

Online

Date: July 16, 2019

**Listing Department**  
National Stock Exchange of India Limited  
Exchange Plaza,  
Plot No. C/1, G. Block,  
Bandra- Kurla Complex,  
Bandra East, Mumbai-400 051

**The Department of Corporate Services-  
Listing**  
The Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400 001  
Scrip Code : 507717

**Symbol- DHANUKA**

**Subject: Notice of 34<sup>th</sup> Annual General Meeting, Remote E-Voting & Book Closure and payment of Final Dividend**

Dear Sir,

Notice is hereby given that the 34<sup>th</sup> Annual General Meeting (AGM) of the Members of the Company will be held on Monday, the 12<sup>th</sup> day of August, 2019 at 10:30 A.M. at "D Imperia Hotel, 417, M.G. Road, Ghitorni, New Delhi- 110 030. The Company has completed dispatch of Annual Report 2018-19 (comprising inter alia of Notice of 34<sup>th</sup> AGM along with Explanatory Statement along with the Audited Standalone and Consolidated Financial Statements, Report of Board of Directors and the Statutory Auditors' for the Financial Year ended 31<sup>st</sup> March, 2019 via physical as well as electronic mode on 15<sup>th</sup> day of July, 2019. Annual Report 2018-19 is available on website ([www.dhanuka.com](http://www.dhanuka.com)) of the Company. Annual Report 2018-19 inter alia containing Notice of 34<sup>th</sup> AGM is also available on the website of Central Depositories Services (India) Ltd. (CDSL) ([www.cdslindia.com](http://www.cdslindia.com)).

Pursuant to Section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Members of the Company holding Shares either in physical or dematerialized form, are provided with the facility to cast their vote electronically through Remote e-voting services provided by CDSL and through Ballot Papers at the venue of AGM on all resolutions set forth in the Notice of the 34<sup>th</sup> AGM of the Company. Remote e-voting period will commence at 9:00 a.m. on Thursday, 8<sup>th</sup> day of August, 2019 and will end at 5:00 p.m. on Sunday, 11<sup>th</sup> day of August, 2019, after which e-voting shall not be allowed. The Remote e-voting facility shall be disabled by CDSL for voting thereafter. Once the vote on resolution is cast by the member by Remote e-voting, he shall not be allowed to change it subsequently. The Members who have already casted their vote through Remote e-voting may attend the AGM but shall not be entitled to cast their vote at the AGM.

The Voting Rights of the Shareholders (for voting through Remote e-voting or by poll paper at the Meeting) shall be in proportion to their share in the Paid up Equity Share Capital of the Company as on Monday, the 5<sup>th</sup> day of August, 2019 ("Cut-off Date"). A person whose name is recorded in the



Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date only shall be entitled to avail the facility of Remote e-voting as well as voting at the AGM.

The Company has appointed M/s. R&D Company Secretaries, to act as Scrutinizers for the Remote e-voting process and poll, if any, at the AGM in fair and transparent manner.

The results of voting will be declared within 48 hours from the conclusion of the AGM and same along with the Scrutinizers' Report will be published on the website of the Company ([www.dhanuka.com](http://www.dhanuka.com)) and the website of the CDSL ([www.cdslindia.co.in](http://www.cdslindia.co.in)) immediately after the declaration of result by the Chairman and the same will also be communicated to BSE Ltd. and the National Stock Exchange of India Limited.

Notice is further given that pursuant to Section 91 of the Companies Act, 2013, read with Rule 10 of the Companies (Management and Administration) Rules, 2014 Register of the Members and Share Transfer Books of the Company will remain closed from Thursday, 1<sup>st</sup> day of August, 2019 to Monday, 12<sup>th</sup> day of August, 2019 (both days inclusive), for the purpose of 34<sup>th</sup> AGM and payment of Final Dividend, if any, declared at the AGM.

A copy of Annual Report inter alia containing the Notice of 34<sup>th</sup> Annual General Meeting sent to shareholders is attached for your perusal.

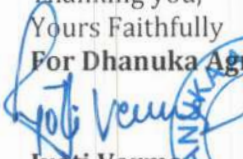
We hope you will find the same in order.

Please take the above information in your record.

Thanking you,

Yours Faithfully

**For Dhanuka Agritech Limited**

  
**Jyoti Verma**

**Company Secretary / Compliance Officer**  
FCS-7210

**Encl: Annual Report 2018-19**



# Transforming India through Agriculture

34<sup>th</sup>  
**Annual  
Report**  
2018-19



**Dhanuka** Agritech Limited





# Transforming INDIA through AGRICULTURE



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Notice to the Members  
(Notice of AGM, Proxy Form,  
Attendance Form, Route Map)

# Fostering Growth Beyond Borders

Our hunger for growth was never satisfied. Because, we understand that when we prosper, so do millions of farmers across India. Our success is theirs as well. And that drives us to seek new opportunities, new solutions and grow beyond boundaries. In agro-Chemical we seek :

- New crop protections for Indian farmers
- Tie-ups for marketing of new agrochemicals

This has lead us to collaborate with international giants to provide more efficient, more effective and more advanced soultions to the Indian farming community.



## Strategic Partnerships



Nissan Chemical, Japan



Corteva Agriscience, USA



ORO Agri, USA



FMC Corporation, USA



SUMITOMO CHEMICAL

Sumitomo Chemical, Japan



Mitsui Chemicals

Mitsui Chemicals Inc., Japan



Oat Agri, Japan



Hokko Chemical, Japan



Arysta Life Science, Japan



# Contact Information

## Board of Directors

Mr. Ram Gopal Agarwal, Chairman  
Mr. Mahendra Kumar Dhanuka, Managing Director  
Mr. Arun Kumar Dhanuka, Executive Director  
Mr. Rahul Dhanuka, Executive Director  
Mr. Mridul Dhanuka, Executive Director  
Mr. Harsh Dhanuka, Executive Director  
Mr. Ashish Saraf, Executive Director  
Mr. Sachin Kumar Bhartiya, Independent Director  
Mr. Indresh Narain, Independent Director  
Mr. Priya Brat, Independent Director  
Mr. Vinod Kumar Jain, Independent Director  
Mr. Sanjay Saxena, Independent Director  
Ms. Namrata Gupta, Independent Director  
Mr. Bajrang Lal Bajaj, Independent Director

## President & Chief Financial Officer

Mr. Vinod Kumar Bansal  
14<sup>th</sup> Floor, Building 5A, DLF Epitome, Cyber  
City, DLF Phase III, Gurugram-122002, Haryana  
Phone Nos.: (0124) 3838500

## Company Secretary & Compliance Officer

Ms. Jyoti Verma  
14<sup>th</sup> Floor, Building 5A, DLF Epitome, Cyber City,  
DLF Phase III, Gurugram-122002, Haryana  
Phone Nos.: (0124) 3838500  
E-mail: investors@dhanuka.com

## Internal Auditors

Manoj Ritu & Associate  
Chartered Accountants  
322, Vardhman Diamond Plaza  
Motia Khan, New Delhi - 110055

## Cost Auditors

M/s. S. Chander & Associates  
Cost Accountants  
2<sup>nd</sup> 212, II Floor, Sarai Pipal Thala, G.T.  
Karnal Road, Azadpur, Delhi - 110033

## Statutory Auditors

M/s. S.S. Kothari Mehta & Co.  
Chartered Accountants  
Plot No - 68, First Floor, Phase -3,  
Okhla Industrial Area, New Delhi - 110020

## Secretarial Auditors

M/s. R&D  
Company Secretaries  
785, Pocket E, Mayur Vihar II, New Delhi - 110091

## Registrar and Transfer Agents

M/s. Abhipra Capital Limited  
Abhipra Complex, A-387, Dilkhush Industrial Area,  
G.T. Karnal Road, Azadpur, Delhi - 110033  
Phone Nos. : (011) 42390909/708/783  
E-mail : info@abhipra.com, rta@abhipra.com  
Website : www.abhipra.com

## Bankers

The Hongkong & Shanghai  
Banking Corporation Limited  
HDFC Bank Limited

## Listing

Bombay Stock Exchange Limited  
National Stock Exchange of India Limited

# Financial Highlights



Year	Revenue (Rs. in Crores)	PAT (Rs. in Crores)	Net Worth (Rs. in Crores)	EPS (in Rs.)	EBIDTA (Rs. in Crores)	EBIDTA Margin	PAT Margin
2014-15	785.07	106.08	412.28	21.21	137.83	17.56	13.51
2015-16	828.78	107.31	480.44	21.45	152.35	18.38	12.95
2016-17	883.35	121.86	521.71	24.37	187.38	21.21	13.80
2017-18	962.63	126.17	633.36	25.71	182.09	18.92	13.11
2018-19	1005.84	112.57	642.22	23.02	167.20	16.62	11.19

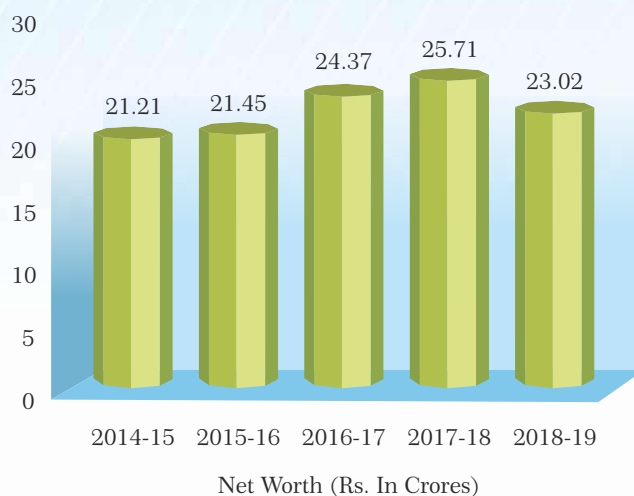
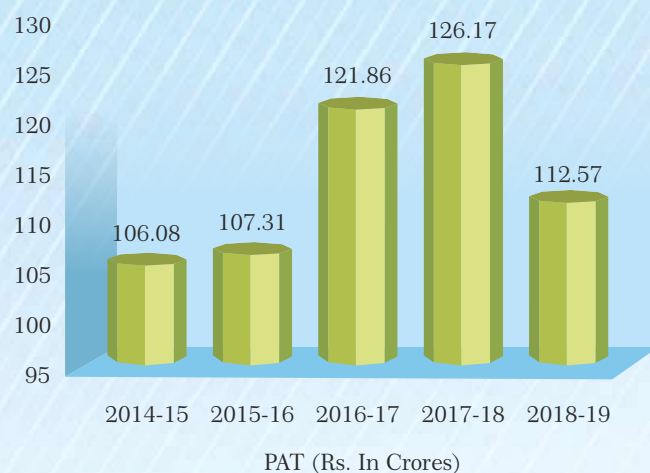
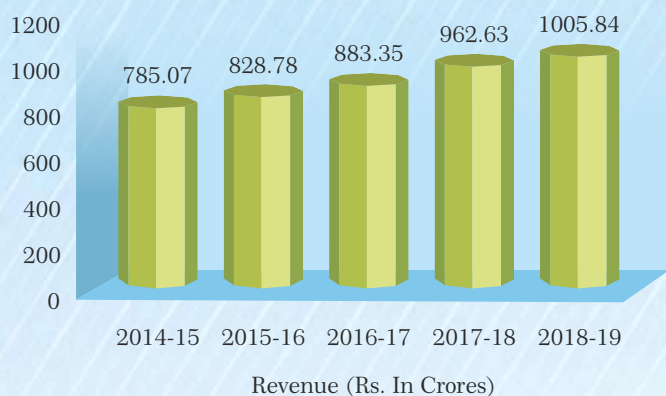


## Mahendra Kumar Dhanuka

(Managing Director)

Friends, financial year 2018-2019 was an exceptional year due to closure of 1000 of units in China, the prices of raw material has increased disproportionately, which company could not pass to the farmers completely. This has not only impacted the sales growth plans of the company but has also impacted the profitability. Now IMD has forecasted a normal monsoon for this year. Dhanuka hopes to deliver much better performance during financial year 2019-2020.

During Financial Year 2018-19, the Company has completed buyback of 15 lakhs equity shares of the company at the rate of Rs. 550 each comprising of the total buyback size 82.50 Crores. The Board of Directors has declared dividend at the rate of 30% i.e 60 paise per equity share of Rs.2 each for Financial Year 2018-19.



### Notes :

1. Revenue from Operations (Net of Excise) increased by 4.49% from ₹ 96,263.49 lacs in 2017-18 to ₹ 1,00,583.80 lacs in 2018-19.
2. Profit before tax decreased by 7.82% from ₹ 16,700.79 lacs in 2017-18 to ₹ 15,395.52 lacs in 2018-19.
3. Operating Profit before tax decreased by 11.99% from ₹ 15,185.07 lacs in 2017-18 to ₹ 13,364.36 lacs in 2018-19
4. Net profit decreased by 10.78% from ₹ 12,617.77 lacs in 2017-18 to ₹ 11,257.58 lacs in 2018-19
5. The Company reported an EPS of ₹ 23.02 in 2018-19 compared to ₹ 25.71 in 2017-18.

