11	905.15	410.55
Other Financial Assets	12	37.53	7.75
Other Current Assets	13	518.88	387.84
Current Tax Assets (Net)	14	2.28	-
Total Current Assets		**5,502.76**	**3,675.99**
Total Assets		**7,920.80**	**5,170.59**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	15	115.16	111.79
Other Equity	16	6,264.08	3,782.99
Total Equity		6,379.24	3,894.78
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	17	35.54	74.49
Lease Liabilities	18	78.83	1.13
Provisions	19	12.83	6.89
Deferred Tax Liabilities (Net)	20	80.15	80.98
Total Non Current Liabilities		**207.35**	**163.49**
Current Liabilities			
Financial liabilities			
Borrowings	21	107.97	228.46
Lease Liabilities	22	11.24	0.03
Trade Payables	23		
Total outstanding dues of micro enterprises and small enterprises		45.10	47.17
Total outstanding dues of creditors other than micro enterprises and small enterprises		916.83	693.36
Other Financial Liabilities	24	118.96	52.44
Other Current Liabilities	25	90.08	53.57
Provisions	26	44.03	31.81
Current Tax Liabilities (Net)	27	-	5.48
Total Current Liabilities		**1,334.21**	**1,112.32**
Total Liabilities		**1,541.56**	**1,275.81**
Total Equity and Liabilities		**7,920.80**	**5,170.59**
Significant accounting policies and Key accounting estimates and judgements	1		
See accompanying notes to Consolidated Financial Statements	2-48		

As per our report of even date attached

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

R.P. Baradiya
Partner

Place : Mumbai
Dated: May 28, 2022

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

A. S. Agarwal
Director
DIN: 00777581

R. S. Sharma
Director
DIN: 02487797

D. K. Jain
Chief Executive Officer

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Lucknow
Dated: May 28, 2022

Consolidated Statement of Profit and Loss

for the year ended 31st March 2022

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2022
Revenue from Operations	28	7,161.43	6,489.54
Other Income	29	131.55	64.23
Total Income (I)		**7,292.98**	**6,553.77**
EXPENSES			
Cost of Materials Consumed	30	3,706.58	3,300.90
Changes in inventories of finished goods and work-in-progress	31	(441.15)	(196.77)
Employee Benefits Expense	32	296.84	224.96
Finance Costs	33	68.53	34.33
Depreciation and Amortisation Expense	2 & 3	85.06	61.35
Other Expenses	34	1,461.44	1,329.61
Total Expenses (II)		**5,177.30**	**4,754.38**
Profit Before Tax (I-II)		**2,115.68**	**1,799.39**
Tax Expense			
(1) Current Tax		533.24	447.99
(2) Deferred Tax		0.08	8.22
(3) Current taxes relating to earlier years		2.84	(2.09)
Profit for the period		**1,579.52**	**1,345.27**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(6.53)	1.20
- Equity Instruments through OCI		0.08	2.30
- Income tax related to items that will not be reclassified to Profit and loss		1.62	0.28
Total Other comprehensive income/(loss) for the year (Net of Tax)		**(4.83)**	**3.78**
Total Comprehensive income for the Year		**1,574.69**	**1,349.05**
Earnings per Equity Share of ₹1 Each (Refer note 13(d), 13('e) and 13(f)	42		
Basic (in ₹)		13.78	12.07
Diluted (in ₹)		13.78	12.07
Significant accounting policies and Key accounting estimates and judgements	1		
See accompanying notes to Consolidated Financial Statements	2-48		

As per our report of even date attached

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

R.P. Baradiya
Partner

Place : Mumbai
Dated: May 28, 2022

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

A. S. Agarwal
Director
DIN: 00777581

R. S. Sharma
Director
DIN: 02487797

D. K. Jain
Chief Executive Officer

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Lucknow
Dated: May 28, 2022

Consolidated Statement of Changes In Equity

for the year ended 31st March 2022

A. Equity Share Capital

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	No. of Shares	Amount
As at 1st April, 2020	**3,18,325**	**31.83**
Changes in equity share capital during the period	11,14,66,805	79.95
As at 31st March, 2021	**11,17,85,130**	**111.79**
Changes in equity share capital during the period (Refer note 15(i))	33,78,378	3.38
As at 31st March, 2022	**11,51,63,508**	**115.16**

B. Other Equity

Particulars	Reserves and Surplus			Equity Instruments through OCI	Remeasurement of net defined benefit plan through OCI	Total
	Securities Premium	General Reserve	Retained Earnings			
Balance as on 1st April, 2020	**8.58**	**589.37**	**1,941.08**	**-**	**(2.64)**	**2,536.39**
Profit/(loss) for the year	-	-	1,345.27	-	-	1,345.27
Other Comprehensive Income / (loss)	-	-	-	2.30	1.48	3.78
Total Comprehensive Income for the year	8.58	589.37	3,286.35	2.30	(1.16)	3,885.44
Dividends paid	-	-	(35.02)	-	-	(35.02)
Amounts utilized towards issue of fully paid up bonus shares to the extent available (Refer note 15(e))	(8.58)	(71.00)	-	-	-	(79.58)
Add: On Preferrential Allotment (Refer note 15(f))	12.14	-	-		-	12.14
Balance as on 31st March 2021	**12.14**	**518.37**	**3,251.33**	**2.30**	**(1.16)**	**3,782.99**
Profit/(loss) for the year	-	-	1,579.52	-	-	1,579.52
Other Comprehensive Income / (loss)	-	-	-	0.08	(4.91)	(4.83)
Total Comprehensive Income for the year	12.14	518.37	4,830.85	2.38	(6.06)	5,357.68
Dividends paid		-	(35.77)	-	-	(35.77)
Amounts utilized towards Offer Expenses on Initial Public Offering (Refer note 15(j))	(54.41)	-	-	-	-	(54.41)
Less : Appropriations	-	-	(0.04)	-	-	(0.04)
Add: Proceeds from Initial Public Offering (Refer note 15(i))	996.62	-	-		-	996.62
Balance as on 31st March 2022	**954.36**	**518.37**	**4,795.04**	**2.38**	**(6.06)**	**6,264.08**

As per our report of even date attached

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

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

R.P. Baradiya
Partner

A. S. Agarwal
Director
DIN: 00777581

R. S. Sharma
Director
DIN: 02487797

D. K. Jain
Chief Executive Officer

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Mumbai
Dated: May 28, 2022

Place : Lucknow
Dated: May 28, 2022

Consolidated Statement of Cash flow

for the year ended 31st March 2022

(All amounts in Rupees Millions, unless otherwise stated)

	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2022
A	**Cash flow from operating activities:**		
	Net profit before tax	2115.68	1799.39
	Adjustment to reconcile profit before tax to net cash flows		
	Depreciation	84.46	61.35
	Net unrealised foreign exchange loss/(gain)	(8.61)	9.09
	Net gain on sale / fair valuation of investments through profit and loss	(23.34)	(20.18)
	(Profit)/Loss on Sale of property, plant and equipment (net)	(0.88)	(0.03)
	Dividend Income	(0.04)	(0.08)
	Provision for Employee Benefits	3.14	4.38
	Finance Lease	0.74	0.02
	Interest received	(44.78)	(22.47)
	Provision for Expected Credit Loss	64.76	20.46
	Bad Debt	48.00	17.49
	Interest expenses	42.48	28.27
	Operating profit before working capital changes	**2281.61**	**1897.69**
	Adjustment for		
	Decrease/ (Increase) in other financial assets	(43.52)	19.35
	Decrease/ (Increase) in non current assets	(3.55)	4.56
	Decrease/ (Increase) in trade receivables	(449.82)	(345.21)
	Decrease/(Increase) in other current assets	(131.04)	(140.95)
	Decrease/(Increase) in Inventories	(696.06)	(315.06)
	(Decrease)/Increase in other financial liabilities	71.44	10.71
	(Decrease)/Increase in trade payables	221.46	126.59
	(Decrease)/ Increase in other current liabilities	36.51	(8.97)
	(Decrease)/ Increase in provisions	14.99	32.94
	Cash generated from operations	1302.02	1281.65
	Direct taxes paid (net)	(543.85)	(448.93)
	Net cash generated from / (used in) operating activities	**758.17**	**832.72**
B	**Cash generated from investing activities**		
	Purchase of property, plant and equipment, Intangible assets and Capital work in progress	(820.20)	(419.15)
	Proceeds from sale of property, plant and equipment	2.01	0.11
	Purchase of Investments	(146.43)	(71.41)
	Sale proceeds of Investments	88.34	33.21
	Increase in Term Deposits with Banks	(502.10)	(397.43)
	Interest Income	44.88	22.47
	Net cash flow from / (used in) from investing activities	**(1333.50)**	**(832.20)**
C	**Cash generated from financing activities**		
	Proceeds from Initial Public Offering	1000.00	-
	Offer Expenses on Initial Public Offering	(54.41)	-
	Loans to subsidiary		-
	Proceeds from Long term Borrowings	18.76	8.20
	Repayment of Long term Borrowings	(49.96)	(70.13)
	Proceeds/(repayment) from short-term borrowings (net)	(123.56)	89.63
	Dividend paid (including corporate dividend tax)	(35.77)	(35.02)
	Interest paid (net)	(43.78)	(33.52)
	Cash generated from / (used in) financing activities	**711.28**	**(40.84)**
D	**Net Increase/ (Decrease) in cash and cash equivalent (A+B+C)**	**135.95**	**(40.31)**
	Cash and Cash equivalents		
	At the beginning of the year	**26.86**	**67.17**
	At the end of the year	**162.81**	**26.86**

Consolidated Statement of Cash flow

for the year ended 31st March 2022

Notes:

Net Debt Reconciliation

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2022
Opening Net Debt	302.95	280.39
Proceeds from Borrowings (net)	(104.80)	97.83
Repayment of Borrowings (net)	(49.96)	(70.13)
Interest Expense (net)	39.01	28.27
Interest Paid (net)	(43.75)	(33.52)
Discounting adjustment for borrowing cost	0.07	0.12
Closing Net Debt	**143.51**	**302.95**

As per our report of even date attached

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

R.P. Baradiya
Partner

Place : Mumbai
Dated: May 28, 2022

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

A. S. Agarwal
Director
DIN: 00777581

R. S. Sharma
Director
DIN: 02487797

D. K. Jain
Chief Executive Officer

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Lucknow
Dated: May 28, 2022

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

Company Profile

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

The financial statements were authorised for issue in accordance with a resolution of the directors on May 28, 2022.

1 Significant Accounting policies

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

1.1 Basis of Preparation

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

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

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

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

Current versus non-current classification

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

1.2 Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiary as at March 31, 2022. 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:

i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

ii) Exposure, or rights, to variable returns from its involvement with the investee, and

iii) 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:

i) The contractual arrangement with the other vote holders of the investee

ii) Rights arising from other contractual arrangements

iii) The Group's voting rights and potential voting rights

iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

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

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

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

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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

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

i) Derecognises the assets (including goodwill) and liabilities of the subsidiary

ii) Derecognises the carrying amount of any non-controlling interests

iii) Derecognises the cumulative translation differences recorded in equity

iv) Recognises the fair value of the consideration received

v) Recognises the fair value of any investment retained

vi) Recognises any surplus or deficit in profit or loss

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

1.3 Use of Estimates and Judgments

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

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

Significant accounting estimates and assumptions

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

(a) Income taxes

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

(b) Defined Benefit Obligation

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

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

1.4 Summary of Significant accounting policies

(a) Property, Plant & Equipment

Measurement at recognition:

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

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

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

Capital work in progress and Capital advances:

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

Depreciation and Amortisation

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

Leasehold improvements are amortized over the period of the lease.