# Manufacturing Facilities

## **SANAND (GUJARAT):**

Second largest capacity for manufacturing granules in India. It has land area of 62,700 square meters with largest dedicated Cartap Hydrochloride SP formulation facility.

## **UDHAMPUR (JAMMU AND KASHMIR):**

State of-the-art production line. 12 filling lines dedicated to liquids like EC, SC & SL. Online monitoring of quality conforming to the highest standards. Two separate lines for powder formulations & zero water discharge facility.

## **KESHWANA (RAJASTHAN)**

Dhanuka has commissioned its new plant at Keshwana in Rajasthan which have one of the largest liquid formulation facilities in India at its full capacity

## **QUALITY**

Over the years, Dhanuka Agritech Limited invested in process and product excellence. The Company is ISO 9001:2015 certified across all locations. The Company's Keshwana and Udhampur units are certified with ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 Dhanuka's R&D centre (Gurgaon) is certified by the Ministry of Science and Technology, Government of India & Keshwana unit's QC laboratory is certified by National Accreditation Board for Laboratories (NABL).

## **TEAM**

Dhanuka Agritech comprises more than 1,100 employees and more than 1,500 Dhanuka Doctors, who disseminate information to farmers on 'Dhanuka kheti ki nayi takneek'.



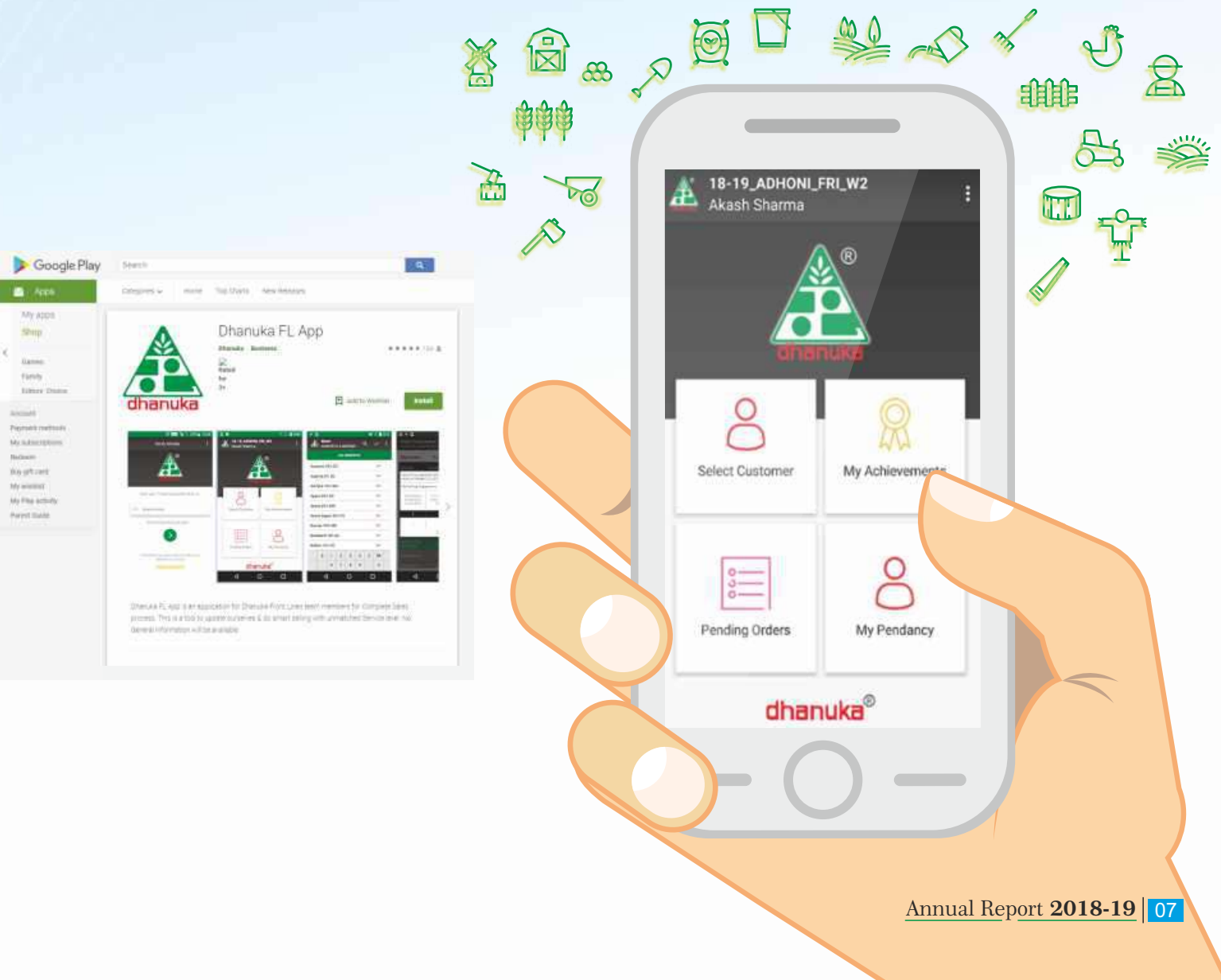


# Mobile Technology

We're changing the world with technology

Dhanuka Agritech Ltd. always believe that technology plays an important role in transformation of agriculture, community and the nation. Similarly, the process of integrating digital technology into all functions of an organization to fundamentally change its operation to deliver high value to its customers, whenever and wherever needed.

This application, can be downloaded from Google Play store with name of Dhanuka FL App. Our goal with this new app is to provide our team an easier way to complete the sales process & also allow the user to have a crisp overview of his data. The application is a one stop shop for a quick overview of essential data. Our current users & customers find the app & data very useful. We are constantly updating our application to provide the user with unmatched experience.





# Reflection from the Chairman

India has come a long way since 1947, today the country is not only self-sufficient in rice & wheat but with more than 285 million tons of food production and more than 305 million tons of Horticulture production, one among the largest producers of the world. India ranks 1st globally in milk production with record production of more than 176 million tons. Agriculture is a mainstay of the country's economy, contributing to 14.39 percent of India's GDP while providing a source of employment for more than 47 percent of the population. Globally agriculture industry is changing and there is a shift from traditional working to technology driven solutions, gradually converting the regular market into booming Agri-Business. Following the paradigm shift in agriculture practices Indian farmers are steadily adopting new solutions to increase their productivity and to cope with the food security concerns. They need to be faster in adopting new technology as world is changing very fast and only few farmers in our country are taking the advantage of new technology.



In recent years, efforts have gone beyond the field of food production by concentrating on providing technical assistance to include best practices to generate agricultural outlooks, facilitating adoption and promotion of improved farm practices, building knowledge and capacities of communities. Coping with the changes, the major challenge in front of nation is to feed the rising population under shrinking farmland and water. To overcome this situation we have to use resources judiciously and should adopt emerging practices like market reforms, rural infrastructure, supply chain etc. along with IT implementations like digital farming, Precision agriculture, Artificial Intelligence, Agro-processing and post-harvest technology to increase the productivity which will help in achieving nation's objective of Doubling the Farmers Income.

Recently for doubling farmer's income, a high profile committee meeting was held for policy development and was chaired by Hon. Home Minister Mr. Rajnath Singh. I participated in the meeting and suggested that there should be proper export policy and also a proper policy for farm produce marketing within the country. For example in Onion there is no standard government policy for export, whenever the domestic prices goes up ruling govt. puts ban on export. Due to such uncertain export policies international community is losing trust, they are not ready to accept India as a dependable agri export country. I have suggested in this meeting that today we face problem of surplus in some crops and deficit in some crops but if we create crop clusters and decide how much area should be brought under a particular crop in a particular territory then we may avoid facing sometimes surplus and sometimes shortages problem. From last 5 years exports are coming down but we have the potential to increase our exports and we are successfully exporting Table Grapes which are considered best in the world whose export is increasing. If we plan for other crops also for exports on the line of grapes and monitor then definitely instead of our share of export which is coming down can be increased. It is a matter of appreciation for our farmers that with support from the government, our country which was having deficit in pulses products and importing around 5 million tons of pulses every year, produced last year more than 24 million tons of pulses. Now, not only we are self-sufficient in our pulses requirement but we have even buffer stock. It is unfortunate that one side we don't have space to store excess wheat and rice and other side we are importing edible oil of more than Rs.75 thousand crores every year. If govt. adopts favorable policy like pulses then we can be self-sufficient in our edible oil requirement also and may save huge foreign exchange.

India's development path should be based on unique resource establishment prioritizing economic and social development. At Dhanuka, we try to give an approach that is compatible with our role as a responsible company that works for the welfare of farming community for food & nutritional security of the nation. With introduction of sales application for Channels & Distributors we are matching the global footsteps to create an effortless independent network involving and linking business entities. Dealer & Distributor Channel connects the end user with us and their satisfaction is of utmost important to us. Through Channels, our values are delivered in the form of availability of products and services to farmers. This new age Kohinoor process makes the Channel highly equipped with effective tool ensuring extreme availability of Dhanuka's crop solutions.

A decade ago, we recognized the importance of saving water and coined the campaign of "Gaon Ka Pani Gaon Mein Aur Khet Ka Pani Khet Mein" to create mass awareness about water conservation. Recently on 22nd March 2019 we continued with 9th year of World Water Day celebration under our "Save Water" campaign. In addition to that informative lectures, posters, yagya etc. are organized on regular basis. We have constructed five check dams in Rajasthan which are located in Rajasthan's district of Sikar & Jaipur which has benefited 24,000 people of the state. Dhanuka is campaigning for tree plantation, under which 10,000 trees are planted in the FY 2018-19. In my last year communication at Goa event on ponds construction for rain water harvesting, we have offered contribution of Rs. 1 Lakh based on proposed plan by respective Kohinoor distributor's area. Rest of the construction fund has to be contributed by distributors and community. We have received limited response against this and request all our channel & distributors to initiate proposal for construction of ponds in their resp. villages. Think about your children's future, the next generation will face severe water shortage and safe drinking water crisis, if today we fail to take adequate measures. We request you all to spread the message among your community and farmers to support this drive of save water and rain water harvesting.

As we have lot of diversity in terms of agro-climatic conditions there is high potential market which need to be harnessed by working in desired directions. Dhanuka with its good strategy, well-designed programmes, resources, adequate crop solutions, introduction of new molecules and latest technology implementation, is positive about achieving the target of "Transforming India through Agriculture". The large share of our population which depends on agriculture will get strong benefits with our approach & initiatives to double the farmers' income contributing in economic growth. We are matching the footsteps of Indian government's strategy to transform farming 'from a production-based activity into an income and job-generating enterprise'. We are hopeful about the herculean step towards doubling the income of the farming community from support of all our counterparts. We believe in re-writing the future of a better and new India by 2022.

**R.G. Agarwal**  
Group Chairman



# Managing Director

Agriculture, with its allied sectors, is unquestionably the largest livelihood provider in India, more so in rural areas. It also contributes a significant figure to the Gross Domestic Product (GDP). Sustainable agriculture, in terms of food security, rural employment, and technologies such as soil conservation, resource management, crop solutions, and supply chain management are essential for rural development. Indian agriculture and allied activities have witnessed a green revolution, a white revolution, a yellow revolution and a blue revolution. And all these revolution have contributed immensely in the upliftment of India's agriculture into today's global food security provider country. The Indian Agri- industry is poised for huge growth which employs more than 50% of the workforce in India, owing to increase in its contribution to world food trade every year due to its immense potential for value addition, particularly within the industry.

Agricultural R&D is the main source of innovation, which can help in sustaining agricultural productivity growth in the long-term. Among the various important development path, supply chain management is one such path. It is an equally challenging area and in larger aspect, difficult operational business. The food provider, our farmers are settled in remotest parts of the country and connecting to them with proper crop solution technology is the need of today's agri business. At a time when there are ample amount of losses because of pest, disease, weeds and very recently due to climatic condition or natural calamity, it becomes essential to get connected to them and support them with right tool and education. Any company who work for farmers in Agri industry need distributors as linkage to the network. Distributor and channels act as convenience bridges to reach out the farmer mass. Distributors are that strong thread which binds both farmers, manufacturers and consumers with equal pain from all sides. For any profitable business assumptions doesn't work and with the introduction of our services and delivery on latest technology platform we have passed this phase. In this platform we have reduced the risk of 'Inventory cost', 'blockage of fund' and 'uncertain demand and supply' by frequent visit of Sales Team. Automatic order process and strong IT infused structure are its highlight. On time delivery of the product can reduce the losses of the distributor as well as the farmers. Indirectly it is helping farmers to minimize their losses by judicious and timely use of our crop solutions by increasing their yield for higher profits

Dhanuka is looking forward to move towards its call of “**Transforming India through Agriculture**” and is in continues process of identifying new technologies to empower our dealer, distributors and farmers to create both economic and social value to help achieve nation to grow rapidly.

**M. K. Dhanuka**  
(Managing Director)





# Director Marketing

At 157.35 million hectares, India holds 2nd largest agricultural land and is also the 4th largest producer of agrochemicals in the world. Global human population growth amounts to around 83 million annually where India shares a quarter of the global hunger burden making it one among those dealing with global food security crisis. But with five-fold increase in grain production, dealing with food security concern is country's top most priority. Along with globally adopted strategies like crop protection, seed treatment, bio-technology development, automated sales process etc. Indian agriculture need inculcation of technology driven solution with modern farm practices to feed the future generation.

In today's Indian agrochemical scenario Dealer & Distributor Channel plays pivotal role in the growth of the industry. Channel is a friend, philosopher and guide and is the last mile connect to the remotest and inaccessible territory. Dhanuka's aspiration to stay ahead has driven us to explore network synergies and identify possible areas of collaboration and co-operation with its customers & partners. With an aim to make farmers, retailers and distributors successful, we have introduced our services on technology platform. It includes understanding their needs & risks in a highly fluctuating and seasonal market.

Change, Upgrade & Transform are not mere words of few alphabets but words with high importance in weight and scope which is indescribable. We at Dhanuka always look forward to upgrade and transform ourselves to dedicatedly serve high quality value to our customers. In 2016, Dhanuka Agritech Ltd. introduced KOHINOOR program which was a big leap of transformation for Dhanuka Sales operations. Last year we organized a gala event and invited our PAN India level key distributors. In the event we launched and introduced new features of upcoming KOHINOOR 2018-19 program for distributor's understanding and experience sharing. The event was attended by distributors from all corners of the country and left everyone with high enthusiasm and zeal. We will continue to upgrade in coming years so as to maximise our distribution network.

**Rahul Dhanuka**  
Director (Marketing)

# Awards & Accolades



**Shri RG Agarwal**, Group Chairman, Dhanuka Agritech Limited (right) receiving the **Business Sphere Awards** from **Shri Vijay Goel**, Hon'ble Minister of state for parliamentary affairs and statistic and implementation (Center) and **Shri Ramdas Bandu Athawale**, Hon'ble Minister of State for Social Justice and Empowerment (left).



'India Chem', the largest annual event of the chemicals and petrochemicals industry in India, is jointly organized by Department of Chemicals & Petrochemicals, Ministry of Chemicals and Fertilizers, GOI and FICCI. Dhanuka Agritech Limited won the "**Company of the Year**" award at the 10th FIICI India Chem 2018 held in Mumbai. The award has been conferred for Dhanuka's efforts to promote agriculture sustainability and educate farmers in India on latest and modern techniques.



Dhanuka Agritech Limited has won the "**Utkrisht Marketing**" award by Institute of Technology and Science, Ghaziabad on December 8, 2018 at Institute campus. This marketing award has been conferred to the company for outstanding corporate branding in Agriculture sector for the year 2018. Dhanuka has been awarded for their enormous efforts to promote agriculture sustainability and to educate farmers in India on latest/modern techniques at grass root level across various regions.



**North Best Employer award**



# New Launches



**CHEMPA** : An effective, pre and post-emergence herbicide which controls broad leaf weeds, sedges and grassy weeds in paddy:

**APPLY** : New technology based systemic and translaminar insecticide to control brown plant hopper.

**LARGO** : World's best thripicide, offers excellent control of important insect pests of the Cotton crops.

# Corporate Social Responsibilities by Dhanuka

## SOCIAL CAUSE

Hindu mythology considers cow as a symbol of divine bounty of earth. Scientific research also accepts burning of cow dung with ghee is considered good for environment. Dhanuka have donated 14 lakhs to Mathura Vrindavan Hasanand Gochar Bhoomi Trust Samiti (गौशाला) which was established by Bharat Ratna Mahamana Pandit Madan Mohan Malviya, for construction of cow sheds. Smt. Neera Radiya, Chairperson, Nayati Hospital Mathura, Swami Shri Govindanand Ji Teertha, Shri Balram Das Ji Maharaj and Swami Shri Maheshanand Ji Maharaj has shown their graceful presence on the occasion.



## YAGYA

Dhanuka believes in Hindu culture and for timely, bountiful and wide spread rains every year YAGYA is performed. Dhanuka group performs this ritual without fail.



## ENVIRONMENT

In order to save the environment, Dhanuka is also educating our farmer community not to burn the crop stubbles in the field, instead plough it in the field to enhance soil biomass and fertility. Crop residue burning is one of the important sources of air pollution. To conserve every environment component (Water, Air, Soil and Tree) is indispensable for all of us. Dhanuka has recognized the value of environment by taking save water and tree plantation drive.



## SAVE WATER

### World Water Day Celebration

It was nearly a decade ago recognizing the impending scarcity of water, Dhanuka came up with a massive campaign "Khet Ka Pani Khet Mein aur Gaon Ka Pani Gaon Mein" to create mass awareness about conservation and judicious use of water. Our vision has been beautifully aligned with Government of India's agenda regarding water conservation for irrigation. The Government of India recognizes the importance of Water Conservation, Micro-irrigation, Watershed Development and 'Pradhan Mantri Krishi Sinchai Yojana', enhanced water efficiency through 'Per Drop More Crop'.

Dhanuka Group has been celebrating World Water Day on March 22 every year since 2010 in partnership with prestigious National Institutes, State Agricultural Universities etc. where lectures on water conservation & reuse were organized. In addition, Drawing Competition on 'Conservation of Water' theme in schools.



Drawing Competition organized by DAL in schools



### DIPLOMA IN AGRICULTURE EXTENSION SERVICES FOR AGRI-INPUT DEALERS



Lamp lightening ceremony during Valedictory Function (DAESI) Of Dhanuka Input-Dealers

For a farmer, input dealers are first & foremost trustworthy source of information on latest technology and product in Agriculture market. Scientists are releasing research recommendations for farmers and it is necessary that the recommendations should reach them as early and as easy as possible. Hence the dealers are trained and equipped with scientific knowledge so that they can act as the extension agency. Considering this objective, Dhanuka Agritech Limited has sponsored the DAESI (Diploma in Agriculture Extension Services for Agri-Input Dealers) program in various universities such as:

1. The first time it was successfully organized and completed at "MANAGE", Hyderabad
2. Then it was successfully started in Anand Agricultural University in 2011-12
3. Then Navsari Agriculture University during the year 2013-14
4. In Junagadh Agricultural University, Junagadh it is organized from July -2015. Since then input dealers are regularly taking admission in these universities for DAESI course
5. Dhanuka has sponsored DAESI program in Dr. Punjabrao Deshmukh Krushi Vishwavidyalaya Akola, on 14th January 2019 in which 80 input dealers registered themselves for this Diploma course



Valedictory Function (DAESI) of Dhanuka Input-Dealers



MOU Signing ceremony at PDKV Akola



## Krishak Goshthi for Doubling Farmers' Income organized by Dhanuka at Raipur

Dhanuka Agritech Limited organized a 'Krishak Goshthi' in Indira Gandhi Agriculture University Auditorium, Raipur, Chhattisgarh on August 5, 2018. The meet highlighted various approaches for doubling farmer's income to support the Prime Minister's vision of achieving this target by 2022. Sri Brijmohan Agrawal, Minister of Water Resources Department, Agriculture & Bio Technology, Animal Husbandry, Fisheries, Ayacut, Endowment Chhattisgarh was the chief guest. He encouraged farmers to use modern



farming techniques for increasing their crop yield. Shri S.K Patil, Vice Chancellor Indira Gandhi Agriculture University, Raipur, Shri RG Agarwal, Group Chairman, Dhanuka Agritech Limited and Shri M.S Kerketta, Agriculture Director, Agriculture Department, Raipur were also present at the event as notable guests. More than 600 farmers from various parts of Chhattisgarh took part in the event and benefited from the ideas shared. Dhanuka Agritech also felicitated farmers for improving crop yield through modern technologies and also provided farmers with safety kits.

## Lightning the lives of tribal children

Dhanuka accomplishing its responsibility towards society, funded Rs. 7.20 Lakh to Gayatri Pariwar Rachanatmak Trust, MP for building a computer lab in their school. The trust run a residential school of 306 children in the tribal area of Berhampur, MP. Under the guidance of DAL Chairman Shri R. G. Agrawal the donation was done for the tribal children's bright future. On "Kartik Purnima Utsav" representing DAL Mr. Ashok Mahajan (Sr. General Manager) inaugurated the computer lab of school.



## Two-day "Krishak Sammelan" to promote PM's vision of Doubling Farmer's Income by 2022

Dhanuka Agritech Limited organized a two-day 'Krishak Sammelan' for farmers in Punjab. The convention took place at Sri Hargobindpur, Miani and in Hoshiarpur to discuss various approaches for doubling farmers' income. The meet was attended by Sri Gajendra Singh Shekhawat, Hon'ble Minister of state for Agriculture on the first day and Smt. Krishna Raj Hon'ble Minister of State for Agriculture on the next day. Mr. Vijay Sampla, Minister of State for Social Justice and Empowerment in India was present on both days. More than 2,000 farmers from various parts of Punjab attended the seminar and were largely benefited by it. Dhanuka Agritech also distributed safety kits to farmers for personal protection and encourage good agricultural practices. Furthermore, the company awarded a few farmers of Punjab for their continuous efforts in improving crop yield by using modern technologies through DKKNT (Dhanuka Kheti Ki Nai Takneek).





## Indian Chemical Council Conference on Role of Agrochemical in Doubling Farmers Income



Dhanuka Agritech Limited has participated in Conference on “**Role of Agrochemical in Doubling Farmers’ Income**” organized by Indian Chemical Council on September 7, 2018 at Chandigarh. The event promoted judicious use of agrochemicals, which is imperative to meet the demand of agriculture production for ensuring food and nutrition security of the nation. Our Group Chairman Shri RG Agarwal shared his views on Indian agriculture and judicious use of agrochemicals. He also shared the scientific view on cancer and highlighted, why agrochemicals should not be held responsible for cancer in India.

## Chiranjilal Dhanuka Smriti Samaj Seva Award 2018



On installation ceremony of Lion Club New Delhi Alankanda at hotel The Crown Plaza, eminent educationist and psychologist Dr. Jawahar Suri Sethi was honored with the “Chiranjilal Dhanuka Smriti Samaj Seva Award” for the year 2018. He was bestowed with One lakh rupees cheque, shawl and a shield award. Shri MK Dhanuka, MD Dhanuka Agritech Limited, TPS Khilan, deputy general secretary, Lions club, M. L. Arora, deputy general secretary, Laila Nargis Gupta, Dr K. K. Agarwal, Club President. Chanchal Pal, former president, Harish Chaudhary and Anand Maheshwari handed over the award to Dr. Jawahar Suri Sethi for his remarkable contribution in the field of social education and water conservation.

## STAND WITH KERALA



As per DHANUKA's tradition and values to always stand by our fellow citizens in difficult times, we once again set an example by standing with people of Kerala. We reached out to flood hit people of Kerala who were reeling from the devastating impact of the century's worst natural calamity. When rest of the country came forward with their support, we also at DHANUKA stood with Kerala with a contribution of Rs. 5 lacs from the company & Rs. 1.30 lacs from the employees making to a total of Rs.6.30 lacs for the noble cause.

On 15 th Oct. 2018 on behalf of the company Mr. Rajendra Sharma, Mr. P. Govindarajan and Mr. V. Hari Pranesh visited Thiruvanthapuram, met Honorable Chief Minister of Kerala and handed over the cheque for Rs.630703/- We thank the management and entire Dhanuka Pariwar for their heartiest contribution and hope our support will bring a positive change in the lives of Kerala people.

## Group Chairman, Shri RG Agarwal felicitated by Bharat Lok Shiksha Parishad



It is our matter of pride that our Group Chainman Shri RG Agarwal was felicitated during the 6th “Samarpan Samman Samaroh” organized by Bharat Lok Shiksha Parishad at Hotel Le – Meridian, New Delhi on September 30, 2018 for regularly supporting in rural education moment under the Ekal Vidhyalaya concept. Under 'A Village, A Teacher, A School' concept, approximately 76,611 'Ekal Vidhyalay' operates across the country, in which 2055630 children are benefitted by getting education. Dhanuka Group is regularly in support of “Ekal Vidhyalay”



# Management Discussion and Analysis

## INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian population currently stands at 1.3 billion and is estimated to rise to 1.7 billion by 2050. India is the second most populous country after China in the world. According to United Nations statistics, India will surpass China to become the world's most populous country by 2022. With the economic growth in absolute terms, Indian economy is likely to reach US \$10 trillion by 2030 making India 3rd largest economy after China and US. Today more than 34% of India's population lives in cities and account for more than 60% of food consumption which leads to a change in dietary needs of country.

India is an agrarian country, where more than 54% of population is engaged in agriculture and allied activities and accounts for INR 17.67 trillion (USD 274 billion) in 2018, contributing (17.4%) Gross value to country's GDP.