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

Derecognition:

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

(b) Intangible Assets

Measurement at recognition:

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

Amortization:

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

Asset Class	Useful Life
Software	5 years
Know How	10 years

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

Derecognition:

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

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

(c) Revenue Recognition

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

Sale of Products:

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

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

Export Incentive:

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

(d) Other Income

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

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

(e) Inventories

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

(f) Financial Instruments

(i) **Financial Assets**

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

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

Financial assets are subsequently classified as measured at - amortised cost

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

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

- fair value through profit and loss (FVTPL)

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

- fair value through other comprehensive income (FVOCI)

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

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

Derecognition

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

(ii) **Financial Liabilities**

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

Derecognition

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

(g) **Impairment of Financial Assets**

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

(h) **Fair Value Measurement**

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

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

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

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

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

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

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

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

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

(i) Trade Receivables and Loans

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

(j) Investments

Financial assets are recognised and measured in accordance with Ind AS 109 - Financial Instruments. Accordingly, the Group recognises financial asset only when it has a contractual right to receive cash or other financial assets from another entity. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. Subsequent to initial recognition, financial assets are measured at amortised cost, fair value through other comprehensive income (FVOCI) or FVTPL. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

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

(k) Foreign Currency Transactions

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

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

Monetary items:

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

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

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

Non – Monetary items:

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

(l) Income tax

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

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

Current Tax:

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

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

Deferred Tax:

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

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

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

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

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

Presentation of current and deferred tax:

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

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

(m) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

(n) Cash & Cash Equivalents

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

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

(o) Provision for Employee Benefits

Short Term Employee Benefits:

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

Post-Employment Benefits:

I. Defined Contribution plans:

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

Recognition and measurement of defined contribution plans:

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

II. Defined benefit plans:

i) Provident fund scheme:

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

ii) Gratuity scheme:

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

Recognition and measurement of defined benefit plans:

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

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

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

Other Long Term Employee Benefits:

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

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

(p) Lease accounting

Assets taken on lease:

The Group mainly has lease arrangements for land.

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

The Group recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group uses an incremental borrowing rate specific to the Group, term and currency of the contract. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

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

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

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

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

(q) Impairment of Non-financial Assets

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

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

(r) Borrowing Costs

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

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

(s) Government Grants / Subsidies:

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

(t) Segment reporting

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

(u) Dividends Payable

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

(v) Earnings Per Share

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

(w) Events after reporting date

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

(x) Offsetting of financial instruments

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

(y) Rounding Of Amounts

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

(z) Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards / amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below :

(a) Ind AS 16 – Property, plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022.

(b) Ind AS 37 - Provisions, contingent liabilities and contingent assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022, although early adoption is permitted.

(c) Ind AS 103 – Business combinations – The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

(d) Ind AS 109 – Financial instruments – The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The Company is in the process of evaluating the impact of these amendments.

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

2A Property, Plant and Equipment

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Factory Building	Plant & Equipment	R&D Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross Carrying Amount								
Balance as at 1st April, 2020	**261.85**	**736.32**	**1.17**	**8.91**	**26.00**	**1.69**	**2.52**	**1,038.47**
Additions during the year	97.00	200.90	-	0.94	10.17	1.11	0.76	310.88
Disposals/ Reclassifications during the year	-	-	-	-	0.34	-	-	0.34
Balance as at 31st March, 2021	**358.85**	**937.22**	**1.17**	**9.85**	**35.83**	**2.80**	**3.28**	**1,349.01**
Additions during the year	68.00	358.21	0.77	0.89	33.18	0.92	1.19	463.17
Disposals/ Reclassifications during the year	-	-	-	-	6.13	-	-	6.13
Balance as at 31st March, 2022	**426.84**	**1,295.43**	**1.94**	**10.74**	**62.87**	**3.72**	**4.47**	**1,806.05**
Accumulated depreciation, amortisation and impairment								
Balance as at 1st April, 2020	**17.66**	**60.26**	**0.11**	**1.63**	**6.52**	**0.61**	**1.66**	**88.45**
Depreciation expense for the year	9.08	45.34	0.06	1.02	4.39	0.41	0.59	60.89
Eliminated on disposal of asset/ reclassifications	-	-	-	-	0.25	-	-	0.25
Balance as at 31st March, 2021	**26.74**	**105.60**	**0.17**	**2.65**	**10.66**	**1.02**	**2.25**	**149.09**
Depreciation expense for the year	14.15	59.45	0.06	1.11	6.18	0.62	0.71	82.28
Eliminated on disposal of asset/ reclassifications	-	-	-	-	5.00	-	-	5.00
Balance as at 31st March, 2022	**40.89**	**165.05**	**0.22**	**3.75**	**11.83**	**1.64**	**2.96**	**226.35**
Net Carrying amount								
Balance as at 1st April, 2020	**244.19**	**676.06**	**1.06**	**7.28**	**19.49**	**1.08**	**0.86**	**950.01**
Balance as at 31st March, 2021	**332.11**	**831.62**	**1.00**	**7.20**	**25.17**	**1.78**	**1.03**	**1,199.92**
Balance as at 31st March, 2022	**385.95**	**1,130.38**	**1.72**	**6.99**	**51.04**	**2.08**	**1.51**	**1,579.66**

Refer Note 17 & 21 for details of security charge on Property, Plant and Equipment.

2B Right of Use Assets

(All amounts in Rupees Millions, unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	43.54	42.57
Additions	114.86	0.99
Deletions	-	-
Amortization	2.35	0.02
Closing Balance	**156.05**	**43.54**

Note: Refer Note 35 for detailed disclosures

2C

(All amounts in Rupees Millions, unless otherwise stated)

Capital work-in-progress	Plant & Machinery under Installation	Buildings under Construction	Total
Balance as at 1st April, 2020	1.14	10.43	11.57
Balance as at 31st March, 2021	102.84	16.01	118.85
Balance as at 31st March, 2022	322.95	121.19	444.14

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

2C (Contd..)

Capital work in progress (CWIP) Ageing Schedule

As at 31 March 2022

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Less than 1Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	400.77	43.37	-	-	444.14
Projects temporarily suspended	-	-	-	-	-
Total	**400.77**	**43.37**	**-**	**-**	**444.14**

As at 31 March 2021

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Less than 1Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	118.85	-	-	-	118.85
Projects temporarily suspended	-	-	-	-	-
Total	**118.85**	**-**	**-**	**-**	**118.85**

3 Other Intangible Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Less than 1Year	1-2 Years	Total
Gross Carrying Amount			
Balance as at 1st April, 2020	**0.40**	**2.12**	**2.52**
Additions during the year	-	-	-
Deductions during the year	-	-	-
Balance as at 31st March, 2021	**0.40**	**2.12**	**2.52**
Additions during the year	-	-	-
Deductions during the year	-	-	-
Balance as at 31st March, 2022	**0.40**	**2.12**	**2.52**
Accumulated amortization			
Balance as at 1st April, 2020	**0.16**	**0.70**	**0.86**
Amortization expense for the year	0.08	0.36	0.44
Deductions for the year	-	-	-
Balance as at 31st March, 2021	**0.24**	**1.06**	**1.30**
Amortization expense for the year	0.07	0.36	0.43
Deductions for the year	-	-	-
Balance as at 31st March, 2022	**0.31**	**1.42**	**1.73**
Net Carrying amount			
Balance as at 1st April, 2020	0.24	1.41	1.65
Balance as at 31st March, 2021	0.16	1.06	1.22
Balance as at 31st March, 2022	0.09	0.71	0.79

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

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

4 Investments

(A) INVESTMENTS MEASURED AT AMORTISED COST

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
In Unquoted, fully paid up Debt Instrument		
India Infoline Finance Ltd 4,000 @ 9.6% (31st March, 2021 : 4,000 @ 9.6 %) non-convertible debentures of ₹ 1000 each	4.05	4.86
TOTAL	**4.05**	**4.86**
In Unquoted Government Securities		
National Saving Certificate	0.04	0.04
TOTAL	**0.04**	**0.04**

(B) INVESTMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
In Unquoted, fully paid up Equity Shares of Other Company		
Swarup Chemicals Pvt Limited 3,900 (31st March, 2021 : 3,900) equity shares of ₹ 10 each	2.38	2.30
TOTAL	**2.38**	**2.30**

(C) INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS (FVTPL)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
In Quoted, fully paid up Equity Shares of Other Companies		
1 Punjab National Bank Nil (31st March, 2021 : 50) equity shares of ₹ 2 each	-	0.00
2 Coromandal International Ltd Nil (31st March, 2021 : 125) equity shares of Re.1 each	-	0.10
3 Suditi Industries Ltd 4,632 (31st March, 2021 : 11,739) equity shares of Re.10 each	0.22	0.12
4 Vedanta Ltd Nil (31st March, 2021 : 3,086) equity shares of Re.1 each	-	0.71
5 K M Sugar Mills Ltd 60,979 (31st March, 2021 : 1,36,325) equity shares of ₹ 2 each	1.79	1.62
6 PI Industries Ltd Nil (31st March, 2021 : 151) equity shares of Re.1 each	-	0.34
7 ICICI Bank Ltd. Nil (31st March, 2021 : 616) equity shares of ₹ 2 each	-	0.36
8 Navin Fluorine International Ltd. Nil (31st March, 2021 : 124) equity shares of ₹ 2 each	-	0.34
9 Sam Industries Ltd Nil (31st March, 2021 : 2,200) equity shares of ₹ 10 each	-	0.03
10 Modipon Ltd 100 (31st March, 2021 : 100) equity shares of ₹ 10 each	0.00	0.00
11 Apollo Hospitals Enterprises Ltd Nil (31st March, 2021 : 228) equity shares of ₹ 10 each	-	0.66
12 Bank of Baroda Nil (31st March, 2021 : 5,686) equity shares of ₹ 10 each	-	0.42

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

4 Investments (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

	Particulars	As at 31st March, 2022	As at 31st March, 2021
13	Bharti Airtel Ltd Nil (31st March, 2021 : 696) equity shares of ₹ 10 each	-	0.41
14	Bharat Petroleum Corporation Ltd Nil (31st March, 2021 : 1,299) equity shares of ₹ 10 each	-	0.56
15	Dr Reddy Laboratories Nil (31st March, 2021 : 76) equity shares of ₹ 10 each	-	0.34
16	Gujarat Narmada Valley Fertilizers & Chemicals Nil (31st March, 2021 : 1,657) equity shares of ₹ 10 each	-	0.50
17	HCL Technologies Ltd Nil (31st March, 2021 : 466) equity shares of ₹ 10 each	-	0.46
18	Indian Railway Catering & Tourism Nil (31st March, 2021 : 281) equity shares of ₹ 10 each	-	0.49
19	Infosys Ltd Nil (31st March, 2021 : 340) equity shares of ₹ 10 each	-	0.47
20	Karnataka Bank Ltd Nil (31st March, 2021 : 6,825) equity shares of ₹ 10 each	-	0.42
21	Polycab India Limited Nil (31st March, 2021 : 377) equity shares of ₹ 10 each	-	0.52
22	Reliance Indiustries Ltd - Right Issue 300 (31st March, 2021 : 300) equity shares of ₹ 10 each	0.79	0.33
23	State Bank India Nil (31st March, 2021 : 1,176) equity shares of ₹ 10 each	-	0.43
24	Sun TV Network Nil (31st March, 2021 : 911) equity shares of ₹ 10 each	-	0.43
25	Ultramarine & Pigments Ltd Nil (31st March, 2021 : 1,248) equity shares of ₹ 10 each	-	0.36
26	Infrastructure Development Finance Co. Ltd. (Equity) Nil (31st March, 2021 : 10,586) equity shares of ₹ 10 each	-	0.50
TOTAL		**2.80**	**10.92**
In Unquoted, fully paid up Equity Shares of Other Companies			
1	Kalyanpur Cements Ltd 16,500 (31st March, 2021 : 16,500) equity shares of ₹ 10 each	-	-
2	Eggro Paper Moulds Ltd 3,300 (31st March, 2021 : 3,300) equity shares of ₹ 10 each	-	-
3	United Health Care Ltd 100 (31st March, 2021 : 100) equity shares of ₹10 each	-	-
4	XLO Machine Tool Ltd 200 (31st March, 2021 : 200) equity shares of ₹ 10 each	-	-
5	Stallion Shox Ltd 100 (31st March, 2021 : 100) equity shares of ₹ 10 each	-	-
6	Swarup Publication P Ltd 1,900 (31st March, 2021 : 1,900) equity shares of ₹ 10 each	-	-
7	Indo fil Limited 21 (31st March, 2021 : 21) equity shares of ₹ 10 each	-	-
TOTAL		**-**	**-**