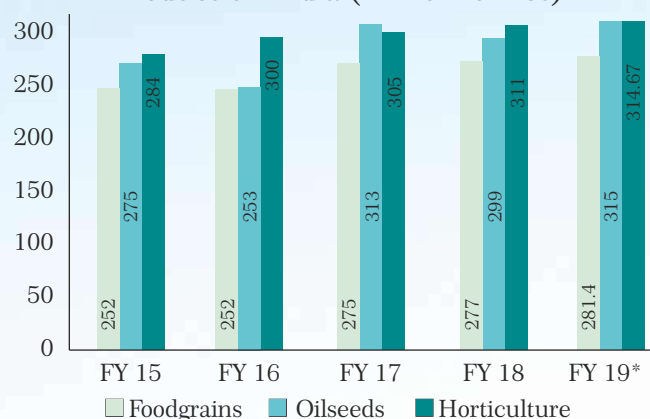
India is 2<sup>nd</sup> largest food grain producer in the world after China. Food grain production has grown at CAGR 2.8% between FY 15-19 with 281.4 Million tonnes of food grain produced in FY19, out of which share of cereals (91%) and Pulses (9%). Production of horticulture is consistently exceeding food grain production from FY15-19 and grown at CAGR 2.6%. Horticulture production is growing due to many advantages compared to large scale crop farming like more remunerative, low water utilization with small farms, faster turnaround and increasing demand due to change in lifestyle. Fruits (35%) and vegetables (66%) together forms 91% share of total horticulture production in India.

Apart from agriculture other allied activities like dairy and animal husbandry have grown consistently from FY17-19. India's total Exports from Agricultural and processed food products in FY 19 stood at 1.28 lakh crore with 7% increase compared to FY 18 out of which exports from Basmati rice, pulses and dairy products increased 72% and 22% respectively.

Agriculture and food industry are closely connected industries, Indian food and retail market is projected to touch US\$ 4826 billion by FY 2020 which also remains key driver for growth of agricultural produce.

India's food grains demand is estimated to be 355 million tonnes by 2030. India, today has food surplus status, however the pressure of constantly increasing population, declining arable land, small land holdings, High monsoon dependency and declining soil fertility are major threats of Indian agriculture to sustain the growing population's food need and global nutrition needs is biggest concern. Hence, India will have to adopt the sustainable measures to maximize efficiency across value chain for sustainable output.

**Foodgrains, Oilseeds, Horticulture Production India (Million Tonnes)**



Source: Agriculture Statistics Division, MM Analysis

\*Target Production

## Production

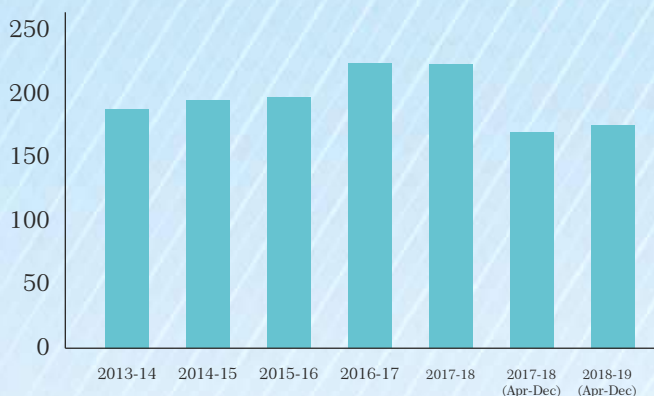
As per the latest annual report (2017-18) released by the Department of Chemicals and Petrochemicals the production installed capacity of agrochemical players in India is around 292 (000' MT).



A pesticide has two main components, namely, the active ingredient(s) and the inert ingredient(s). The active ingredient is the one that gives a pesticide its pesticidal action. It's called the technical grade of a pesticide. The active ingredient is the technical grade of the pure pesticide. A pesticide is rarely applied in its pure form. It is usually formulated by adding inert ingredients that improve storage, handling, application, effectiveness or safety. The inert ingredient does not have any pesticidal action.

Pesticides are first manufactured as technical grade product, which has 85% or more of the active chemical ingredients as it has a higher commercial purity. The active ingredients are then mixed with inert ingredients (solvents, adjuvant and fillers) to achieve the desired formulation. The active ingredient kills the pest whereas the inert ingredient facilitates ease of handling, spraying and coating on plants.

### Production of Agrochemicals\* (000' Tonnes)



Source: CMIE

\*Technical grade (approximately 43 grades)

Production of agrochemicals has grown at a CAGR of 4.3% during FY14-18. In the current financial year, production has risen by 2.9%. To feed a rising population, food production needs to be increased, creating a case for the need for more agro-inputs for better production and yield of various crops. With the growth of population in India, there has been a subsequent increase in the production of crops. Food grain production has grown at a CAGR of 1.8% and horticulture production has grown at a CAGR of 3% during FY 14-18.

Production of agrochemical has also increased in-lieu of the new product additions which are formulated to combat the pest attacks.

### Growth Drivers

To achieve higher crop yields, crop protection chemicals are expected to play a significant role. Simultaneously, it will also be critical to use them judiciously to maximize benefits and minimize the impact on non-targeted species.

**Budgetary support:** The Government of India has continuously been providing budgetary support towards reviving the rural economy and increase the farmers'

income. A number of measures and initiatives have been proposed and announced during the FY19-20 budget for the improvement of the agriculture sector and the rural economy.

Going forward, it is expected that the government will be increasing the level of agri-credit, to be provided, corroborating it to be beneficial for agri and agri-allied manufacturers. Availability of rural bank credit can increase the demand for pesticides.

**Off Patent Molecules:** The share of Off patent products as compared to patent products and proprietary off-patent products has been increasing over the years. Agrochemicals worth USD 4.1 billion are expected to go off-patent by 2020. This provides significant export opportunities for Indian companies which have expertise in generic segment.

**Increase in demand for food grains:** India has 17% of the world's population. An increasing population, need for food security and high emphasis on achieving food grain self-sufficiency is expected to drive the demand for crop protection chemicals.

**Growth of horticulture:** Fruits and vegetables account for nearly 90% of total horticulture production in the country. India is now the 2nd largest producer of fruits and vegetables in the world and is the leader in several horticultural crops, namely mango, banana, papaya, cashew-nuts, areca nut, potato and okra.

Growth in horticulture and floriculture industries is to result in increase in demand for agrochemicals, especially fungicides. As India's diverse climate ensures production of all varieties of fresh fruits & vegetables, the trend has slowly shifted from production of food grains to horticulture, with production of horticulture consistently exceeding the production of food grains.

**Incidence of pest attacks:** One of the major challenges to ensure food security and good crop yields is incidence of pests. On an average agro-pests are estimated to cause 15%-20% yield losses in principal major food and cash crops. Pest attacks across various stages of crop life-cycles are affecting farmers. Due to the hot humid climatic conditions prevalent in India, the number of pest attacks has been increasing.

Use of agrochemicals can help mitigate the pest problem and increase crop output by 25%-50%. So far, the presence of more than 40,000 different types of insects have been recorded in India and of these about 1,000 have been listed as potential pests of economical loss plants, 500 pests have caused serious damage at some time and 70 have been causing damage more often.

**Changing climatic conditions:** Erratic climatic conditions are impacting crop output. Farms need an array of inputs to protect crops from adverse climatic realities. Irregular monsoons coupled with lack of irrigation (60% of cultivable land is non-irrigated) results in low agricultural yield in India.

Damp and warm weather conditions aid in breeding of weeds.

**Limited farmland availability:** Rapid urbanisation has had a detrimental impact on land availability. The pressure is therefore to increase yield per hectare which can be achieved through increased usage of farm productivity-enhancing inputs like agrochemicals.

**Increasing awareness:** Educating the farmers about advantages of agrochemicals and its safe usage, will lead to increase in demand. Companies are increasingly training farmers regarding the right use of agrochemicals in terms of quantity to be used, the right application methodology and appropriate chemicals to be used for identified pest problems.

## REGULATORY OVERVIEW

Pesticides if not used judiciously can be toxic and hazardous to mankind and the environment. The Government of India regulates the manufacture, sale, transport, export/import etc. of pesticides under the guidelines of the Insecticides Act, 1968. The Insecticide Act, 1968 is administered through Ministry of Agriculture, Department of Agriculture and Cooperation (DAC). The other vital issues of pesticides industry such as prevention of use of spurious pesticides, quality standards, testing, review of use of pesticides, to create awareness about safe and judicious use of pesticides among the farmer community are also looked after by the DAC. Central Insecticides Board and the Registration Committee are the agencies under the Department to regulate the manufacture, distribution, export, import, ban and usage of pesticides. Insecticide Act is enforced by the State Governments. The Department of Chemicals and Petrochemicals plays the role of a facilitator for the growth of the Industry.

As per this act, no pesticide is allowed for production / import without registration. Compulsory registration is needed for the product in the central level and licenses for manufacture, formulation and sale at the state level. Power to prohibit the import, manufacture and sale of pesticides and also confiscate the stocks is within the preview of Centre Level. Classifications of misbranded insecticides which are divided into the following categories viz; (a) misbranded, (b) substandard, (c) spurious, and (d) duplicate. These classifications have been fixed according to the severity of the offence. For an offence deemed to be misbranded, there is provision for issuing administrative warning of the offence which may be compounded by imposing fine as well as imprisonment.

## OPPORTUNITIES AND THREATS

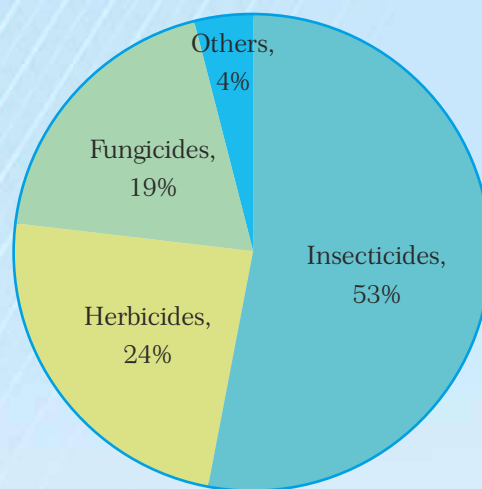
Government of India is targeting to improve agriculture and allied sector encompasses activities and process to create strong brand for agricultural and allied products.

In order to drive sustainable agriculture growth, priority will be on reducing losses post-harvest which could be achieved by value addition through food processing sector which has huge growth potential. Hence value driven growth approach should

be considered. Focus on enhancing the market linkages and providing information and communication technologies (ICT) enabled Agri- marketing systems which will add value in pre and post-harvest phases of agriculture value chain.

Paddy accounts for the maximum share of agrochemicals consumption around (26%-28%) followed by cotton (18% - 20%). The eight states including Andhra Pradesh, Maharashtra, Punjab, Madhya Pradesh, Chhattisgarh, Gujarat, Tamil Nadu and Haryana account for usage of > 70% of the agrochemicals used in India. Andhra Pradesh is a leading consumer of crop protection chemicals with a market share of 24%.

**Chart: Domestic Market segmentation by type of pesticides**



Source: FCCI

## Agrochemicals are broadly classified into five types:

### Insecticides:

- Insecticides are largest consumed pesticides with 53% of total pesticides market in India due to its use in high production crops viz. paddy, cotton, sugarcane and other cereals.
- Insecticides provide protection to the crops from the insects by either killing the morby preventing their attack. They help in controlling the pest population below a desired economic threshold level.

### Fungicides:

- Fungicides comprises only 19% of total pesticides markets have with its application in fruits, vegetables and rice. Fungicides play important role to reduce post-harvest losses in fruits and vegetables.
- Fungicides are used to control disease attacks on crops and are used to protect the crops from the attack of fungi. Fungicides are of two types– protectants and eradicants.



## Herbicides:

- Herbicides also called a weedicides are used to kill undesirable plants. Herbicides are second largest and fastest growing pesticides segment comprises 24% marketshare.
- Herbicides are majorly used in rice and wheat crops however, due to availability of cheap labour in India those are employed to manually pull out weeds. Herbicides have seasonal demand due to the fact that weeds flourish in damp, warm weather and die in cold spells.

## Bio-pesticides:

- Bio-pesticides are the new age crop protection product manufactured from natural substance like plants, animals, bacteria and minerals.
- Bio-pesticides are eco-friendly, easy to use, require lower dosage amounts for same performance as compared to other chemical based pesticides.
- Bio-pesticides has a small segment however, the bio pesticide market has higher growth potential in the future owing to government support and increasing awareness about use of non-toxic, environment friendly pesticides.

## Others:

- Other agrochemicals mainly include Fumigants, nematicides and rodenticides which protect the crops from pest attacks during crop storage.

Indian agriculture is on a growth path, with an increase in investments and private funding in the past few years. The sector is expected to grow with better momentum in the next few years, owing to an increase in investment in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Due to recent closure of many factories in China, potential for Indian manufactures to expand in Export market has grown tremendously. Govt. of India is also aggressively focusing on Agrochemical Sector of India, Govt is phasing out old products and future for new products is quite good. Factors such as reduced transaction costs, time, better port gate management and fiscal incentives will also contribute to this upward trend. Furthermore, the increased use of genetically modified crops is also expected to better the yield of the Indian farmers. Awareness about crop protection is still low in India and the role of agrochemicals in improving farm productivity is grossly undermined as well. Similarly, the importance of using better quality hybrid seeds and organic plant nutrients and micronutrients also remains a neglected area. This provides an immense scope for market expansion.

## Challenges of Agrochemical Sector in India

Despite positive growth outlook, agrochemical industries faces various problems as high raw material cost, increased use of genetically modified seeds, safety and handling of pesticides, high Air and water pollution treatment cost, High R&D cost.

Non-genuine pesticides accounts for 20-30% of total pesticides market in developing countries like India which reduces fertility of soil and also harmful for farmers live hold. Government of India has sanctioned new pesticides management bill to reduce use of spurious pesticides. Demand for agrochemical will increase due to increase food grain and horticulture production, export potential, policy support from government to agriculture and allied sector.

Bio-pesticides and herbicides segments of pesticides have higher growth potential due to increase in awareness of eco-friendly pesticides and increasing production of horticulture (fruits & vegetables) respectively. For sustainable farming and growth of agrichemical industry should focus on developing bio-degradable molecules and creating more awareness for use of agrochemical products via interactions with farmers retailer and dealers.

Agrochemicals are the last and one of the key inputs in agriculture for crop protection and better yield. However, India is facing challenge for using agrochemicals in farming due to lack of awareness of such chemicals among farmers. Production of fertilizer has increased at CAGR 11% from FY15-18 due to increased consumption of fertilizers per hectare currently 165 kg/ha (Source: World Bank Data). Further government of India is providing fertilizers like Urea, DAP, Complex fertilizers in subsidize way which has increased consumption.

## RISKS AND CONCERNS

Despite the strong growth drivers, Indian agrochemicals industry faces challenges in terms of low awareness among large number of end users spread across the geography. Managing inventory and distribution costs is a challenge for the industry players in the wake of volatility in business environment. The performance of the crop protection industry and other agri-inputs is dependent on monsoons, pest and disease incidences on crops. Agrochemical companies face issues due to seasonal nature of demand, unpredictability of pest attacks and high dependence on monsoons. Compliance to growing regulatory norms is a continuing requirement and could lead to delays in obtaining necessary approvals. Changes in guidelines or policies in various geographies may also lead to sudden disruption of business in specified products. Many Agrochemical Companies have foreign exchange exposure either in the form of forex loans or exports and imports. For Companies which operate largely in the domestic arena any major forex movement may affect profitability due to fluctuating import costs. While on the one side input costs could increase, weak monsoons could reduce pricing flexibility, thereby affecting margins. In order to minimize the risk, a comprehensive and integrated risk management framework is followed by the Company.

## Internal control systems and their adequacy

The Company has adequate systems of internal control in

place, which is commensurate with its size and the nature of its operations. The company has designed and put in place adequate Standard Operating Procedure and Limits of authority manuals for conduct of its business, including adherence to the company's policies, safeguarding its assets, prevention and detection of fraud and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. These documents are reviewed and updated on an ongoing basis to improve the internal control systems and operational efficiency. The Company uses a state-of-the-art ERP (Microsoft AX) system to record data for accounting and managing information with adequate security procedure and controls.

Company have duly appointed Internal auditor as well as Company has its own in-house Internal Audit Team which keeps checks on every system operating in the Company. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve Company's operations. It brings a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, Control, and governance processes.

### Financial performance with respect to operational performance

Financial performance For Financial Year 2018-19:

- Revenue from Operations (Net of Excise) increased by 4.49% from ₹ 962.63 Crores lacs in 2017-18 to ₹ 1,00,5.83 Crores in 2018-19.
- Profit before tax decreased by 7.82% from ₹ 167 Crores in 2017-18 to ₹ 153.95 Crores in 2018-19.
- Operating Profit before tax decreased by 11.99% from ₹ 151.85 Crores in 2017-18 to ₹ 133.64 Crores in 2018-19.
- Net profit decreased by 10.78% from ₹ 126.18 Crores in 2017-18 to ₹ 112.58 Crores in 2018-19.
- The Company reported an EPS of ₹ 23.02 in 2018-19 compared to ₹ 25.71 in 2017-18.

#### f) Segment-wise or product-wise performance.

Insecticides	42.65%
Fungicides	15.53%
Herbicides	28.85%
Others	12.97%

- Return on net worth has declined by 239bps and the decline was mainly due to expiry of tax holiday period i.e. u/s 80-IB for our factory situated in Udampur, J&K and lower PAT.

### Key Financial Ratios:

Particular	FY 2018-19	FY 2017-18
Debtor Turnover	21.74%	21.60%
Inventory Turnover	20.56%	21.29%
Interest Coverage Ratio	173	192
Current Ratio	3.64	3.83
Debt Equity Ratio	0.03	0.01
Operating Profit Margin	13.29%	15.77%
Net Profit Margin	11.19%	13.11%
Return on Net worth*	17.53%	19.92%

There is no Significant Change in any of the Key Ratios of the Company in comparison to previous year.

### Material developments in Human Resources / Industrial Relations

In Dhanuka Employees are like family and from time to time many celebrations are organised for employees. This Year to celebrate Birth Centenary of Late Shri Chiranji Lal Dhanuka ji, founder Chairman of the Company, SAMBANDH events were organised for its employees / stakeholders. Purpose of these events was to make Employees connect with Group Chairman, Mr. Ram Gopal Agarwaland Managing Director, Mr. Mahendra Kumar Dhanuka and to :

- Bring alive the Values and Principles of the Founders of the Company
- Building a robust foundation of SAMBANDH between the Organization & the employees/stakeholders of Dhanuka Agritech Limited
- Increase connect with Corporate and corporate policies through HR
- Inspire our employees to make Dhanuka a great organisation
- Drive sustainability to stakeholder relationships

### Learning and Development of Employees

At Dhanuka Employees learning and development is of upmost importance. Dhanuka has separate dedicated team for Learning & Development of Employees, which organizes from time to time many skill development programs and ensures to enhance the potential of employees to the maximum extent. Dhanuka has also been recognized as Great Work Place based upon the assessment conducted by the Great Place to Work Institute, India The Company have engaged many learning partners, Indian as well as multinational organizations who have helped us by sharing the best practices and helping in developing our employees.



## Outlook

Due to very low level of consumption of pesticides in India as compared to Global norms, Indian Agrochemical Industry has very huge potential for Growth. Lack of awareness, non-favourable perception among farmers, increased use of non-genuine pesticides are key reasons of low kg/per hectare consumption of pesticides in India.

Production of fertilizers has increased at CAGR 11% from FY15-18 due to increased consumption of fertilizers per hectare currently 165 kg/ha. Further government of India is providing fertilizers like Urea, DAP, Complex fertilizers in subsidize way which has increased consumption.

As per FICCI, despite all its achievements, Indian Agriculture is still grappling with challenges like high monsoon dependency, unpredictable weather patterns, reduction in arable land, low per hectare yield, lower farmer incomes etc. After the US, Japan and China, India is the fourth largest producer of agrochemicals. It's valued at \$4.1 billion and is expected to grow at 8.3 percent to reach \$ 8.1 billion by 2025. Agriculture employs nearly half of India's workforce and contributes about 17 percent to the nation's GDP.

The per hectare consumption in India is 0.6 kg as compared to China's 17 kg, Japan's 12.5 kg, Germany's 3.7 kg, France's 3.7 kg and UK's 2.8 kg. Therefore, the crops get affected by pests at various stages in the farming value chain including pre-harvest and during harvest. As the productivity is directly hampered due to pests and weeds, it affects the income levels of farmers. It is essential to protect not only the crop but also the produce as on an average 25% of the yield is destroyed during storage and transportation . ( Source: Business today )

As per the India Meteorological Department (IMD), 2018 was the sixth warmest year on record in India with patchy monsoon and average temperature being significantly above normal. The rainfall during the annual monsoon season was less than the original forecast at 91% of the long-term average. Nearly 50% of India's cultivable farm area is dependent on the monsoon, making it lifeline of the country's rural economy and agriculture sector. However, most major crops producing states witnessed normal monsoon rainfall, hence the production of food grains for FY 2018-19 is higher.

Globally, analysts and agencies have a consensus that Indian economy will continue to outperform amidst global gloom, albeit at a slower pace. As per the International Monetary Fund(IMF), the Indian economy is likely to accelerate moderately and grow by 7.3% in FY 2019-20 compared to its earlier projection of 7.5%. To support the growth momentum, the Reserve Bank of India is taking the necessary steps to maintain financial stability and to facilitate enabling conditions for sustainable and robust growth. It has already taken back-to-back rate cuts of 25 basis points, resulting in repo rate declining to 6%.

## Dhanuka's Overview

Leading to commercialization of farms, new technology arrived in agriculture exposing farming system to external economics and technically intensive crop solutions. The increased demand and competition raised the importance of crop solution's reach and availability. Connecting to channel and working on the undisputed supply of crop solution has become the priority for the developing agriculture industry. Offering of crop centric customized products to farmers without compromising the quality makes supply chain much more important. In India the awareness on usage techniques of agrochemicals is very low, this requires continuous guidance on application methods and quality supply of products by the companies. Channel and distributors work closely with the farmer, their expertise on providing education to today's farmer can make them tomorrow's leader. It's high time to introduce technology driven services to farmers at affordable cost, generating higher income & bringing prosperity in their lives. Channel & distributors are the intermediate linkage for transferring technology to farmers. In conventional business model, companies have to take and understand struggles of both farmers and channels.

Dhanuka Agritech Ltd. is dedicated towards building strong relationship with all its channel partners and stakeholders. We are aggressively working towards the goal of Transforming India through Agriculture by initiatives like doubling farmer's income. Our latest innovative sales process guides the farmers effectively on our Crop solutions through our channel partners and a dedicated team. It also ensures smooth reach of products to farmers with readily available stock on demand as per the latest market scenario. Issues like inventory cost, blockage of fund and uncertain demand & supply are being managed by this new age sales process, Kohinoor. It also offers automatic order processing and complete availability of product in real time.

# DAESI PROGRAM

**with PVKV, Akola has been launched by Dhanuka**

Dhanuka Agritech Limited has launched 'Diploma in Agriculture Extension Services for Input Dealers' (DAESI) in association with Dr Panjabrao Deshmukh Krishi Vidyapeeth, Akola, an Agricultural University on January 13, 2019 at University Campus. The one- year program in Marathi is intended for agri input dealers, who will then be able to help farmers of the region more efficiently to improve their productivity through correct use of input products.

Dhanuka Agritech has wide business stakes in Maharashtra through its large network of Distributors and Input Dealers spread across the region. The company was first to join hand with MANAGE and provide financial support to agri- input dealers of West Godavari district in Andhra Pradesh for pursuing Diploma in Agricultural Extension Services (DAESI). Dhanuka Agritech has also started DAESI program with 3 Gujarat universities- Anand Agriculture University, Navsari Agriculture University and Junagarh, Agriculture University. A survey from these dealer after completing the course is that they were thinking that they know all details about Agriculture but after this course they learned many new things and providing better services to their farmers.



## DAL has signed MOU

**with Sharda University for PGDPP**  
(one year Post Graduate Diploma in Plant Protection)



Dhanuka Agritech Limited and The Sharda University, Greater Noida signed a Memorandum of Understanding (MoU) on 20 December, 2018 to launch a one year Post Graduate Diploma in Plant Protection (PGDPP). The PGDPP is a unique collaborative program depicting an Institute-Industry interface directed towards the growth of the agribusiness sector and at the same time addressing the unemployment problem in relation to the agricultural science graduates. This specially trained manpower will take the much needed best plant protection technology for the benefit of the farmers and the country.





## DIRECTORS' REPORT

### Dear Members,

Your Directors are pleased to submit the 34th Annual Report on the Business and Operations of the Company along with its Audited Standalone and Consolidated Financial Statements for the Financial Year (FY) ended 31st March, 2019.

### 1. Financial Highlights

(₹ In Crores)

Particulars	FY 2018-19	FY 2017-18
Revenue From Operations	1005.84	976.24
EBIDTA	167.20	182.09
Depreciation	12.35	14.22
Finance Cost	0.89	0.87
Provision for Taxation	41.38	40.83
Profit after Tax (PAT)	112.57	126.17

*Note: As Wholly Owned Subsidiary M/s. Dhanuka Agri Solutions Private Limited has not yet started its operations, figures are same for Standalone and Consolidated Basis.*

During the FY 2018-19, Revenue from operations was Rs. 1005.84 Crores as compared to Rs. 976.24 Crores in FY 2017-18, registering a growth of 3.03%. Earnings before Interest, Depreciation and Tax (EBIDTA) for FY 2018-19 was Rs. 167.20 Crores as compared to Rs. 182.09 Crores in FY 2017-18, reflecting a decline of 8.18%.

Profit after Tax (PAT) for the FY 2018-19 was Rs. 112.57 Crores as against Rs. 126.17 Crores in FY 2017-18, showing a decline of 10.78%. During FY 2018-19, Earning per Share (Basic and Diluted) has decreased from Rs. 25.71 to Rs. 23.02.