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

4 Investments (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

	Particulars	As at 31st March, 2022	As at 31st March, 2021
	In Quoted, Mutual Funds (Equity Oriented)		
1	Master Share UTI 162.569 (31st March, 2021 : 162.569) equity shares of ₹ 10 each	0.00	0.00
2	BOI AXA Large & Mid Cap Equity Fund Nil (31st March, 2021 : 2,40,090.91) units.	-	10.51
3	ICICI Prudential Regular Savings Plan Growth 34,641.616 (31st March, 2021 : 34,641.616) units.	0.87	0.82
4	ICICI Prudential Equity Arbitrage Fund 91,903.791 (31st March, 2021 : Nil) units.	2.56	
5	BOI AXA Midcap Tax Fund Nil (31st March, 2021 : 1,50,000) units.	-	1.98
6	ICICI Prudential Balanced Advantage Fund 15,173.377 (31st March, 2021 : 68,810.472) units.	0.75	3.04
7	BOI AXA Mid & Small Cap Equity & Debt Fund Nil (31st March, 2021 : 1,57,472.441) units.	-	2.72
8	Axis Special Situations Fund 5,00,087.396 (31st March, 2021 : 5,00,087.396) units.	6.33	5.17
9	Axis Growth Opportunities Fund 1,57,621.375 (31st March, 2021 : 1,57,621.375) units.	3.25	2.51
10	Axis Small Cap Fund 45,175.062 (31st March, 2021 : Nil) units.	2.77	-
11	BOI AXA Flexi Cap Fund Nil (31st March, 2021 : 4,69,994.501) units.	-	6.97
12	DSP Mid Cap Fund 64,785.317 (31st March, 2021 : 64,785.317) units.	5.58	4.94
13	DSP Flexi Cap Fund 1,64,187.315 (31st March, 2021 : Nil) units.	10.38	-
14	Edelweiss Greater China Equity Off Shore Fund Nil (31st March, 2021 : 1,02,479.093) units.	-	5.37
15	Edelweiss Arbitrage Fund 3,71,381.901 (31st March, 2021 : Nil) units.	5.84	-
16	HDFC Dividend Yield Fund 12,79,506.97 (31st March, 2021 : 4,62,554.354) units.	18.18	5.06
17	SBI Balance Advantage Fund-Direct Growth 9,99,950.02 (31st March, 2021 : Nil) units.	10.27	-
18	Mirae Asset Mid Cap Fund 1,50,350.334 (31st March, 2021 : Nil) units.	3.09	2.42
19	PGIM India Emerging Markets Equity fund Nil (31st March, 2021 : 1,28,462.231) units.	-	2.25
20	PGIM India Flexi Cap Fund 60,824.209 (31st March, 2021 : 60,824.209) units.	1.56	1.24
21	PGIM India Midcap Opportunities Fund 40,754.402 (31st March, 2021 : 40,754.402) units.	1.72	1.28
22	SBI Multicap Fund-Regular Fund 2,99,985.001 (31st March, 2021 : Nil) units.	3.09	-
23	PGIM India Arbitrage Fund 3,48,338.332 (31st March, 2021 : 1,71,340.499) units.	5.26	2.50
24	Parag Pareikh Flexicap Fund 48,300.417 (31st March, 2021 : Nil) units.	2.39	-
25	Mahindra manulife Hybrid Equity Nivesh Yojana 3,00,841.798 (31st March, 2021 : Nil) units.	5.11	-

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

4 Investments (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
26 Invesco India Dynamic Equity Fund 69,114.598 (31st March, 2021 : Nil) units.	2.52	-
27 Invesco India Equity Savings Fund 1,94,704.93 (31st March, 2021 : Nil) units.	2.56	-
28 Tata Arbitrage Fund 17,50,168.467 (31st March, 2021 : Nil) units.	20.46	-
29 Nippon India Arbitrage Fund 4,73,252.783 (31st March, 2021 : Nil) units.	10.24	-
30 SBI Balance Advantage Fund-Regular Growth 7,49,962.502 (31st March, 2021 : Nil) units.	7.73	-
In Quoted, Mutual Funds (Debt Oriented)		
1 HDFC Ultra Short Term Fund 8,33,743.279(31st March, 2021 : Nil) units.	10.24	-
2 Nippon India Ultra Short Duration Fund 1,565.127 (31st March, 2021 : Nil) units.	5.14	-
3 SBI Savings Fund 4,31,859.760 (31st March, 2021 : 4,31,859.760) units.	14.55	14.16
TOTAL	**162.42**	**72.94**
TOTAL NON CURRENT INVESTMENT	**171.69**	**91.05**
Aggregate book value of:		
Quoted investments	**151.37**	**74.98**
Unquoted investments	**4.92**	**4.92**
Aggregate market value of:		
Quoted investments	**165.22**	**83.85**
Unquoted investments	**6.47**	**7.20**
Aggregate amount of impairment in value of Investments	**0.89**	**0.89**

5 Other Financial Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured and Considered Good		
Security Deposits	24.02	20.00
Term Deposits with more than 12 months maturity*	25.90	8.49
Total	**49.92**	**28.49**

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

6 Deferred Tax Assets (Net)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities		
Arising on account of:		
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961	-	-
Increase in borrowing cost pursuant to application of effective interest rate method	-	-
Provision for Employee Benefit	-	-
Provision for Compensated Absences	-	-

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

6 Deferred Tax Assets (Net) (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Assets		
Arising on account of:		
Lease liability amortisation	0.67	-
Allowances for Doubtful debt and Advances	-	-
Preliminary / Incorporation Expenses	0.03	-
Difference in carrying value and Tax base of investments measured at FVTPL and Amortised Cost	-	-
Provision for bonus and ex Gratia	-	-
Total	**0.71**	**-**

7 Other Non-current Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Others		
Advance to Gratuity Trust (Net of Obligation)	3.43	2.07
Capital Advances	11.65	9.46
Total	**15.08**	**11.53**

Note: Capital expenditures contracted for but not recognised in the financial statements is ₹ 32.74 mn as at 31st March, 2022(₹ 22.41 mn as at 31st March, 2021).

8 Inventories

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw Materials	470.89	235.84
Work-in-Progress	45.86	14.04
Finished Goods	803.00	393.66
Packing Materials	54.58	44.79
Stores, Spares and Consumables	22.52	12.46
Total	**1,396.85**	**700.79**

Refer Note 21 for details of security charge on Inventories.

9 Trade Receivables

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured:		
Considered good	2,479.26	2,142.20
Considered doubtful	97.21	32.45
	2,576.47	2,174.65
Less: Allowance for Expected Credit Loss	(97.21)	(32.45)
Total	**2,479.26**	**2,142.20**

i) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

ii) Trade receivables are non interest bearing and generally on terms of 30 to 180 days.

iii) Refer Note 21 for details of security charge on Trade receivables.

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

9 Trade Receivables (Contd..)

Trade Receivable Ageing As at 31 March 2022

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Less than 6 Months	6 Months to 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivable						
Considered good	2,137.13	288.53	53.60	-	-	2,479.26
Which have significant increase in credit risk	-	-	-	-	-	-
Credit Impaired	2.14	0.29	53.60	41.17	-	97.21
Disputed Trade Receivable	-	-	-	-	-	-
Considered good	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-
Total	**2,139.27**	**288.82**	**107.21**	**41.17**	**-**	**2,576.47**

Trade Receivable Ageing As at 31 March 2021

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Less than 6 Months	6 Months to 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivable						
Considered good	1,735.86	348.89	48.35	9.11	-	2,142.20
Which have significant increase in credit risk	-	-	-	-	-	-
Credit Impaired	-	-	-	32.40	0.05	32.45
Disputed Trade Receivable	-	-	-	-	-	-
Considered good	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-
Total	**1,735.86**	**348.89**	**48.35**	**41.51**	**0.05**	**2,174.65**

10 Cash and Cash Equivalents

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and Cash Equivalents		
Cash on hand	7.50	1.98
Balances with Banks		
In Current Accounts	118.30	24.88
In Cash Credit Accounts	37.01	-
Total	**162.81**	**26.86**

11 Other Balances with Banks

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with Banks		
Term Deposits with remaining maturity of less than 12 months	905.15	410.55
Total	**905.15**	**410.55**

*out of the above Term Deposit of Rs. 881.10 mn is on lien against margin money, against bank guarantee and other commitments as at March 2021 (Rs. 199.45 mn for March 2021)

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

12 Other Financial Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured and Considered Good		
Other Receivables	-	0.89
Interest Subsidy Receivable	-	0.27
Security Deposits	37.53	6.59
Total	**37.53**	**7.75**

13 Other Current Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance with Government Authorities	424.68	185.69
Prepaid Expenses	19.53	2.77
Others		
Advances to Employees	7.54	9.35
Advances to Suppliers*	67.12	190.03
Total	**518.88**	**387.84**

*Includes related party balance of ₹ 46.80 mn (₹ 34 mn as on 31st March 2021).

14 Current tax Assets (Net)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Income Tax Assets (net) (Net of Provision 533 mn as at 31st March, 2022)(Nil as at 31st March, 2021)	2.28	-
Total	**2.28**	**-**

15 Equity Share Capital

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised :		
150,000,000 (31st March, 2021 : 150,000,000) Equity Shares of Re. 1 each (31st March, 2021 : ₹ 1)	150.00	150.00
	150.00	**150.00**
Issued, Subscribed and Paid up :		
115,163,508 (31st March, 2021 : 111,785,130) Equity Shares of Re. 1 (31st March, 2021 : ₹ 1).	115.16	111.79
	115.16	**111.79**

a) Reconciliation of number of shares

(All amounts in Rupees Millions, unless otherwise stated)

Equity Shares	As at 31st March, 2022		As at 31st March, 2021	
	Number	(₹ in mn)	Number	(₹ in mn)
Shares outstanding at the beginning of the year	11,17,85,130	111.79	3,18,325	31.83
Add: Splitting of equity shares to Re.1 from ₹ 100 (Face Value)	-	-	3,15,14,175	-
Add: Shares Issued during the year				
Bonus Shares	-	-	7,95,81,250	79.58
Preferential allotment of Shares	-	-	3,71,380	0.37
Share Alloted in Fresh Issue	33,78,378	3.38		
Shares outstanding at the end of the year	**11,51,63,508**	**115.16**	**11,17,85,130**	**111.79**

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

15 Equity Share Capital (Contd..)

Details of Shareholders holding more than 5% equity shares in the Company

(All amounts in Rupees Millions, unless otherwise stated)

Name of the Shareholders	As at 31st March, 2022		As at 31st March, 2021	
	Number of Equity Shares	Percentage holding	Number of Equity Shares	Percentage holding
Fully paid Equity Shares of ₹ 1 each held by:				
1. Anand Swarup Agarwal	3,52,83,092	30.64%	4,47,89,850	40.07%
2. PSA Family Trust	1,24,22,242	10.79%	1,24,22,242	11.11%
3. Sudha Agarwal	87,93,631	7.64%	17,43,800	1.56%
4. ASA Family Trust	77,17,117	6.70%	77,17,117	6.90%
5. Mahendra Swarup Agarwal	2,45,895	0.21%	1,10,69,375	9.90%

b) Details of shares held by Promoter as at 31/03/2022:

(All amounts in Rupees Millions, unless otherwise stated)

Name of Promoter	No. of Shares held	Sale/Transfer	No. of Shares held	% Change in shareholding during the year to total shares
	At the Beginning of the year	During the Year	At the End of the year	
Equity Shares of Re.1 (31st March, 2021 : ₹ 1) each held by:				
1. Anand Swarup Agarwal	4,47,89,850	(95,06,758)	3,52,83,092	(9.43%)
2. Sudha Agarwal*	17,43,800	70,49,831	87,93,631	6.08%
3. Mahendra Swarup Agarwal	1,10,69,375	(1,08,23,480)	2,45,895	(9.69%)
4. Pramood Swarup Agarwal	12,20,508	(11,11,486)	1,09,022	(1.00%)
5. Virendra Swarup Agarwal	46,21,750	(9,79,730)	36,42,020	(0.97%)
6. Vishal Swarup Agarwal	9,85,000	(7,33,108)	2,51,892	(0.66%)
7. Vishwas Swarup Agarwal	8,60,000	(6,38,514)	2,21,486	(0.58%)
8. Sanju Agarwal	8,42,800	(7,66,892)	75,908	(0.69%)
9. VSA Family Trust	22,00,000	-	22,00,000	(0.06%)
10. ASA Family Trust	77,17,117	-	77,17,117	(0.20%)
11. PSA Family Trust	1,24,22,242	-	1,24,22,242	(0.33%)
12. MSA Family Trust	56,95,875	-	56,95,875	(0.15%)
	9,41,68,317	**(1,75,10,137)**	**7,66,58,180**	**(16.51%)**

* Promoter with effect from March 5, 2022

Details of shares held by Promoter as at 31/03/2021:

(All amounts in Rupees Millions, unless otherwise stated)

Name of Promoter	No. of Shares held	Changes (Net)	No. of Shares held	% Change in shareholding during the year to total shares
	At the Beginning of the year	During the Year	At the End of the year	
Equity Shares of Re.1 (31st March, 2020 : ₹ 100) each held by:				
1. Anand Swarup Agarwal	1,27,971	4,46,61,879	4,47,89,850	(0.13%)
2. Mahendra Swarup Agarwal*	33,375	1,10,36,000	1,10,69,375	(0.58%)
3. Pramood Swarup Agarwal*	14,945	12,05,563	12,20,508	(3.60%)
4. Virendra Swarup Agarwal*	13,205	46,08,545	46,21,750	(0.01%)
5. Vishal Swarup Agarwal*	9,850	9,75,150	9,85,000	(2.21%)
6. Vishwas Swarup Agarwal*	8,600	8,51,400	8,60,000	(1.93%)
7. Sanju Agarwal*	10,320	8,32,480	8,42,800	(2.49%)
8. VSA Family Trust*	-	22,00,000	22,00,000	1.97%
9. ASA Family Trust*	-	77,17,117	77,17,117	6.90%
10. PSA Family Trust*	-	1,24,22,242	1,24,22,242	11.11%
11. MSA Family Trust*	-	56,95,875	56,95,875	5.10%
	2,18,266	**9,22,06,251**	**9,24,24,517**	**14.11%**

* Promoter with effect from February 8, 2021

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

15 Equity Share Capital (Contd..)

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

c) Rights, preferences and restrictions :

The Company has only one class of equity shares having a par value of Re. 1 Per Share (March 31, 2021 - ₹ 1 per share). Each holder of equity share is entitled to one vote per share.