Financial Year 2018-19 was an exceptional year. Due to closure of thousands of units in China, the prices of Raw materials increased disproportionately, which the Company could not pass on to dealers completely. This has not only impacted sales growth plans of the Company but has also impacted its profitability.

IMD has forecast normal monsoon this year. Dhanuka hopes to improve its performance during Financial Year 2019-20.

### 2. Business Operations

Dhanuka continues to remain debt-free, due to robust financial management. Additionally, it has a healthy Net worth of Rs. 642.22 Crores as on 31st March, 2019. ICRA has accorded (ICRA) AA- (Stable outlook) rating for fund based limits and (ICRA) A1+ rating for non-fund based limits of the Company.

This Year Dhanuka has been awarded "**North India Best Employer-2018 Award**" and has also been bestowed with "**Utkrisht Marketing Award**" from Institute of Technology and Science, Ghaziabad for the second time.

This is a matter of pride that Dhanuka has been awarded "**Company of the Year (Agro Chemical Category)**" by Federation of Indian Chambers of Commerce and Industry (FICCI) in its **10th Biennial International Exhibition and Conference -India Chem 2018**, the largest event of the Chemical and Petrochemical Industry in India. Going forward, we will continue to build on this success and work for upliftment of the farming community in India.

Mr. Ram Gopal Agarwal, Chairman has been conferred the most prestigious "**Life Time Achievement Award**" at Agri Business Summit & Agri Awards 2019 on 27th April, 2019 at Hyderabad towards his tireless crusade in support of Indian farmers in the Agrochemical Industry.

A fire broke out at Company's factory situated in Keshwana, Rajasthan on Sunday, 30th September, 2018. Adequate firefighting equipments were available at the unit. There was no human injury due to fire nor a major loss to the main building, Infrastructure and facilities. Major loss, however, covered in inventory and ASRS plant's Storage Infrastructure. The Factory is duly covered under Insurance and the loss is expected to be recovered. The production was resumed within five working days.

### 3. Dividend

Your Directors are pleased to recommend Dividend @ 30% i.e. Rs. 0.60 per Equity Share having Face Value of Rs. 2/- each for the FY 2018-19. Dividend, if approved by the Members at ensuing Annual General Meeting (AGM), will absorb Rs. 3.44 Crore including Dividend Distribution Tax of Rs. 58.69 Lacs. The Dividend shall be paid within 30 days of its declaration at the 34th AGM.

### 4. Buyback

Dhanuka has rewarded its Shareholders by undertaking Buyback of its Shares at Rs. 550 (Rupees Five Hundred and Fifty) per Equity Share amounting to Rs. 82,50,00,000 (Rupees Eighty Two Crores and Fifty Lakhs) excluding the transaction costs, viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty etc. With the Buyback Price of Rs. 550/- and Buyback Size of Rs. 82,50,00,000 the total number of Shares bought back were 15,00,000 (Fifteen Lakhs) Equity Shares, representing about 3.06% of the total Issued and Paid-up Equity Share Capital of the Company. Consequently, the paid up Equity Share Capital of the Company has been reduced by Rs. 30,00,00,000/- (Rupees Thirty Lakhs).

#### 5. Dividend Distribution Policy

The Board of Directors of the Company has adopted a Dividend Distribution Policy, which aims to ensure fairness, sustainability and consistency in distributing profits to the Shareholders. The Policy is attached as "**Annexure A**" and is also available on the website of the Company i.e., [www.dhanuka.com](http://www.dhanuka.com) under the "Investors" section.

#### 6. Transfer of Unpaid/ Unclaimed Dividend and Shares to IEPF

During the FY 2018-19, Unclaimed Dividend for FY 2010-11 amounting to Rs. 6,47,210/- (Rupees Six Lakhs Forty Seven Thousand Two Hundred and Ten) was transferred to the Investor Education and Protection Fund (IEPF), pursuant to the provisions of Section 124(5) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time).

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the rules mentioned aforesaid, all Shares in respect of which Dividend has not been paid or claimed for 7 (Seven) consecutive years or more were also transferred in the name of IEPF after requisite notice to concerned Shareholders. During the FY 2018-19, 13,882 (Thirteen Thousand Eight Hundred and Eighty Two) Shares were transferred to IEPF. Details of such transferred Shares are available at the Company's website i.e. [www.dhanuka.com](http://www.dhanuka.com) under "Investors" section and such shares can be claimed back from IEPF authority after following the prescribed procedure.

#### 7. Subsidiary Company

At present your Company has only one subsidiary namely, M/s. Dhanuka Agri Solutions Private Limited, incorporated in Bangladesh which is Company's Wholly Owned Subsidiary. Operations of this subsidiary have not yet started. A Statement containing basic financial detail of the Subsidiary in Form AOC-1 is annexed as "**Annexure B**".

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Company's Financial Statements, Consolidated Financial Statements, along with relevant documents and separate Audited Accounts in respect of the Subsidiary are available on the website of the Company i.e., [www.dhanuka.com](http://www.dhanuka.com) under "Investors" Section.

The Company does not have any Material Subsidiary in terms of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, Policy on Material Subsidiaries has not been formulated. There are no Associate Companies within the meaning of Section 2(6) of the Companies Act, 2013.

#### 8. Transfer to General Reserve

This year no amount has been transferred to General Reserve.

#### 9. Deposits from Public

During the year under report, your Company has not accepted any Deposits from Public.

#### 10. Future Prospects

Dhanuka's Corporate Vision "**Transforming India through Agriculture**" leads us to be the responsive, trustworthy and farmers' friendly organization. We are advocating '**Dhanuka Kheti Ki Nai Takneek (DKKNT)**', a holistic approach of Integrated Crop Management for higher yields and in turn higher farmers' income. Company is remarkably contributing towards "**Transforming India Through Agriculture**" educating Indian farmers with new and innovative techniques of farming. Among various initiatives taken by Dhanuka, few are stated below:

- ❖ Conducting regularly various **Krishak Samelan (s) (Farmer's Awareness program)** and **Krishak Goshti (s)**
- ❖ **Diploma in Agri Extension Services for Input-Dealers (DAESI):** Dhanuka was the first to join hands with MANAGE by providing financial support for Diploma in Agricultural Extension Services for Input Dealers (DAESI) to meet 50% of the fee for training of Agri-input dealers of East Godavari District in Andhra Pradesh. Since MANAGE alone could not reach all the dealers, Dhanuka took initiative and under PPP with Anand Agriculture University, Navsari Agriculture University and Junagarh Agriculture University in Gujarat started similar out-reach Diploma for Agri-Input Dealers. In coming years, Dhanuka is replicating the same with MANAGE, Ministry of Agriculture and Farmers Welfare again on large scale by subsidizing 50% fees for dealers. Dhanuka is also approaching various universities to start this course at subsidized fee in collaboration with the Company.
- ❖ Dhanuka keeps adding new products every year and also endeavors to improvise the existing products. Foreign Technological collaborations are always in the priority list of the Company in order to enhance the quality of our products.  
On 28th April, 2019, Dhanuka has launched three new products:
  - **CHEMPA** (An effective, pre and post-emergence herbicide which controls broad leaf weeds, sedges and grassy weeds in paddy);
  - **APPLY** (a new technology based systemic and translaminar insecticide to control brown plant hopper);





- **LARGO** (World's best thripicide, offers excellent control of important insects of Cotton, Chillis and various horticulture crops).

#### 11. Measures for Conservation of Energy, Technology Absorption and Details of Foreign Exchange Earnings and Outgo

Information as required u/s 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 pertaining to measures for Conservation of Energy, Technology Absorption and Details of Foreign Exchange Earning and Outgo forming part of this Report are given in "Annexure C".

#### 12. Web address for Annual Return

The Annual Return of the Company pursuant to Section 92(3) of the Companies Act, 2013 is available on the website of the Company i.e., [www.dhanuka.com](http://www.dhanuka.com) under "Investors" Section.

#### 13. Business Responsibility Reporting

Business Responsibility Report as stipulated under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is applicable to the Top 500 Listed Companies based on the Market Capitalization as on 31st March of every year. As on ended 31st March, 2019, "Dhanuka" does not fall under this category. Hence, this year Business Responsibility Reporting is not applicable to the Company. However, the previous year's Business Responsibility Reports are available on the website of the Company i.e., [www.dhanuka.com](http://www.dhanuka.com) under "Investors" Section.

#### 14. Meetings of the Board

Four meetings of the Board of Directors were held during the Financial Year 2018-19. Detailed information about meetings of the Board of Directors and its Committees is given in the Corporate Governance Report annexed to this Report. The Company is in compliance with the Secretarial Standards prescribed by the Institute of Company Secretaries of India for the Board and Committee meetings.

#### 15. Board of Directors and KMP

- ❖ Based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors has appointed Mr. Bajrang Lal Bajaj and Ms. Namrata Gupta as Additional Directors (Non-Executive under Independent category) w.e.f. 21st May, 2019, in accordance with provisions of the Companies Act, 2013 and Rules framed thereunder. They shall hold office up to the date of ensuing Annual General Meeting. Their appointment as Independent Director(s) for a term of 5 (Five) consecutive years is recommended for the

Members' approval at ensuing Annual General Meeting.

- ❖ In accordance with the provisions of the Companies Act, 2013, Mr. Arun Kumar Dhanuka and Mr. Rahul Dhanuka, Executive Directors will be liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. Their re-appointment is recommended for the Members' approval at ensuing Annual General Meeting.
- ❖ Based on recommendation of Nomination and Remuneration Committee. The Board of Directors approved the re-appointment of Mr. Mahendra Kumar Dhanuka as Managing Director of the Company at their Board Meeting held on 21<sup>st</sup> May, 2019, for a further period of 5 (Five) consecutive years from 14<sup>th</sup> August, 2019 to 13<sup>th</sup> August, 2024 (both days inclusive). His re-appointment as Managing Director for a term of 5 (Five) consecutive years is recommended for the Members' approval at ensuing Annual General Meeting.
- ❖ Based on recommendation of Nomination and Remuneration Committee. The Board of Directors approved the appointment of Mr. Harsh Dhanuka as Additional Director (Under category of Whole time Director) of the Company at their Board Meeting held on 21<sup>st</sup> May, 2019, for a period of 5 (Five) consecutive years from 21<sup>st</sup> May, 2019 to 20<sup>th</sup> May, 2024 (both days inclusive). His appointment as Whole time Director for a term of 5 (Five) consecutive years is recommended for the Members' approval at ensuing Annual General Meeting.
- ❖ The First Term of appointment of Mr. Om Prakash Khetan and Mrs. Asha Mundra, as Independent Directors has concluded with effect from 20<sup>th</sup> May, 2019. Mr. Khetan has shown his unwillingness to continue for Second Term due to health reasons whereas Mrs. Mundra has shown unwillingness due to pre-occupation and paucity of time. Consequently, Mr. Om Prakash Khetan has ceased to be a Member of the Nomination and Remuneration Committee and Mrs. Asha Mundra has ceased to be a member of Stakeholders' Relationship Committee of the Company from 20<sup>th</sup> May, 2019.
- The Members vide their resolutions passed in the 33<sup>rd</sup> Annual General Meeting held on 10<sup>th</sup> August, 2018 have approved following appointments:
- Mr. Priya Brat -Independent Non-Executive Director-Second Term from 20<sup>th</sup> May, 2019 to 19<sup>th</sup> May, 2024

- Mr. Indresh Narain -Independent Non-Executive Director- Second Term from 20th May, 2019 to 19th May, 2024
- Mr. Vinod Kumar Jain-Independent Non-Executive Director- Second Term from 20th May, 2019 to 19th May, 2024
- Mr. Arun Kumar Dhanuka-Re-appointment as Whole time Director from 1st August, 2018 to 31st July, 2023
- Mr. Sanjay Saxena-Independent Non-Executive Director- First Term of 5 (Five) Consecutive Years from 22nd May, 2018 to 21st May, 2023

There are no changes in the Chief Financial Officer and Company Secretary of the Company.

#### 16. Familiarization Programme

Details of Familiarization Programme for Independent Directors are available on the website of the Company i.e. [www.dhanuka.com](http://www.dhanuka.com) under the "Investors Section".

#### 17. Directors' Responsibility Statement

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

1. The applicable Accounting Standards have been followed along with proper explanations relating to material departures while preparing the Standalone and Consolidated Annual Accounts.
2. The Directors have 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 of the Company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting frauds and other irregularities.
4. The Directors have prepared the Standalone and Consolidated Annual Accounts on going concern basis.
5. The Directors have laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and operating effectively.
6. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

#### 18. Corporate Governance

Your Company maintains highest level of transparency, accountability and good management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities.

The Board has also evolved and adopted a Revised Code of Conduct as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 based on the principles of good Corporate Governance and best Management Practices. The Revised Code is available on the Company's website i.e., [www.dhanuka.com](http://www.dhanuka.com) under "Investors" Section.

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Report on Corporate Governance along with Statutory Auditors' Certificate confirming compliance with Corporate Governance norms is annexed to this Report.

#### 19. Management Discussion & Analysis

The Management Discussion and Analysis is given separately and forms part of the 34th Annual Report.

#### 20. Corporate Social Responsibility (CSR)

For Dhanuka, Corporate Social Responsibility is not a matter of Compliance but is a matter of inherent value in Dhanuka's philosophy. The Company is regularly contributing to various projects and also involved in many projects in field of Education, Healthcare and Water Conservation.

Dhanuka achieved one more milestone with establishment of "**Shri Chiranji Lal Dhanuka Higher Secondary Adarsh Vidhya Mandir**" School. On 11th February 2018, to commemorate the 100th Birth Anniversary of Late Shri Chiranji Lal Dhanuka (founder Chairman of the Company) inauguration ceremony of the School was held at Ratangarh, Rajasthan. The School is well equipped with modern amenities and one of its kind in the entire region.

Working towards the welfare of society through education, Dhanuka Agritech Limited, has also initiated construction of Third School at Salasar (Rajasthan).

In continuation of water conservation initiatives Dhanuka has constructed 5th Check Dam at Gonedra wala, Kotputli (Rajasthan).

Dhanuka has initiated the trees plantation campaign by planting 5 trees in the name of each employee and planted more than 10,000 trees in Rajasthan.

The detailed Annual Report on our CSR activities pursuant to Rule 8 of the Company's (Corporate Social Responsibility





Policy) Rules, 2014 is given in "Annexure D" forming part of this Report.

#### 21. Internal Complaints Committee (ICC)

Your Company has zero tolerance for Sexual Harassment of Women at workplace. In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has constituted an Internal Complaints Committee (ICC), to inquire into the complaints of Sexual Harassment and to recommend appropriate action.

The ICC constitution has been revised w.e.f 1st April, 2019. The ICC comprises Ms. Jyoti Verma (Presiding Officer), Mr. Sudhir Sharma (Member), Ms. Puja Gogia (Member) and Ms. Isha Thakur (Member). The Company has also formulated a Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at workplace. The Company's Policy under this Act is available on the Corporate Website i.e., [www.dhanuka.com](http://www.dhanuka.com) under "Investors" Section. The ICC provides a mechanism for reporting and redressing complaints related to Sexual Harassment of Women at workplace. The Committee has not received any complaint of Sexual Harassment during the Financial Year 2018-19 nor has any complaint been received in previous years.

#### 22. Committees of the Board

The details of Committees of the Board are provided in the Corporate Governance Report forming part of this Report.

#### 23. Whistle Blower Policy

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Whistle Blower Policy has been implemented as a mechanism for employees to report concerns about unethical behavior or actual or suspected fraud of all kinds, including alleged fraud by or against the Company, abuse of authority, whether made by a named complainant or anonymously.

The Policy is a step towards better Corporate Governance and is available on the Company's website i.e., [www.dhanuka.com](http://www.dhanuka.com) under "Investors" Section. No complaint under this head has been received by the Company during the year.

#### 24. Material Changes and Commitments affecting the Company's Financial Position between the end of the Financial Year and Date of Report u/s 134 of the Companies Act, 2013

Except as disclosed in the Report, there have been no material changes and commitments, affecting the financial position of the Company between the end of the Financial Year till the date of this Report.

#### 25. Declaration by Independent Directors

The Non-Executive Independent Directors of the Company have given declaration stating that they continue to confirm the criteria set out for Independent Directors under Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 26. Performance Evaluation

In compliance with the requirement of Section 134(3)(p) and Schedule IV of the Companies Act, 2013 and Rules framed thereunder and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company evaluated and assessed the performance of the Company's Chairman, Individual Directors, Board as a whole and its Committees on the basis of parameters set by the Nomination and Remuneration Committee in the form of questionnaire based on emerging and leading practices and performance criteria such as strategic engagement, knowledge, diligence, ethics & values, oversight of the financial reporting process, including Internal Controls and Composition of the Board and its Committees etc. The Nomination and Remuneration Committee has also carried out evaluation of the performance of all the Directors. Independent Directors of your Company have also conducted in-depth evaluation of performance of Executive Directors, Chairman of the Board and Committee(s) of the Board.

#### 27. Policy on Appointment and Remuneration of the Directors, Key Managerial Personnel and Other Employees

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178(3) of the Companies Act, 2013, Company's Policy relating to the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management is given in the Corporate Governance Report forming part of this Report.

#### 28. Particulars of Inter Corporate Loans, Guarantees or Investments.

The particulars of Inter Corporate Loans and investments of the Company have been provided in the Notes to the Financial Statements. There are no Inter Corporate Guarantees given by the Company.

#### 29. Particulars of Contracts or Arrangements with Related Parties

Particulars of contracts or arrangements with related parties pursuant to Section 134(3)(h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts)

Rules, 2014 in Form AOC-2 are given in "**Annexure E**" forming part of this Report. Notes to Accounts cover information on Related Party Transactions entered into by the Company.

All contracts/ arrangements entered with Related Parties in terms of Section 188(2) of the Companies Act, 2013 were in the ordinary course of business and on arm's length basis. During the year under review the Company has not entered into any transactions with Related Parties which could be considered material in terms of the Company's policy on materiality of Related Party Transactions read with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

However, for significant Related Party transactions even though not material, Members' approval has been taken.

The Revised Policy on Related Party Transactions has been approved by the Board of Directors in their Banking Finance and Operations Committee Meeting held on 27th March, 2019 and is available on the website of the Company i.e., [www.dhanuka.com](http://www.dhanuka.com) under the "Investors Section".

### 30. **Risk Management Policy and Internal Adequacy**

For Dhanuka, on-going Risk Management is a core function of Company's Management and we recognize the fact that the Company's ability to pro-actively identify, assess and minimize risk is critical in achieving its corporate objectives. The Board of Directors of the Company has approved a Risk Identification, Assessment and Mitigation Report to ensure appropriate and timely Risk Management, in compliance with the provisions of the Companies Act, 2013 and Listing Regulations. The Company's Internal Control systems are commensurate with the nature of its business and the size and complexity of its operations.

### 31. **Internal Control Systems and their adequacy**

The Company has Internal Control System commensurate with the size, scale and complexity of its operations. The Company has appointed M/s. Manoj Ritu and Associates, Chartered Accountants as Internal Auditors and along with them there is in house Internal Audit team functioning as well.

The Audit Committee defines the scope and area of Internal Audit and periodically reviews the Internal Audit Plans and Internal Audit Reports. Based on Internal Audit Reports and observations, appropriate corrective actions are suggested by the Audit Committee. During the year, Internal Audit was regularly carried out and no material weakness was observed. There are adequate Internal Financial controls with reference to the financial systems. The same are periodically reviewed by the in-house Internal Auditors and

Statutory Auditors and by the Management, Board and Committees thereof.

### 32. **Statutory Auditors**

As per Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in the 33rd Annual General Meeting held on 10th August, 2018 have approved the appointment of M/s. S.S. Kothari Mehta & Co., Chartered Accountants (FRN - 000756N), having their Registered Office at Plot No. 68, First Floor, Phase-3, Okhla Industrial Area, New Delhi-110 020, as the Statutory Auditors of the Company for a period of 5 (Five) Years to fill the casual vacancy caused by the resignation of Previous Statutory Auditors M/s. Ambani & Associates, Chartered Accountants, LLP.

The Audit Report(s) given by M/s. S.S. Kothari Mehta & Co., Chartered Accountants on the Financial Statements of the Company (on Standalone & Consolidate basis) for the Financial Year 2018-19 forms part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013 and hence no detail is required to be disclosed under Section 134(3) of the Act.

No frauds have been reported by Auditors under Sub-section (12) of Section 143 of Companies Act, 2013.

### 33. **Secretarial Auditors**

The Secretarial Audit was carried out by M/s. R&D, Company Secretaries, Practicing Company Secretaries (PCS) for the Financial Year 2018-19. The Report given by the Secretarial Auditors is annexed as "**Annexure F**" and forms an integral part of this Board's Report. Further, in terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) (Amended) Regulations, 2018, Annual Report on Compliance from Secretarial Auditors also forms part of Secretarial Audit Report as "**Annexure G**".

There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Secretarial Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013 and therefore no detail is required to be disclosed under Section 134(3) of the Act. In terms of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in terms of Regulation 24A of Listing Regulations, the Audit Committee recommended and the Board of Directors appointed M/s. R&D, Company Secretaries, (PCS), having





their Registered Office at 785, Pocket E, Mayur Vihar, Phase-II, New Delhi-110 091, as the Secretarial Auditors of the Company for the Financial Year 2019-20. The Company has received their written consent stating that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder.

### **34. Cost Records and Cost Auditors**

In terms of provision of Section 148(1) of the Companies Act, 2013 maintenance of Cost Records is required by the Company and accordingly such accounts and records are made and maintained.

The Board of Directors, in compliance with the provisions of the Companies Act, 2013, Rules and Notifications issued thereunder, have appointed M/s. S. Chander & Associates, Cost Accountants, having their Registered Office at 212, 2nd Floor, Sarai Pipal Thala, G.T. Karnal Road, Adarsh Nagar, Delhi- 110 033, as Cost Auditors to conduct Audit of the Cost Accounts maintained by the Company for the Financial Year 2019-20.

### **35. Status of Listing Fees**

Listing Fees for the Financial Year 2019-20 have been duly paid to BSE and NSE, where Company's shares are Listed.

### **36. Material Orders passed by Regulators, Courts or Tribunal**

There were no significant or material orders passed by the Regulators, Courts or Tribunal which impact the going concern status of the Company and the Company's operations in future.

### **37. Particulars of Employees**

The 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 ("Rules"), is appended as "**Annexure H**" to this Report. The information as per Rule 5(2) of the Rules, forms part of this Report. However, as per First proviso to Section 136(1) of the Companies Act, 2013 and Second proviso to Rule 5(2) of the Rules, the Report and Financial Statements are being sent to the Members of the Company excluding the Statement of Particulars of Employees under Rule 5(2) of the Rules. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

### **38. Acknowledgement:**

Your Directors take this opportunity to record their deep sense of gratitude for the valuable support and co-operation extended to the Company by the Central Insecticides Board, Directorates of Agriculture, Haryana, Gujarat, J&K, Rajasthan, other Government Agencies, Bankers, Shareholders, Dealers, Distributors, Vendors, U.S. & Japanese MNCs and the Farming Community who have reposed their trust and confidence in the Company.

Your Directors wish to place on record their appreciation for the cordial industrial relations maintained by workmen and dedicated efforts put in by staff, towards Company's continuous growth and success.

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

**Sd/-**  
**Ram Gopal Agarwal**  
Chairman  
DIN: 00627386

**Sd/-**  
**Mahendra Kumar Dhanuka**  
Managing Director  
DIN: 00628039

Place: Gurugram  
Date: 21<sup>st</sup> May, 2019

## Annexure 'A'

### DIVIDEND DISTRIBUTION POLICY

#### 1. PREAMBLE

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called "**SEBI LODR**") issued by the Securities and Exchange Board of India (SEBI) has mandated the formulation of a Dividend Distribution Policy for the top 500 listed entities based on their market capitalization.

#### 2. OBJECTIVE

As the Company is in the top 500 listed Companies as on March 31, 2016, it is required to formulate a Dividend Distribution Policy in compliance with Regulation 43A of the SEBI (LODR).

The Board of Directors of the Company (hereinafter called "the Board") has accordingly approved this policy at its meeting held on February 07, 2017.

#### 3. EFFECTIVE DATE

This policy is effective from the financial year ending March 31, 2017.

#### 4. GUIDELINES FOR DECLARATION RECOMMENDATION OF DIVIDENDS

- 4.1 The Company shall comply with relevant statutory requirements in the Companies Act, 2013 which may be applicable to the Company at the time of taking decision on declaration / recommendation of dividend.
- 4.2 The Company shall pay dividend in compliance with the provisions of Section 123 of the Companies Act, 2013 and Companies (Declaration and Payment of Dividend), Rules, 2014.
- 4.3 The Board shall consider the expectations of all stakeholders including minority / small shareholders while declaring / recommending dividends.

#### 5. THE POLICY SHALL NOT APPLY TO

- 5.1 Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- 5.2 Distribution of funds as an alternative to payment of dividend by way of buyback of equity shares.

#### 6. RETAINED EARNING UTILIZATION

- 6.1 The Company is engaged into the business of manufacturing of pesticides for farmers of India.

- 6.2 The profits retained in the business shall be continued to be deployed for expansion of the business of the company.

- 6.3 The decision of utilization of the retained earnings of the Company shall be based on the factors like Strategic and long term plans of the company, diversification, Government guidelines with regard to issue of bonus, buy-back and any other criteria which the Board of the company may consider appropriate.

Therefore, retained earning shall be utilized in a manner which will enhance value of all its shareholders in a sustainable manner.