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

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

d) Split shares

(i) As per recommendation of the Board of Directors dated 21st December, 2020 and approval of the shareholders dated 28th December, 2020, the Company has increased its existing authorised share capital to ₹ 15,00,00,000 consisting of 15,00,000 equity shares of face value of ₹ 100 each. Further, the existing equity shares were split into 15,00,00,000 equity shares of face value of Re.1 each.

(ii) Pursuant to the above resolution the existing issued, paid-up and subscribed paid up capital of the Company stood sub-divided to 31,832,500 equity shares of Re. 1 each.

e) Bonus Shares

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

f) Preferential allotment

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

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

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

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

i) During the year the Company completed the Initial Public offer ("the offer/IPO") of 2,70,27,027 Equity Shares of Face Value of ₹ 1/- each at a price of ₹ 296/- per equity share (including a premium of ₹ 295/- per share which has been charged to security premium) The offer comprised of a fresh issue of 33,78,378 equity shares aggregating to ₹ 100 million and an offer for sale of 2,36,48,649 equity shares aggregating to ₹ 700 million.

j) Amounts utilized towards Offer Expenses on Initial Public Offering ₹ 54.41 Million was charged to Securities Premium.

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

16 Other Equity

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Securities Premium		
As per Opening Balance	12.14	8.58
Less: Amounts utilized towards Offer Expenses on Initial Public Offering (Refer note 15(j))	54.41	8.58
Add: On Preferrential Allotment (Refer note 15(f))	-	12.14
Add: Proceeds from Initial Public Offering (Refer note 15(i))	996.62	
Closing Balance	**954.36**	**12.14**
General Reserve		
As per last Balance Sheet	518.37	589.37
Less : amounts utilized towards issue of fully paid up bonus shares ((Refer note 15(e))	-	71.00
Closing Balance	**518.37**	**518.37**
Retained Earnings		
As per last Balance Sheet	3,252.48	1,938.44
Add: Net Profit after Tax transferred from the Statement of Profit and Loss	1,579.52	1,345.27
Less: Other Comprehensive income (net of tax)	4.83	(3.78)
Less : Appropriations	0.04	-
Dividend distributed during the year (refer note below)	35.77	35.02
Closing Balance	**4,791.35**	**3,252.48**
Total	**6,264.08**	**3,782.99**

Nature and purpose of reserves

a) **Securities premium** - Securities premium is used to record the premium on issue of shares. This will be utilised in accordance with the provisions of the Act.

b) **General reserve - :** The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act.

c) **Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Note 1:

(All amounts in Rupees Millions, unless otherwise stated)

Dividend on Equity shares paid during the year	Year ended 31st March 2022	Year ended 31st March 2021
Final Dividend ₹ 0.32 for FY 2020-21 (March 31, 2021 : ₹ 110 for FY 2019-20) per equity share of 1 each (31st March, 2021 : ₹ 1)	35.77	35.02

Note 2:

The Board of Directors at its meeting held on 28th May, 2022 have recommended a payment of final dividend of ₹ 0.75 per equity share of face value of Re.1 each resulting in an outflow of ₹ 86.37 mn for the financial year ended 31st March, 2022.

17 Borrowings

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured Term Loan:		
From Banks	26.19	12.32
Less: Current maturities of Long term Debt	6.46	3.38
Unsecured Term Loan:		
From Others	15.81	65.55
Total	**35.54**	**74.49**

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

17 Borrowings (Contd..)

i) **Detail of Securities and Terms of repayment**

a Secured Term Loan from Banks comprise of multiple Vehicle Loans which are each repayable in balance 12 to 60 monthly instalments from the date of balance sheet. Interest rate for these loans ranges between 7.95 % to 10.00%.

b Loans from Others comprise of Inter corporate loans which are not due for repayment in the next 12 months from the date of the Balance Sheet. Interest on these loans are payable at rates ranging between 9% to 12% per annum.

ii) Refer Note 41 for maturity analysis.

18 Lease Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured		
Lease Liability	78.83	1.13
Total	**78.83**	**1.13**

19 Provisions

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits		
Provision for Compensated Absences	12.83	6.89
Total	**12.83**	**6.89**

20 Deferred Tax Liabilities (Net)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities		
Arising on account of:		
Difference between written down value as per the books of accounts and Income Tax Act, 1961	105.11	85.81
Increase in borrowing cost pursuant to application of effective interest rate method	-	0.06
Provision for Employee Benefit	0.83	0.59
Difference in carrying value and Tax base of investments measured at FVTPL and Amortised Cost	3.88	2.80
Deferred Tax Assets		
Arising on account of:		
Lease liability amortisation	1.60	0.06
Allowances for Doubtful debt and Advances	24.46	8.17
Preliminary / Incorporation Expenses	-	0.05
Provision for Compensated Absences	3.61	-
Total	**80.15**	**80.98**

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

21 Borrowings

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
From Banks	101.51	225.08
Current maturities of Long term Debt From Banks (Refer note no 17)	6.46	3.38
Total	**107.97**	**228.46**

i) Working capital loans are secured by first charge by way of hypothecation on the current assets of the Company namely inventories of raw materials, finished and work in progress, stores spares and consumables and packing materials, book debts and all other movable assets both present and future, and additionally secured by way of second charge on :

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

b. Land & building situated at Khasra No. 691, Village Uttar Dhauna, Tiwariganj, Chinhat, Faizabad Road, Lucknow owned by M/s Ram Swarup Cold Storage & Allied Ind. Lucknow.

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

d. Leasehold Industrial plot at K4 & K5 at UPSIDC, Sandila, UP.

ii) The Company has availed working capital loan from banks on the basis of security of current assets. The quarterly statements of current assets filed by Company with banks are in agreements with the books of accounts with no discrepancy.

iii) Refer Note 41 for maturity analysis.

22 Lease Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease Liability	11.24	0.03
Total	**11.24**	**0.03**

23 Trade Payables

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Dues to MSME	45.10	47.17
(b) Dues to Other than MSME	916.83	693.35
Total	**961.93**	**740.52**

Terms and conditions of the above financial liabilities:

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

Trade Payables Ageing As at 31 March 2022

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Less than 1Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	45.10	-	-	-	45.10
(ii) Others	902.78	4.15	7.35	2.55	916.83
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**947.88**	**4.15**	**7.35**	**2.55**	**961.93**

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

23 Trade Payables

Trade Payables Ageing As at 31 March 2021

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Less than 1Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	47.17	-	-	-	47.17
(ii) Others	681.90	8.78	2.67	-	693.35
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**729.07**	**8.78**	**2.67**	**-**	**740.52**

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

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Amount remaining unpaid to any supplier at the end of each accounting year:	45.10	47.17
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.04	0.37
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

24 Other Financial Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade and Security Deposits from Customers	56.69	52.44
Payable towards IPO Expenses	62.27	-
Total	**118.96**	**52.44**

25 Other Current Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other Advances		
Advance from Customers	79.91	47.52
Others		
Statutory Liabilities	10.17	6.05
Total	**90.08**	**53.57**

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

26 Provisions

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits		
Provision for Compensated Absences	1.52	0.77
Provision for Corporate Social Responsibility* (refer Note 34)	42.48	31.04
Others	0.03	-
Total	**44.03**	**31.81**

* In accordance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 notified by Ministry of Corporate Affairs on January 22, 2021, the Company has created provision for the cumulative unspent amount as on March 31, 2022.

27 Current Tax Liabilities (Net)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Tax Payable (Net of Advance Tax & TDS 442.51 mn as at 31st March, 2021)	-	5.48
Total	-	**5.48**

28 Revenue from Operations

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(i) Sales of products (Net of Returns)		
Domestic	3,789.54	2,746.01
Exports	3,302.12	3,680.33
	7,091.66	**6,426.34**
(ii) Other Operating Revenues		
Export Incentives	69.77	63.20
Total	**7,161.43**	**6,489.54**

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

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue as per contracted price	7,363.87	6,574.91
Less: Discounts/Sales Return	272.21	148.57
Revenue from contract with customers	7,091.66	6,426.34

29 Other Income

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest Income from financial assets at amortised cost		
On bank deposits	41.92	19.65
Other Interest	2.86	2.82
Dividend Income	0.04	0.08
Other non-operating Income		
Fair value gain on Investment through Amortised cost	0.05	0.42
Fair value gain on Investments at fair value through profit and loss	13.93	18.52
Miscellaneous income	6.85	0.86

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

29 Other Income

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Other gains and losses		
Net Gain on foreign currency transactions & translation	55.65	20.61
Profit from Sale of Investments	9.35	1.24
Profit on Sale of Property, Plant & Equipment	0.88	0.03
Total	**131.55**	**64.23**

30 Cost of Materials Consumed

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Raw materials Consumed		
Opening stock	235.84	145.78
Add : Purchases of Raw Material	3,768.21	3,210.27
	-	-
Less: Closing stock	470.89	235.84
TOTAL	**3,533.16**	**3,120.21**
Packing Materials Consumed		
Opening Stock	44.79	23.47
Add:Purchases of Packing Material	183.21	202.01
Less: Closing Stock	54.58	44.79
TOTAL	**173.42**	**180.69**
Total	**3,706.58**	**3,300.90**

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

(All amounts in Rupees Millions, unless otherwise stated)

Particulars		Year ended 31st March, 2022	Year ended 31st March, 2021
Inventories at the beginning of the year			
Finished Goods		393.66	182.85
Work-in-Progress		14.04	28.08
	(a)	**407.70**	**210.93**
Inventories at the end of the year			
Finished goods		803.00	393.66
Work-in-Progress		45.85	14.04
	(b)	**848.85**	**407.70**
Net (Increase)/Decrease in Inventories	(a) -(b)	**(441.15)**	**(196.77)**

32 Employee Benefits Expense

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries, wages and benefits	274.12	196.66
Contribution to provident and other funds	14.27	20.67
Staff welfare expenses	8.45	7.63
Total	**296.84**	**224.96**

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

33 Finance Costs

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest on borrowings	26.09	18.75
Interest on Statutory Dues	24.21	-
Interest on lease liabilities	3.68	0.10
Other Interest Costs	1.85	6.06
Other Borrowing Costs	12.70	9.41
Total	**68.53**	**34.33**

2 & 3 Depreciation and Amortisation Expense

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation on Property, Plant & equipment	82.71	60.89
Amortisation of Right of Use	2.35	0.02
Amortisation of Intangible Assets	-	0.44
Total	**85.06**	**61.35**

34 Other Expenses

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Consumption of stores, spares and consumables	272.24	271.54
Power and Fuel	326.99	282.87
Labour & Processing Charges	213.48	180.24
Pollution Control Expenses	26.73	27.77
Freight and handling Charges	255.18	254.86
Advertisement and Sales Promotion Expenses	11.27	16.77
Legal and Professional expenses	69.00	84.13
Travelling & Conveyance	53.03	33.50
Rent Expenses	11.57	9.18
Directors Fees	5.05	2.46
Repairs & Maintenance		
- Building	5.44	5.81
- Others	6.98	8.06
- Machinery	19.90	31.60
Rates, Fees and Taxes	5.60	6.24
Testing and Sampling Charges	0.40	3.63
Insurance	8.70	7.90
Printing, Stationery and Communication Expenses	11.75	7.89
Corporate Social Responsibility Expenses and Other Donations (refer Note 45)	22.54	39.82
Payment to Auditors		
- Statutory Audit Fees	2.49	2.04
- In other Capacity		
For Tax Audit	0.40	0.40
For Limited Review & Certification fees	1.05	4.00
For Reimbursement of Expenses	0.17	-
Bad Debts	48.00	17.49
Provision for Doubtful Debts / Expected Credit Loss	64.76	20.46
Miscellaneous Expenses	18.71	10.96
Total	**1,461.44**	**1,329.61**

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

35 Leases

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

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	43.54	42.57
Additions	114.86	0.99
Deletions	-	-
Amortisation	2.35	0.02
Closing Balance	**156.05**	**43.54**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. Rent expense recorded for short-term leases was ₹ 11.57 mn for the year ended March 31, 2022 (₹ 9.18 Mn for the year ended March 31, 2021). The Group's lease asset classes primarily consist of leases for land.

36 Contingent Liabilities & Capital Commitments

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
A. Contingent Liabilities		
- Tax or other Statutory litigations	-	-
- Claims against the Company not acknowledged as debts	-	-
B. Capital Commitments		
Capital expenditures contracted for but not recognised in the financial statements (net of advance ₹ 11.65 Mn (March 2021- ₹ 9.46 Mn)	**32.74**	**22.42**

37 DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS"

See accounting policy in Note 1.(o)

For details about the related employee benefit expenses, refer Note 32

A. Defined Contribution Plan:

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

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

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Provident Fund and other Funds	17.43	13.73
Total (included in Note 32 - 'Contribution to provident and other funds')	17.43	13.73

B. Defined Benefit Obligation:

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

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

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

37 DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS" (Contd..)

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

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

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

Actuarial study analysis	Gratuity		Leave Encashment	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Principal actuarial assumptions				
Discount rate	6.90%	6.50%	6.90%	6.50%
Range of compensation increase	10.00%	7.00%	10.00%	7.00%
Withdrawal Rate:				
- Younger ages	10.00%	10.00%	10.00%	10.00%
- Older ages	8.00%	8.00%	8.00%	8.00%

Actuarial study analysis	Gratuity		Leave Encashment	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Components of income statement charge				
Current service cost	5.62	4.66	6.69	1.72
Interest cost	2.53	2.28	-	-
Recognition of past service cost	-	-	-	-
Immediate recognition of (gain)/losses	-	-	-	-
Settlement/curtailment/termination loss	-	-	-	-
Total charged to statement of profit or loss	**8.16**	**6.94**	**6.69**	**1.72**
Total charged to Retained Earnings	-	-	-	-
Movements in net liability/(asset)				
Net liability at the beginning of the year	41.80	36.06	7.64	5.92
Adjustment to the opening fund	(55.12)	-	-	-
Employer contributions	(4.67)	-	-	-
Total expense recognised in the statement of profit or loss	8.16	6.94	6.69	1.72
Total expense recognised in the Retained Earnings	-	-	-	-
Total amount recognised in OCI	6.53	(1.20)	-	-
Net liability/(asset) at the end of the year	**(3.31)**	**41.80**	**14.33**	**7.64**
Reconciliation of benefit obligations				
Obligation at start of the year	41.80	36.06	7.64	5.92
Current service cost	5.62	4.66	6.69	1.72
Interest cost	2.61	2.28	-	-
Benefits paid directly by the Group	(2.08)	-	-	-
Extra payments or expenses/(income)	-	-	-	-
Obligation of past service cost	-	-	-	-
Actuarial gain/loss	9.91	-1.20	-	-
Defined benefits obligations at the end of the year	**57.86**	**41.80**	**14.33**	**7.64**

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

37 DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS" (Contd..)

Actuarial study analysis	Gratuity		Leave Encashment	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Reconciliation of plan assets	-	-	-	-
Adjustment to the Opening Fund	55.12	-	-	-
Interest Income	0.07	-	-	-
Return on plan assets excluding amounts included in interest income	3.39	-	-	-
Contributions by Employer	4.67	-	-	-
Benefits paid	(2.08)	-	-	-
Closing value of plan assets	**61.16**	-	-	-
Re-measurements of defined benefit plans				
Actuarial gain/(loss) due to changes in demographic assumptions	-	-	-	-
Actuarial gain/(loss) due to changes in financial assumptions	9.68	0.47	-	-
Actuarial gain/(loss) on account of experience adjustments	0.23	(1.66)	-	-
Return on plan assets excluding amounts included in interest income	(3.39)			
Total actuarial gain/(loss) recognised in Other Comprehensive Income	**6.53**	**(1.19)**	-	-
The Maturity Profile of Defined Benefit Obligation				
Year 1 Cashflow	4.62	3.38	-	-
Year 2 Cashflow	4.81	3.50	-	-
Year 3 Cashflow	6.89	3.92	-	-
Year 4 Cashflow	4.30	5.50	-	-
Year 5 Cashflow	4.88	4.02	-	-
Year 6 to Year 10 Cashflow	29.39	21.78	-	-

C. Sensitivity analysis of significant assumptions

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

Sensitivity of DBO, Service Cost, and P&L Account	Gratuity			
	Year ended 31st March, 2022		Year ended 31st March, 2021	
	% increase in DBO	Liability	% increase in DBO	Liability
Discount rate				
+ 0.5% discount rate	-3.97%	55.56	-3.64%	40.28
- 0.5% discount rate	4.26%	60.32	3.89%	43.42
Salary increase				
+ 0.5% salary growth	3.09%	59.64	3.77%	43.37
+ 0.5% salary growth	-3.42%	55.88	-3.60%	40.29
Withdrawal rate				
+ 0.5% salary growth	-0.71%	57.44	-0.23%	41.70
- 0.5% salary growth	0.74%	58.28	0.24%	41.90

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

37 DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS" (Contd..)

(All amounts in Rupees Millions, unless otherwise stated)

Sensitivity of DBO, Service Cost, and P&L Account	Leave Encashment	
	Year ended 31st March, 2022	Year ended 31st March, 2021
Discount rate		
+ 0.5% discount rate	13.62	7.31
- 0.5% discount rate	15.11	7.99
Salary increase		
+ 0.5% salary growth	15.08	7.99
+ 0.5% salary growth	13.64	7.31
Withdrawal rate		
+ 1.1 % salary growth	14.14	7.63
- 1.1 % salary growth	14.54	7.65

Note:

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

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

38 Related party disclosures as per Ind AS 24

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

Name of the related parties	Designation / Relationship
Anand Swarup Agarwal (w.e.f 6th October, 2020)	Chairman and Non Executive Director
Rahul Arun Bagaria (w.e.f 23rd January 2021)	Non Executive Director
Adesh Kumar Gupta (w.e.f 23rd January 2021)	Independent Director
Mohan Vasant Tanksale (w.e.f 21st December 2020)	Independent Director
Madhu Dikshit (w.e.f 21st December 2020)	Independent Director
Swarup Publications Private Limited (w.e.f 6th October, 2020)	Entity in which Directors have significant influence
Swarup chemicals Private Limited (w.e.f 6th October, 2020)	Entity in which Directors have significant influence
M/s Ram Swarup Cold Storaqe & Allied Industries.	Entity in which Directors have significant influence
Sanju Agarwal	Relative of director
Vishwas Swarup Agarwal	Relative of director
Komal Swarup Agarwal	Relative of director
Vishal Swarup Agarwal	Relative of director
Kajaree Swarup Agarwal	Relative of director
Mahendra Swarup Agarwal	Relative of director
Sudha Agarwal	Relative of director
Pramod Swarup Agarwal	Relative of director
Virendra Swarup Agarwal	Relative of director
Madhu Arun Bagaria (w.e.f 23rd January 2021)	Relative of director
Arun Kishanlal Bagaria (w.e.f 23rd January 2021)	Relative of director
Ashok Kumar Gupta (Resigned w.e.f 10th December 2020)	Whole-time Director
Pranav Agarwal (Resigned w.e.f 29th September 2020)	Independent Director
Shweta Agarwal (Resigned w.e.f 21st December 2020)	Independent Director
G S Mehta (Resigned w.e.f 10th December 2020)	Non Executive Director
Sanjay Khatau Asher (21st December 2020 - 8th February 2021)	Independent Director
Kuruba Adeppa (10th December 2020 - 8th February 2021)	Whole-time Director

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

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

Name of the related parties	Designation / Relationship
Key Managerial Personnel	
Satya Prakash Gupta (w.e.f 1st November 2020)	Chief Financial Officer
Dheeraj Kumar Jain (w.e.f 23rd January 2021)	Chief Executive Officer
Ajeet Pandey (w.e.f 1st October 2020)	Company Secretary
Ajai Kumar Sinha	General Manager
B.T. Hanumantha Reddy	General Manager
Rajendra Singh Sharma	Whole-time Director

2 Transactions during the year

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Remuneration		
Rajendra Singh Sharma	0.73	0.64
Ashok Kumar Gupta	-	1.19
Ajeet Pandey	0.87	0.34
Satya Prakash Gupta	2.70	0.72
Dheeraj Kumar Jain	7.65	1.53
Ajai Kumar Sinha	0.87	0.16
Kuruba Adeppa	-	0.30
B.T. Hanumantha Reddy	2.00	1.82
Director Sitting fees		
G S Mehta	-	0.04
Pranav Agarwal	-	0.06
Shweta Agarwal	-	0.24
Anand Swarup Agarwal	0.80	0.72
Adesh Kumar Gupta	1.15	0.30
Mohan Vasant Tanksale	1.05	0.25
Rahul Arun Bagaria	1.20	0.30
Madhu Dikshit	0.85	0.40
Sanjay Khatau Asher	-	0.15
Professional Fees		
Sanju Agarwal	-	0.90
Vishal Swarup Agarwal	12.00	12.00
Vishwas Swarup Agarwal	12.00	12.00
Anand Swarup Agarwal	-	6.00
Mahendra Swarup Agarwal	-	0.60
Virendra Swarup Agarwal	-	0.60
Pramod Swarup Agarwal	-	0.60
Sudha Agarwal	-	0.30
Komal Swarup Agarwal	-	0.90
Kajaree Swarup Agarwal	-	0.90
Interest Income		
Swarup Chemicals Private Limited	2.95	1.01
Expenses (net)		
Swarup Chemicals Private Limited (Processing Charges/ Rent Expenses/ Others)	13.54	8.68
Swarup Publications Private Limited (Advertisement)	2.64	1.75
Vishal Swarup Agarwal (Rent Expenses)	0.54	0.54
Swarup Cold Storage & Ice Factory (Rent Expenses)	0.12	-

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

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

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Reimbursement of Expenses made on behalf of the Company		
Vishal Swarup Agarwal	0.50	1.20
Interest Expense on Unsecured Loan		
Mahendra Swarup Agarwal	-	0.42
Pramod Swarup Agarwal	-	0.28
Sudha Agarwal	-	0.20
Issue of shares		
Madhu Arun Bagaria	-	6.26
Arun Kishanlal Bagaria	-	6.26

3 Outstanding balances as at the year end

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances		
Swarup Chemicals Private Limited	46.80	34.00
Interest Receivable		
Swarup Chemicals Private Limited	0.13	-
Payable		
Swarup Publications Private Limited	2.27	1.54
Swarup Chemicals Private Limited	-	3.23

Land & building situated at Khasra No. 691, Village Uttar Dhauna, Tiwariganj, Chinhat, Faizabad Road, Lucknow owned by M/s Ram Swarup Cold Storage & Allied Ind. Lucknow is secured against short term borrowing.

4 Terms and conditions of transactions with related parties

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

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

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

5 (a) Loans or advances to related parties

Type of Borrower	As at 31st March, 2022		As at 31st March, 2021	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	-	-	-	-
- Advance	46.80	100%	34.00	100%

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

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

(b) Disclosure as per Regulation 34(3) and 53(f) read with Part A of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in respect of loans/ advances/ investments outstanding as at year end

Particulars	Investment in equity / preference at cost held as at		Gross loans outstanding as at		Maximum Amount of loans and advances outstanding during the year	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Swarup Chemical Private Limited	0.39	0.39	46.80	34.00	47.80	34.00

39 Financial instruments

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

A Calculation of fair values

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

i The fair value of the long-term borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company (since the date of inception of the loans).

ii Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

Financial Assets and Liabilities

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

a. Financial Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Instruments carried at fair value			Instruments carried at amortized cost	Total Fair Value	Total Carrying Value
	FVOCI (Equity instruments)	FVOCI (Other instruments)	FVTPL			
As at 31st March, 2022						
(i) Investments	2.38	-	165.22	4.09	171.69	171.69
(ii) Other financial assets	-	-	-	87.45	87.45	87.45
(iii) Trade receivables	-	-	-	2,479.26	2,479.26	2,479.26
(iv) Cash and cash equivalents	-	-	-	162.81	162.81	162.81
(v) Other Balances with Banks	-	-	-	905.15	905.15	905.15
Total	**2.38**	**-**	**165.22**	**3,638.76**	**3,806.37**	**3,806.37**
As at 31st March, 2021						
(i) Investments	2.30	-	83.84	12.90	99.05	99.05
(ii) Other financial assets	-	-	-	29.64	29.64	29.64
(iii) Trade receivables	-	-	-	2,142.20	2,142.20	2,142.20
(iv) Cash and cash equivalents	-	-	-	19.07	19.07	19.07
(v) Other Balances with Banks	-	-	-	410.55	410.55	410.55
Total	**2.30**	**-**	**83.84**	**2,614.35**	**2,700.51**	**2,700.51**

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

39 Financial instruments (Contd..)

b. Financial Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Fair value through profit & loss	At amortized cost*	Total carrying amount	Total Fair Value
As at 31st March, 2022				
(i) Borrowings	-	143.51	143.51	143.51
(ii) Other financial liabilities	-	209.03	209.03	209.03
(ii) Trade payables	-	961.93	961.93	961.93
Total	-	**1,314.47**	**1,314.47**	**1,314.47**
As at 31st March, 2021				
(i) Borrowings	-	299.57	299.57	299.57
(ii) Other financial liabilities	-	56.99	56.99	56.99
(ii) Trade payables	-	740.47	740.47	740.47
Total	-	**1,097.03**	**1,097.03**	**1,097.03**

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

c. Fair value hierarchy

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

The categories used are as follows:

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

The below table summarises the categories of financial assets and liabilities as at March 31, 2022 and March 31, 2021 measured at fair value:

(All amounts in Rupees Millions, unless otherwise stated)

As at 31st March, 2022	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value				
Investments in Equity Shares	2.80	-	2.38	5.18
Investment in Mutual Funds	162.42	-	-	162.42

(All amounts in Rupees Millions, unless otherwise stated)

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

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

40 Segment Reporting

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

Thus the segment revenue, interest revenue, interest expense, depreciation and amortisation, segment assets and segment liabilities are all in respect of aforesaid Agro Chemicals business.

Geographical Information

(All amounts in Rupees Millions, unless otherwise stated)

a. Revenue from external customers	Year ended 31st March, 2022	Year ended 31st March, 2021
attributed to the Company's country of domicile, India	3,789.54	2,746.01
attributed to all foreign countries	3,302.12	3,680.33
Total	**7,091.66**	**6,426.34**

(All amounts in Rupees Millions, unless otherwise stated)

b. Revenues from transactions with customers (including customers of the same group) exceeding 10% of the Company's sales in current as well as previous year.	Year ended 31st March, 2022	Year ended 31st March, 2021
	1,949.05	2,830.50

c. All Non-Current assets are located in India

41 Income tax

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

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Enacted income tax rate in India applicable to the Company (in %)	25.17	25.17
Profit/ (Loss) before income tax expense	**2,115.68**	**1,799.39**
Current tax expense on Profit/ (loss) before tax expenses at enacted income tax rate in India	532.47	452.87
Tax effects of :		
Tax effect on non-deductible expenses	5.67	10.02
Effect of Income which is taxed at special rates	(5.87)	(5.66)
Effect of Government grants offered to income tax on receipt basis	-	(1.55)
Effects of Adjustments for current tax of prior periods	2.84	2.09
Other items	1.04	0.53
Total Income tax expense	**536.16**	**458.30**

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

The Company, accordingly has recognized Provision for Income Tax.

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

41 Income tax (Contd..)

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

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Income Tax Assets	1,932.79	1,391.74
Current Income Tax Liabilities	1,930.51	1,397.22
Net Current Income Tax Liabilities/(Assets) at the end of the year	**(2.28)**	**5.48**

The major components of deferred tax charged/adjusted to profit & loss account.

As at 31st March, 2022

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Balance sheet 01st April 2021	Profit and loss For the Year	OCI For the Year	Balance sheet 31st March, 2022
Deferred Tax Liabilities				
Arising on account of:				
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961	85.81	19.30	-	105.10
Increase in borrowing cost pursuant to application of effective interest rate method	0.06	(0.06)	-	0.00
Provision for Employee Benefit	0.49	(1.28)	1.62	0.83
Difference in carrying value and Tax base of investments measured at FVTPL	2.80	1.08	-	3.88
Deferred Tax Assets				
Arising on account of:				
Lease liability amortisation	0.06	2.21	-	2.27
Allowances for Doubtful debt and Advances	8.17	16.30	-	24.47
Preliminary / Incorporation Expenses	-	0.03	-	0.03
Provision for Compensated Absences	-0.10	3.71	-	3.61
Total	**81.03**	**(3.21)**	**1.62**	**79.44**

As at 31st March, 2021

(All amounts in Rupees Millions, unless otherwise stated)

As at 31st March, 2021	Balance sheet 01st April 2021	Profit and loss For the Year	OCI For the Year	Balance sheet 31st March, 2021
Deferred Tax Liabilities				
Arising on account of:				
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act,1961	73.28	12.53	-	85.81
Increase in borrowing cost pursuant to application of effective interest rate method	2.56	(2.50)	-	0.06
Difference in carrying value and Tax base of investments measured at FVTPL	(1.56)	4.36	-	2.80
Provision for Employee Benefit	2.49	(2.27)	0.28	0.49
Provision for Compensated Absences	0.01	0.09	-	0.10
Deferred Tax Assets				
Arising on account of:				
Lease liability amortisation	0.03	0.03	-	0.06
Allowances for Doubtful debt and Advances	3.70	4.46	-	8.17
Preliminary / Incorporation Expenses	-	0.05	-	0.05
Total	**73.05**	**7.65**	**0.28**	**80.98**

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

42 Earnings per share (EPS)

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

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

i Profit attributable to Equity holders of Company

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit attributable to equity share holders of the Company for basic and diluted earnings per share	1,579.52	1,345.44

ii Weighted average number of ordinary shares

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Equity shares outstanding as at year end	11,51,63,508	11,17,85,130
Equity shares		
Weighted average number of shares as at year end for basic earnings per shares	11,42,74,948	11,14,76,834
Weighted average number of shares as at year end for diluted earnings per shares	11,42,74,948	11,14,76,834
Basic earnings per share (in ₹)	**13.78**	**12.07**
Diluted earnings per share (in ₹)	**13.78**	**12.07**

43 Financial risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

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

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

A. Credit risk;

B. Liquidity risk;

C. Market risk; and

D. Interest rate risk

E. Risk due to outbreak of COVID 19 pandemic

(A) Credit risk

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

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

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

43 Financial risk management (Contd..)

There is no significant concentration of default risk.

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

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

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

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

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

Credit risk is managed at Company level

For other financial assets, the Company assesses and manages credit risk based on internal control and credit management system. The finance function consists of a separate team who assess and maintain an internal credit management system. Internal credit control and management is performed on a Company basis for each class of financial instruments with different characteristics.

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

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

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

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, no additional provision has been considered necessary in respect of trade receivables more than 3 months, since the management has taken suitable measures to recover the said dues and is hopeful of recovery in due course of time.

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

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

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

Additionally, considering the COVID 19 situation, the Company has also assessed the performance and recoverability of trade receivables. The Company believes that the current value of trade receivables reflects the fair value/ recoverable values. (Refer note 9)

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

43 Financial risk management (Contd..)

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

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

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

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

Maturities of financial liabilities

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

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

Maturity analysis of significant financial liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Contractual cash flows					
	As at 31st March, 2022			As at 31st March, 2021		
	Carrying amount	Upto 1 year	More than 1 year	Carrying amount	Upto 1 year	More than 1 year
Non-derivative financial liabilities						
Term Loans	42.00	6.46	35.54	77.87	3.38	74.49
Short Term Borrowings	101.51	101.51	-	225.08	225.08	-
Trade and Other Payables	961.93	961.93	-	740.52	740.52	-
Other Financial Liabilities	197.79	118.96	78.83	53.60	52.47	1.13
Other Current Liabilities	90.08	90.08	-	53.57	53.57	-

(C) Market risk

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

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

Foreign Currency Risk

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

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

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

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

43 Financial risk management (Contd..)

Exposure to currency risk

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

(All amounts in Rupees Millions, unless otherwise stated)

	As at 31st March, 2022				As at 31st March, 2021			
	INR ₹ in mn	EURO ₹ in mn	USD ₹ in mn	AUD ₹ in mn	INR ₹ in mn	EURO ₹ in mn	USD ₹ in mn	AUD ₹ in mn
Financial Assets								
Trade Receivables	1,859.44	174.87	444.95	-	1,481.55	154.93	467.32	38.41
Total	1,859.44	174.87	444.95	-	1,481.55	154.93	467.32	38.41
Financial Liabilities								
Trade payables	631.76	2.84	327.33	-	604.62	-	135.86	-
Total	631.76	2.84	327.33	-	604.62	-	135.86	-

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

(All amounts in Rupees Millions, unless otherwise stated)

Currency	31st March, 2022	31st March, 2021
USD	75.81	73.50
EURO	84.66	86.10
AUD	-	55.57

Sensitivity analysis

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

(All amounts in Rupees Millions, unless otherwise stated)

	Year ended 31st March, 2022		Year ended 31st March, 2021	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
USD	0.29	(0.29)	0.83	(0.83)
EURO	0.43	(0.43)	0.39	(0.39)
AUD	-	-	0.10	(0.10)

(D) Interest rate risk

- Interest rate risk management:

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

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

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

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

43 Financial risk management (Contd..)

- Interest rate risk exposure:

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

(All amounts in Rupees Millions, unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
Fixed-rate instruments		
Financial assets	-	-
Financial liabilities	42.00	77.87
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	101.51	225.08
Total	143.51	302.95

- Interest rate sensitivity

Interest rate sensitivity

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

Price Risk

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

(E) Risk due to outbreak of COVID 19 pandemic

The Company has taken into account all the possible impacts of COVID-19 in preparation of these consolidated financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these consolidated financial statements and believes that the impact of COVID-19 is not material to these consolidated financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements owing to the nature and duration of COVID-19.

44 Capital management

(a) Risk management

The Company's objectives when managing capital are to:

1. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

2. Maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, reduce debt or sell Vassets.

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

44 Capital management (Contd..)

The gearing ratios were as follows:

(All amounts in Rupees Millions, unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
Net debt (Total Debt - Cash & cash equivalent - Other Bank Balances other than on lien)	-	76.16
Total equity	6,379.24	3,894.78
Net debt to equity ratio	-	**0.02**

45 Corporate Social Responsibility

(All amounts in Rupees Millions, unless otherwise stated)

Particulars		Year ended 31st March, 2022	Year ended 31st March, 2021
A	Gross Amount Required to be spent by the Company :	22.50	13.72
B	Amount Of Expenditure Incurred		
	i Construction / Acquisition of any assets	-	-
	ii Purpose other than above	3.51	8.73
C	Short Fall at the end of the year	18.99	4.99
D	Total Of Previous Years Shortfall	23.49	26.05
E	Reaon For Shortfall - Non Availability of Suitable Project		
F	Nature Of CSR Activities - Health and Education		

(All amounts in Rupees Millions, unless otherwise stated)

G	Details Of Related Party Transactions	Year ended 31st March, 2022	Year ended 31st March, 2021
	Related party transactions in relation to Corporate Social Responsibility:	-	-

(All amounts in Rupees Millions, unless otherwise stated)

H	Details Of Related Party Transactions	Year ended 31st March, 2022	Year ended 31st March, 2021
	Opening provision	31.04	-
	Addition during the year / Period	18.99	31.04
	Utilised during the year /Period	7.55	-
	Closing provision	42.48	31.04

46 Additional Information on entities included in Cosolidated Financial Statements

Name of the entity in the Group	Net Assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Shalvis Specialities Limited	0.41%	26.45	(0.27%)	(4.33)	-	-	(0.27%)	(4.33)

Significant accounting policies and explanatory notes to Consolidated Financial Statements for the year ended 31st March 2022

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(A) No proceeding has been initiated or pending against the group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.

(B) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(C) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(D) There were no transactions relating to previously unrecorded income that have been surrendered and disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(E) The Group does not have any transactions with companies struck off.

(F) The Group has not advanced or loaned to or invested in funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(G) The Group has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

(i) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

48 The previous year figures have been re-grouped / re-classified wherever required to conform to current year's classification.

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

A. S. Agarwal
Director
DIN: 00777581

R. S. Sharma
Director
DIN: 02487797

D. K. Jain
Chief Executive Officer

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Lucknow
Dated: May 28, 2022

INDIA PESTICIDES LIMITED

CIN - L24112UP1984PLC006894
Tel : +91-522-2653602, 2653603, 2653622, 4041014 Fax : +91-522-2653610
Corporate Address: Water Works Road, Swarup Cold Storage Compound,
Aishbagh, Lucknow-226004
Registered Office -35-A, Civil Lines, Bareilly - 243001
e-mail id-investor@indiapesticideslimited.com website: www.indiapesticideslimited.com

NOTICE

Notice is hereby given that the 37th **Annual General Meeting ("the AGM") of India Pesticides Limited ("IPL")** will be held on **Tuesday, August 23, 2022 at 12:30 P.M.** through Video Conferencing/Other Audio-Visual Means ("VC/OAVM"), without the physical presence of members at the AGM venue to transact businesses as set out in this notice. The following businesses will be transacted at the AGM:

ORDINARY BUSINESSES:

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2022, the Reports of the Board of Directors and Auditors thereon and Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2022 and the Report of Auditors thereon.**

   To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2022, the Reports of the Board of Directors and Auditors thereon and Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2022 and the report of Auditors thereon, as circulated to the Members and laid before the meeting, be received, considered, and adopted."

2. **To declare a Final Dividend on equity shares of the Company for the Financial Year 2021-22.**

   To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the recommendation of the Board of Directors, the final dividend for the financial year 2021-22 at the rate of Rs. 0.75/- per equity share of the face value of Rs. 1/- each, be and is hereby declared and that the same be paid out of the profit of the Company"

3. **To appoint a director in place of Mr. Rahul Arun Bagaria (DIN: 06611268), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.**

   To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152 (6) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time ("Act"), Mr. Rahul Arun Bagaria (DIN: 06611268) who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESSES:

4. **To re-appoint Mr. Anand Swarup Agarwal as a Chairman and Non-Executive Director of the Company.**

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

   "**RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 17(1A) and other applicable regulations, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors, the consent of members be and is hereby accorded to re-appoint Mr. Anand Swarup Agarwal (DIN: 00777581), who has attained the age of 77 years, as Chairman & Non-executive Director of the Company for a period of five years.

   RESOLVED FURTHER THAT any of the Director and/or Mr. Ajeet Pandey, Company Secretary and Compliance Officer of the Company, be and is hereby severally authorized to take all steps for giving effect to the aforesaid resolution, including making the necessary applications, filing forms and doing all such acts, deeds, and things as may be required or deemed necessary to implement this resolution.

5. **Increase in Remuneration of the Whole-Time Director.**

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

   "**RESOLVED THAT** subject to the provisions of Section 196 read with Schedule V and other applicable provisions, if any, of the

Companies Act, 2013, (including any statutory modifications or re- enactment thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, approval of the members be and is hereby accorded for increase in the remuneration of Mr. Rajendra Singh Sharma, Whole-Time Director of the Company and authority be given to Board of Directors to alter and vary the terms and conditions of the remuneration from time to time within the scope of Schedule V of the Companies Act, 2013, or any amendments thereto or any re-enactment thereof as may be agreed to between the Board of Directors and Mr. Rajendra Singh Sharma.

Remuneration:

1. Consolidated salary @ ₹ 66,900/- per month
2. 10% Annual Salary Increase every year
   - He shall be entitled to the bonus/ex-gratia payment if any as may be decided by the Chairperson of the Company from time to time.
   - Moreover, he shall be entitled to the perquisites, benefits, and allowance as may be decided by the management from time to time;
   - In addition to the above, he shall be entitled to Company's contribution to Provident Fund, leave encashment and payment of gratuity as per the Policy of the Company.
   - The perquisites, if any shall be valued in terms of actual expenditure incurred by the Company and shall be evaluated wherever applicable as per Income Tax Act, 1961 or rules made thereunder and any modification thereof.
   - he shall be entitled to use the company's car, all the expenses for maintenance and running of the same including the salary of the driver to be borne by the Company if any.
   - Telecommunications facilities including broadband, internet and mobile if any.

RESOLVED FURTHER THAT Board of Directors be and are hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

6. To ratify the remuneration of Cost Auditors for the Financial Year 2022-23.

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the consent of the members be and is hereby accorded to ratify the remuneration payable to, M/s Honey Singh & Associates, Cost Accountants (FRN: 101134), Lucknow who were appointed by the Board of Directors of the Company, to conduct the audit of the cost records for the financial year 2022-23, of an amount of Rs. 0.12 million p.a. plus applicable taxes and out of pocket expenses that may be incurred by them during the course of the audit.

RESOLVED FURTHER THAT any of the directors of the Company and/or Mr. Ajeet Pandey, Company Secretary and Compliance Officer of the Company, be and is hereby severally authorized to do all such acts, deeds and things, as they may in their absolute discretion, deem necessary to give effect to this resolution."

7. To ratify the remuneration of Cost Auditors for the Financial Year 2021-22.

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the consent of the members be and is hereby accorded to ratify the remuneration paid to, M/s Honey Singh & Associates, Cost Accountants (FRN: 101134), Lucknow who were appointed by the Board of Directors of the Company, to conduct the audit of the cost records for the financial year 2021-22, of an amount of Rs. 0.10 million p.a. plus applicable taxes and out-of-pocket expenses that may be incurred by them during the course of the audit.

RESOLVED FURTHER THAT any of the director of the Company and/or Mr. Ajeet Pandey, Company Secretary and Compliance Officer of the Company, be and is hereby severally authorized to do all such acts, deeds and things, as they may in their absolute discretion, deem necessary to give effect to this resolution."

8. To Maintain registers, returns and records at a place other than the Registered Office 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** consent of the members, be and is hereby accorded to maintain the registers, returns and records at the Corporate Office of the Company at Water Works Road, Swarup Cold Storage Compound, Aishbagh, Lucknow-226004.

RESOLVED FURTHER THAT any of the Director and/or Mr. Ajeet Pandey, Company Secretary and Compliance Officer of the Company, be and is hereby authorized to take all steps for giving effect to the aforesaid resolution, including making the necessary applications, filing forms and doing all such acts, deeds, and things as may be required or deemed necessary to implement this resolution."

By the order of the Board
For India Pesticides Limited

Ajeet Pandey
Company Secretary and
Compliance Officer
Membership No.: A42500
Address: Swarup Cold Storage, Water Works Road,
Aishbagh, Lucknow-226004

Date: 02.07.2022
Place: Lucknow

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the businesses under Item Nos. 4 to 8 of the accompanying Notice is annexed hereto as **Annexure I.**

2. In view of the COVID-19 pandemic, The MCA vide its General Circular 19/2021 dated December 08, 2021, General Circular 21/2021 dated December 14, 2021 and General Circular No. 02/2022 dated 05.05.2022, it has been decided to allow the Companies whose AGMs are due in the Year 2022, to conduct their AGMs on or before 31st December, 2022 in accordance with the requirements laid down in PARA 3 and PARA 4 of the General Circular No. 20/2020 dated 05.05.2020. In compliance with these Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 37thAGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The Members can attend and participate in the AGM through VC/OAVM only. Further, the Company has entered into agreement with National Securities Depository Limited (NSDL) being the first year of listing for the purpose of availing remote e-voting/ e-voting system for casting vote during AGM. The venue of the AGM shall be deemed to be the Registered Office of the Company at 35-A Civil Lines Bareilly, Uttar Pradesh -243001.

3. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 37thAGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 37th AGM through VC/OAVM Facility only. Therefore, the attendance slip and route map are not annexed to this notice.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

5. Corporate/Institutional Members intending to authorize their representative to attend the Meeting through VC facility are requested to send to the Company, a certified true copy of the board resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting. The said resolution/authorisation shall be sent to the scrutinizer, GSK & Associates, Company Secretaries appointed by the Company ("Scrutinizer"), by e-mail through its registered e-mail address to cssaket.associates@gmail.com with a copy marked to NSDL at evoting@nsdl.co.in.

6. Facility of joining the AGM through VC facility shall open 15 minutes before the time scheduled for the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Members on first come first served basis. This will not include large shareholders (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis. Alternatively, Members can also view the proceedings of the AGM through live webcast facility available at https://www.evoting.nsdl.com.

7. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 16th August, 2022 to Tuesday, 23rd August, 2022 (both days inclusive) for the purpose of the AGM.

8. If the Final Dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such **dividend, subject to deduction of tax at source,** will be made on or after 24th August 2022 to all the Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively referred as "Depositories", as on record date i.e. Friday, 12th August, 2022.

9. The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid timelines.

10. Members are requested to note that under Section 124 of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the amount of dividend remaining unpaid or unclaimed, for a period of seven years from the due date, is required to be transferred to the Investor Education and Protection Fund (IEPF) constituted by the Central Government of India.

11. The Company's Registrar and Transfer Agent (RTA) for its Share Registry Work is Kfin Technologies Limited (formerly known as Kfin Technologies Private Limited), having its office at Selenium Tower -B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032, Telangana, India, Phone: +91 4067162222, E-mail Id: einward.ris@kfintech.com

12. In compliance with the MCA Circulars and SEBI Circulars, and owing to the difficulties involved in dispatching of physical copies, Notice of the 37th AGM along with the Annual Report for the financial year 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company or CDSL/NSDL ("Depositories/DP"). Members may note that the Notice of the 37th AGM along with the Annual Report for the financial year 2021-22 will also be available on the Company's corporate website https://www.indiapesticideslimited.com and also on the websites of the Stock Exchanges i.e. BSE Limited and

National Stock Exchange of India Limited at www.bseindia.com and www. nseindia.com respectively. The Notice of the 37th AGM will also be available at the website of KFintech at https:// evoting.kfintech.com

13. Members are requested to intimate/update 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. (along with duly cancelled cheque leaf stating the said details) to their Depository Participant.

14. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

15. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility of nomination in respect of shares held by them..

16. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participant This may be considered as an advance opportunity to the members to register their e-mail address and changes therein as required under Rule 18 of the Companies (Management and Administration) Rules, 2014, as amended from time to time.

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.

18. In terms of Section 152 of the Act, Mr. Rahul Arun Bagaria, Director of the Company, liable to retire by rotation at this Annual General Meeting and being eligible, offers themselves for re- appointment.

19. Details under Regulation 36(3) of the Listing Regulations and in terms of Secretarial Standard-2 in respect of the Directors seeking appointment/re-appointment at the 37thAnnual General Meeting are annexed hereto as **Annexure II** to this Notice which forms part of the explanatory statement. Requisite declarations have been received from the Directors seeking appointment/re-appointment.

20. Non-Resident Indian members are requested to inform RTA respective DP's, immediately of:

    - Change in their residential status on return to India for permanent settlement.
    - Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code and address of the bank with pin code number, if not furnished earlier.

21. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday,16th August, 2022. Members are eligible to cast their vote only if they are holding shares as on cut-off date and a person who is not a member as on the cut off date should treat this notice for information purposes only.

22. Members of the Company who acquires shares after the sending of the Notice by the Company and hold shares as on the cut-off date i.e Tuesday,16th August, 2022, shall follow the same procedure for e- Voting as mentioned at **point no 27**.

23. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories and Company's RTA as on the cut-off date only shall be entitled to avail the facility remote e-voting as well as voting at the AGM through VC/OAVM.

24. **An Electronic Dispatch of Annual Report and Process for Registration of Email Id for Obtaining Copy of Electronic Annual Report:**

    (i) In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 02/2021 dated 13th January, 2021 issued by MCA and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and General Circular No. 02/2022 dated 05.05.2022 it has been decided to allow the Companies whose AGMs are due in the Year 2022, to conduct their AGMs on or before 31st December, 2022 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of the AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

    (ii) Members who do not have registered their E-mail ID and/or bank details (such as Bank Account No., name of the Bank, Branch, IFCS Code and Place with PIN Code No.) are required to register their email addresses and/or bank details, in respect of electronic holdings with their concerned Depository Participants by following due procedure, which is as under:

In case, Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

    (iii) The Notice of AGM along with Annual Report for the financial year 2021-22, is available on the website of the Company at https://www.indiapesticideslimited.com,on the website of Stock Exchanges where shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL at www.evoting.nsdl.com.

25. PROCEDURE FOR INSPECTION OF DOCUMENTS:

- The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, and the relevant documents referred to in the Notice will be available, electronically, for inspection by the Members during the AGM.
- All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM.
- Members seeking to inspect such documents can send an e-mail to investor@indiapesticideslimited.com
- Members may also note that the Notice of the 37thAGM and the Annual Report for the financial year 2021-22 will also be available on the Company's corporate website, https://www.indiapesticideslimited.com for download. The physical copies of the documents referred to in this Notice will also be available at the Company's Corporate Office for inspection during normal business hours on working days, up to the date of the Meeting.

26. DIVIDEND TDS COMMUNICATION:

1. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Friday, 12th August, 2022, i.e. the date prior to the commencement of book closure, being the Record date, will be paid the Final Dividend for the financial year ended 31st March, 2022, as recommended by the Board, if approved at the AGM, within 30 days from the date of AGM.
2. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar & Transfer Agent cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participant(s) of the Members. Members holding shares in demat form are requested to intimate any change in their address and/or bank mandate immediately to their Depository Participants.
3. Shareholders may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company on or after 1st April, 2020 shall be taxable in the hands of the Shareholders. The Company shall therefore be required to deduct Tax at Source (TDS) at the time of making the final dividend. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961.
4. The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid timelines.

27. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Saturday 20th August, 2022 at 09:00 A.M. and ends on Monday 22nd August, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday 16thAugust, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday 16th August, 2022.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owne**r" icon under "**Login**" which is available under '**IDeAS**' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, 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 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 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 hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities 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. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL 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 abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders 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
Individual Shareholders 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 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL)	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account. The pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.

      Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

      a. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@indiapesticideslimited.com or einward.ris@kfintech.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

      b. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

      c. In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

6. If you are unable to retrieve or have not received the " **Initial password**" or have forgotten your password:

   a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   c) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cssaket.associates@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Senior manager NSDL or Ms. Soni Singh, Asst.Manager-NSDL at evoting@nsdl.co.in

4. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. August 16th 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "**Forgot User Details/Password**" or "**Physical User Reset Password**" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. August 16th 2022 may follow steps mentioned in the Notice of the AGM under "**Access to NSDL e-Voting system**".

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@indiapesticideslimited.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@indiapesticideslimited.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. 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.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. 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.

5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name, demat account number, email id, mobile number at investor@indiapesticideslimited.com. The same will be replied by the company suitably.

6. Members desiring any information/clarification on the accounts or any matter to be placed at the AGM are requested to write to the Company at investor@indiapesticideslimited.com. on or before 29th July, 2022 to enable the management to keep information ready at the AGM. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name,demat account number/folio no., mobile number at investor@indiapesticideslimited.com on or before 16th August, 2022. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The other members desiring to seek information/clarification during the AGM may ask through the chat box facility provided by NSDL. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

   The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

26. PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

Members desiring any information/clarification on the accounts or any matter to be placed at the AGM are requested to write to the Company at investor@indiapesticideslimited.com. on or before **20th August, 2022** to enable the management to keep information ready at the AGM. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, demat account number/folio no., mobile number at investor@indiapesticideslimited.com.on or before **20th August, 2022**. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The other members desiring to seek information/clarification during the AGM may ask through the chat box facility provided by NSDL. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

27. DECLARATION OF RESULTS

1. Mr. Saket Sharma, a Practicing Company Secretary (Certificate of Practice No. 2565, Membership No. FCS 4229), Partner, M/s. GSK & Associates has been appointed as the Scrutinizer to scrutinize the e-voting and remote e-voting process in a fair and transparent manner.

2. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall counter sign the same and declare the result of the voting forthwith.

3. Subject to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of the Meeting i.e. Tuesday, 23rd August, 2022.

4. The results shall be declared not later than forty-eight hours from conclusion of the meeting by posting the same on the website of the Company (www.indiapesticideslimited.com), website of NSDL (www.evoting.nsdl.com.) and by filing with the BSE Ltd. and National Stock Exchange of India Ltd. It shall also be displayed on the Notice Board at the Registered Office & Corporate Office of the Company.

ANNEXURE- I

Explanatory Statement

[pursuant to Section 102 of Companies Act, 2013]

Item No. 4

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors , in its Meeting held on May 28, 2022 has approved the re-appointment of Mr. Anand Swarup Agarwal as (Chairman &Non-Executive Director) and recommended the same for the approval by the Shareholders of the Company.

Pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the Listing Regulations"), effective from April 1, 2019; no listed entity shall appoint a person or continue the directorship of any person as a non-executive director, who has attained the age of 75 (seventy-five) years and shall continue directorship or appointed as non-executive director unless a special resolution has been passed to that effect.

Mr. Anand Swarup Agarwal has already attained the age of seventy seven (77) years and hence pursuant to Regulation 17(1A) of the Listing Regulations, the shareholders are requested to accord approval for the re-appointment of Mr. Anand Swarup Agarwal as (Chairman &Non-Executive Director) of the Company. He has been associated with the Company since its incorporation as a Promoter and he is also a Co-founder of the Company. Mr. Agarwal's rich and varied experience in the industry and his understanding of business helps the management in taking the financial and business decisions diligently as well as his presence in the Board will be beneficial for the growth of the Company. The Independent Directors have appreciated his role as Chairman of the Company in their meeting. They have appreciated his zeal, enthusiasm, positive attitude and his openness to accept all the suggestions of the directors for betterment of the Company and looking for the implementation of those suggestions in the best interest of the Company.

Details of Director are as under:

Name	Anand Swarup Agarwal
Age	77 years
DIN	00777581
Date of Birth	23/01/1945
Date of Appointment	10/09/2020

The Directors recommends the Item No. 4 of the Notice for consent and approval by the shareholders by way of Special Resolution.

None of the Directors are interested in this resolution except Mr. Anand Swarup Agarwal.

Item No. 5

In view of the contribution and ongoing efforts of Mr. Rajendra Singh Sharma, Whole Time Director of the Company, the Nomination and Remuneration Committee at its meeting held on 16th March 2022, recommended to the Board of Directors of the Company to increase the remuneration of Director in the manner as provided in the proposed resolution.

The proposed remuneration is towards his able guidance and a service provided to the Company and is well within the limits prescribed under Schedule V of The Companies Act, 2013.

The present proposal requires approval of Shareholders of the company by way of Special Resolution.

Details of Director are as under:

Name	Rajendra Singh Sharma
Age	77 years
Date of Appointment	10.06.1998
Qualification	B.Sc. in Agriculture
Experience and Expertise in specific functional areas	Mr. Rajendra Singh Sharma is having 31 Years of experience in field of Pesticides
List of other Public Limited Companies in which directorships held.	Anand Herbal Limited Shalvis Specialities Limited
No- Of Equity Shares held in the Company	Nil
Relationship with other Directors, Manager and Key Managerial Personnel	None

The Directors recommend the Item No. 5 of the Notice for consent and approval by the shareholders.

None of the Directors are interested in this resolution except Mr. Rajendra Singh Sharma.

Item No. 6

The Board on the recommendation of the Audit Committee, approved the re-appointment of **M/s Honey Singh & Associates, Cost Accountants FRN: 101134)**, Lucknow as the Cost Auditors to conduct the cost audit of the Company for the Financial Year 2022-23 and remuneration of Rs. 0.12 million p.a. have been fixed for this purpose. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the ratification for the remuneration payable to the Cost Auditors for the Financial Year 2022-23 by way of an Ordinary Resolution is being sought from the members as set out at Item No. 6 of the Notice.

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

None of the Directors of the Company or their relatives is, in any way, concerned or interested, in the resolution set out at Item No. 6 of the Notice.

Item No. 7

The Board at its meeting held on 25th May 2021 decided to change the Cost Auditor and therefore did not approved the appointment of Manoj Mishra & Associates as Cost Auditors of the Company due to the fact that he held the position as Cost Auditor of the Company for more than five years and in order to maintain transparency and fairness the Board suggested to appoint a new cost auditor of the Company to conduct cost audit for F.Y. 2021-22.

The Chairperson placed before the Board a proposal to appoint **M/s Honey Singh & Associates, Cost Accountants FRN: 101134)**, 1st Floor, 551Ka/134, Chander Nagar, Alambagh, Lucknow – 226005 as a Cost Auditors and the Board at its meeting held on 22nd July, 2021 approved the appointment of Cost Auditor and recommended the remuneration to the shareholders for ratification.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2021-22 by way of an Ordinary Resolution is being sought from the members as set out at Item No. 7 of the Notice.

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

None of the Directors of the Company or their relatives is, in any way, concerned or interested, in the resolution of the Notice.

Item No. 8

The Board approved and recommends to the shareholders a proposal for the maintenance of registers, returns and records at the place other than registered office of the Company.

Pursuant to Section 94 of Companies Act, 2013 the registers required to be kept and maintained by a company under section 88 and copies of the annual return filed under section 92 shall be kept at the registered office of the company.

Provided that such registers or copies of return may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the Company.

The Board of Directors at their meeting held on 28th May, 2022 have approved the maintenance of registers, returns and records of the Company at its Corporate Office at Water Works Road, Swarup Cold Storage Compound, Aishbagh, Lucknow-226004, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

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

None of the Directors of the Company or their relatives is, in any way, concerned or interested, in the resolution of the Notice.

By the order of the Board
For India Pesticides Limited

Ajeet Pandey
Company Secretary and
Compliance Officer
Membership No.: A42500
Address: Swarup Cold Storage, Water Works Road,
Aishbagh, Lucknow-226004

Date: 02.07.2022
Place: Lucknow

ANNEXURE- II

Information of directors to be re-appointed at the forthcoming Annual General Meeting pursuant to Regulation 36(3) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the provisions of Companies Act, 2013 read with Secretarial Standard -2.

Mr. Rahul Arun Bagaria

Mr. Rahul Arun Bagaria is Non-Executive Director of the Company. He holds a Bachelor's Degree in commerce from University of Mumbai and is Qualified Chartered Accountant. He has extensive professional experience and expertise in corporate law and taxation.

Name	Mr. Rahul Arun Bagaria
Designation	Non-Executive Director
Date of Birth	16.08.1989
Age	32 years
Qualifications	Qualified Chartered Accountant
Experience	More than 5 years
Remuneration last drawn	Being Non- Executive Director of the Company, no remuneration has been drawn by Mr. Rahul Arun Bagaria, apart from sitting fee.
Nationality	Indian
Expertise in specific functional area	Strategic planning, leadership and has rich experience in field of financial management &industry experience in agro chemical industry.
Date of first appointment on the Board of the Company	23.01.2021
No. of Equity Shares held in the Company	Nil
No. of Board meetings attended during the year (F.Y. 2021-22)	6
Relationship with other directors, Manager and other KMP	Nil
Other Directorships, Membership/ Chairmanship of Committees of other Boards	Nil
Terms and conditions of appointment or re-appointment	Liable to retire by rotation and is eligible for re-appointment.
Names of the listed entities from which the person has resigned in the past three years	Nil

Mr. Anand Swarup Agarwal

Mr. Anand Swarup Agarwal is Founder and Promoter of the Company. He is Chairman as well as Non-Executive Director in the Company. He holds a Bachelor's degree in law from the University of Lucknow. He has experience of over 37 years in agro-chemical manufacturing. He was nominated as a part time non-official director on the Board of Directors of Punjab National Bank. He also served as a Director on the Board of Directors of PNB Gilts Limited. He has been awarded with the UP Ratan award in year 2013 by the All India Conference of Intellectuals.

Name	Mr. Anand Swarup Agarwal
Designation	Chairman and Non-Executive Director
Date of Birth	23.01.1945
Age	77years
Qualifications	Bachelor's Degree in Law from University of Lucknow
Experience	37 years
Remuneration last drawn	Being Non- Executive Director of the Company, no remuneration has been drawn by Mr. Anand Swarup Agarwal, apart from sitting fee.
Nationality	Indian
Expertise in specific functional area	He has over 37 years of experience in agrochemical manufacturing
Date of first appointment on the Board of the Company	10.09.2020
No. of Equity Shares held in the Company	3,52,83,092
No. of Board meetings attended during the year (F.Y. 2021-22)	6
Relationship with other directors, Manager and other KMP	Nil
Other Directorships, Membership/ Chairmanship of Committees of other Boards	Nil
Terms and conditions of appointment or re-appointment	Term: Five years Liable to retire by rotation and is eligible for re-appointment.
Names of the listed entities from which the person has resigned in the past three years	Nil

NOTES

India Pesticides Limited

Where Innovation, Quality & Sustainability are ways of life

Corporate Office

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