#### 7. FINANCIAL PARAMETERS AND OTHER INTERNAL AND EXTERNAL FACTORS THAT WOULD BE CONSIDERED FOR DECLARATION OF DIVIDEND

- 7.1 Surplus funds available with the Company;
- 7.2 The Company's liquidity position and future cash flow requirements;
- 7.3 Track record of Dividends distributed by the Company;
- 7.4 Taxation Policy as on date or any amendments expected thereof, with respect to Dividend distribution;
- 7.5 Capital expenditure requirements considering the expansion and acquisition opportunities;
- 7.6 Cost and availability of alternative sources of financing;
- 7.7 Macroeconomic and business conditions in general;
- 7.8 Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

#### 8. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

- 8.1 The dividend declaration decision of the company will be taken by the Board/Shareholders after due consideration of all the factors. The company will adopt a balanced approach to declare dividend with the objective of rewarding the shareholders appropriately and at the same time retaining the profits for its future requirements.
- 8.2 The Company has been consistently paying dividends to its shareholders and it can be reasonably expected to continue declaring same in future as well unless, it is restrained to declare dividend due to insufficient profits or the requirements to retain profits for its business needs or on account of any external or internal factors listed above.





8.3 The Company will endeavor to declare the dividend as per the guidelines issued by Govt. of India from time to time. However, the Company may propose lower dividend after analysis of various financial parameters, cash flow position and funds required for future growth, etc.

any point of time, as may be deemed necessary.

## 10. DISCLOSURE

This policy shall be disclosed in the Annual Report and displayed on the website of the Company.

## 9. AMENDMENTS

The Board of Directors of the Company reserves the rights to amend, modify or review this policy in whole or in part, at

Annexure 'B'

### FORM NO. AOC-1

**STATEMENT PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT, 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC-1 RELATING TO WHOLLY OWNED SUBSIDIARY COMPANY- M/S DHANUKA AGRI SOLUTIONS PRIVATE LIMITED**

Name of the Subsidiary Company	M/s. Dhanuka Agri- Solutions Private Limited, Bangladesh
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same (i.e. 31 <sup>st</sup> March)
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Bangladeshi Taka (Exchange Rate 1 BDT=INR 0.8291)
Share capital (Rs.)	0.09
Reserves & surplus	Nil
Total assets	11.70
Total Liabilities	11.61
Investments	Nil
Turnover	Nil
Profit before taxation	Nil
Provision for taxation	Nil
Profit after taxation	Nil
Proposed Dividend	Nil
% of shareholding	100%

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

**Sd/-**  
**Mahendra Kumar Dhanuka**  
Managing Director  
DIN: 00628039

**Sd/-**  
**Rahul Dhanuka**  
Executive Director  
DIN: 00150140

**Sd/-**  
**V.K. Bansal**  
CFO

**Sd/-**  
**Jyoti Verma**  
Company Secretary  
FCS-7210

Date: 21<sup>st</sup> May, 2019  
Place: Gurugram

## Annexure 'C'

### (A) Conservation of Energy

1. Increased the capacity of electricity transformer from 250H.P. to 500H.P. in order to reduce the diesel consumption in D.G. set.
2. Automatic on/off system installed in underground water tank and overhead water tank. The pump will run automatically when low level achieves and stops when high level achieves. Hence reduced consumption of electricity.
3. Replaced Halogen Tubes/ Bulbs with LEDs/ CFLs to save electricity.
4. Maximized Reuse/ Recycle of Waste Water. ETP treated water is being used for gardening and in hot water generator for melting of technical.
5. Reduced the consumption of Paper usage. Promoted soft copy record instead of hard copy, used both sides of paper for writing purpose, no prints were taken unless it was essential & monitoring of consumption of paper.
6. Reduction in consumption of ETP dosing Chemicals. Log Book maintained and weekly monitoring of chemical consumption done in order to avoid environmental hazard.
7. Re use of reflux-distillation water being used for testing/ analysis of product in laboratory.
8. Installation of 257 KW Solar power energy system for captive consumption
9. Conversion of existing light fittings to LED light fittings

### (B) Technology absorption-

#### (i) The following efforts were made towards technology absorption:

1. Automatic label rewinding machine installed at Udhampur for labels printing.
2. Energy conversant three Nos. of automatic labelling machines installed.
3. Label dispenser installed in printing section.
4. The Company's Udhampur Unit received re-certification (for ISO 9001:2015 for Quality Management and ISO 14001:2015) for Environmental Management. Further, it helped in reducing accidents, disruptions and their associated costs, thereby increasing productivity.

5. Installed 2 new semi-automatic rotary Liquid filling machines for Dhanzyme Gold Liquid and Dhanuvit liquid products to increase productivity, improve accuracy and reduce manpower.
6. Developed and installed digital temperature controller and pressure gauge device to all pneumatic paddle sealing machines for indicating failure of sealing temperature heaters and required pressure.
7. Installed a new Liquid FFS pouching machine for Dhanzyme Gold Liquid & Dhanuvit liquid products to increase productivity and improve, accuracy.
8. Applied for NABL and pre audit completed successfully without any NC (Zero NC).
9. Trial run and successful commissioning of the new products done at Keshwana unit i.e., Areva Super, Thiram, Vitavax Ultra, Nihosan, Chempa

#### (ii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):

The Company has not imported any technology during the last three Financial Years.

Details of Technology Imported	Year of Import	Status absorption/ implementation	Reason, if not fully absorbed
NIL	NA	NA	NA

Your Company's strategic collaborations with MNCs have resulted in technology transfer and adoption of scientifically advanced, high-efficacy plant-protection chemicals by the Indian farmers, resulting in increased crop yields and farm incomes. This goes a long way towards ensuring food security for the nation.

Your Company's Keshwana Laboratory is NABL- accredited and successfully survived the surveillance audit. Also, Company's R&D centre is recognized by the Department of Science & Technology, Ministry of Chemicals, Government of India.

The Company's Keshwana Unit has also received re-certification (for ISO 9001:2015 for Quality Management and ISO 14001:2015) for Environmental Management. The OHSAS 18001:2007 certification Awarded to the Company's Keshwana and Udhampur unit demonstrates the Company's commitment to its employees, employees' families and other stakeholders regarding the health, safety and wellness of each person that may be exposed to the health and safety risks





associated with the activities and operations of the Company. Further, it helps reduce accidents, disruptions and their associated costs, thereby increasing productivity.

### Check Dam

Company has established two Check dams; one in Goned village and one in Malpura village and renovation done for the pond in Malpura village for gaushala.

### (C) Research & Development

Considering the imperative role of Research and Development for introduction and establishment of new products and services, your Company since its inception, visualized to establish a strong Research and Development (R&D) Division. This Division today has highly qualified and experienced R&D team having distinguished Scientists/ Technocrats with vast experience of working in Indian Council of Agricultural Research (ICAR), State Agricultural Universities (SAU), and other esteemed research organizations across the Country. Therefore, it forms our core strength for expanding Brand portfolio as an on-going process for introduction of new eco-friendly world class molecules.

In order to fulfil this mandate, the Division is actively engaged in evaluating new and current products in different agro-climatic regions of the Country, plays a crucial role in product promotion and creating awareness about new products amongst different stakeholders, channelizes information to consumers for safe and judicious use, develops interface with SAUs, ICAR and its Institutes and other such academic organizations, imparts training to Development and Marketing staff, Agri-input Dealers and Farmers, etc..

This Division generates data on different parameters for registration of molecules and for expansion of existing label claims on suitable crops, and prepare appropriate proposals as per guidelines and submit for approval of the Central Insecticide Board & Registration Committee (CIB & RC), Govt. of India and also facilitates registration of pesticides for exports.

### Introduction of New Products

One of the important on-going activities of the R&D Division is registration of new molecules of Foreign Collaborators, besides expansion of existing label claims, packaging endorsements, bio-efficacy claims, and registration of products under Section 9(4) of the Insecticides Act, etc.

During 2018-19, your Company has obtained approval of the CIB & RC, Govt. of India for nine products under Section 9(4) of the Insecticides Act, namely Hexaconazole 75% WG Oxyfluorfen 2.5% + Isopropyl amine salt of Glyphosate 41%

w/w SC Pyrazosulfuron Ethyl 70% WDG Deltamethrin 0.72% w/w + Buprofezin 5.65% w/w EC; Glufosinate ammonium 13.5% w/w SL (15% w/v).

Similarly, CIB & RC has also granted approval for Diafenthiuron 47.8% w/w SC and Fipronil 18.87% w/w SC for control of Aphids, Jassid, Thrips & Whiteflies in Cotton; Novaluron 10% EC for control of Fruit borer in Tomato, Diamond back moth and Tobacco leaf eating caterpillar in Cabbage, American Bollworm and Tobacco leaf eating caterpillar in Cotton, Fruit borer and Tobacco leaf eating caterpillar in Chilli and for control of Pod borer (*Heliothis armigera*) in Chick pea; and of Buprofezin 22% + Fipronil 3% SC for the control of Brown plant hopper in Rice.

In addition, approval has also been granted by CIB & RC for Fipronil Technical 95% min. for import u/s 9(4) and Quinalofop ethyl Technical 98% min (Technical Import) u/s 9(3).

The registration process being an on-going activity, the proposals are in the pipeline for two new fungicides from Japan and three other different offerings. Similarly, data generation is in progress for Herbicides for control of weeds in Onion, Sugarcane, Maize, Cotton and Tea.

### International collaborations

Your Company continues to have technical collaborations with MNCs like M/s. Corteva AgriSciences (a merged Company of M/s. Dow Agro Sciences, and M/s. Dupont), M/s. FMC Corporation and M/s. Oro Agri of USA; M/s. Arysta Life Science, M/s. Sumitomo Corporation, M/s. Hokko Chemical Co. Limited, M/s. Mitsui Chemicals, Inc., M/s. Nissan Chemical Corporation and M/s. OAT Agrio Co., Ltd of Japan. This way Dhanuka Agritech Limited has introduced a good number of eco-friendly, highly effective pesticides immensely benefiting the farming community across the country to enhance on-farm crop productivity and in turn increased income.

### Capacity building of Agri-input dealers

As per study of the National Sample Survey Office (NSSO) of the Govt. of India, Agri-input Dealers continue to be major source of agriculture technology to the farmers because of their easy reach and local availability. Recognizing that there are over 4 lakh agri-input dealers and the recent Gazette Notification for minimum of one year diploma requirement for renewal/issue of fresh license, Dhanuka had been in the forefront for up-gradation of farm skills of Agri-input dealers so as to make them credible source of agriculture technology. Dhanuka was the first to join hands with the National Institute of Agricultural Extension Management (MANAGE), Hyderabad under public-private partnership and provided 50% of fee for a batch of 40 Dealers to undergo Diploma in Agriculture Extension Services for Input Dealers (DAESI). We are constantly following with ICAR; Ministry of

Agriculture, Govt. of India for other State Universities to start such a course.

On Dhanuka's initiative under public-private partnership (PPP) three State Agricultural Universities (SAU) in Gujarat- Anand Agricultural University, Navsari Agricultural University, and Junagadh Agricultural University, launched one-year Diploma on the pattern of one by MANAGE, as an out-reach programme, by meeting 50% of fee. The course has become so popular that at these three SAUs Agri-input Dealers are now enrolling by paying full fee.

Recently, the Govt. of India- Ministry of Agriculture and Farmers' Welfare, vide Gazette Notification GSR 840 (E) dated 5 November 2015 issued a notification stating that any individual who wants to run insecticide/ pesticide shop should possess a degree (B.Sc Agri/ Biochemistry/ Biotechnology/ Life Sciences/ Chemistry/ Botany/ Zoology). In case of existing dealers the condition is either to acquire Degree in the listed streams or hire an employee having such a Degree in mentioned streams. Dhanuka is happy to mention that on Your Company's persistent follow-up with all the stakeholders, the Govt. of India have issued an addendum to Gazette recently by including one-year out-reach Diploma (DAESI) as an alternative qualification.

#### Field extension programmes

Dhanuka's Public-Private Partnership with Swami Keshwanand Rajasthan Agricultural University, Bikaner, Amity University, Noida and Sharda University, Noida for a Diploma in Agri-Business Management, and private-private partnership with Bihar Litchi Growers Association continued during this year as well. The R&D team put up field exhibitions, undertook training of field personnel; interactive meetings with Agri-input dealers for creating mass awareness of our new products, farmers' training camps, training of Krishi Mitra, etc.. The R&D Division published several technical publications in an easy to comprehend style, which are a handy source of information for all concerned to provide credible information.

#### Our Vision

The pesticides research across the world is coming with newer economically viable and environment friendly molecules and safer use technology. Your Company's R&D Division continuously looks forward to explore never opportunities for collaboration and undertaking studies for label expansion on new crops/ insects, pests and diseases and also for registration of new molecules.

#### For and on behalf of the Board

Sd/-  
**Ram Gopal Agarwal**  
Chairman  
DIN: 00627386

Place: Gurugram  
Dated: 21<sup>st</sup> May, 2019

The expenditure incurred on R&D during Financial Year 2018-19 and in the preceding year is as below:

(₹ In lacs)

Particulars	2018-19	2017-18
a. Capital	Nil	Nil
b. Recurring	223.20	180.13
<b>c. Total</b>	<b>223.20</b>	<b>180.13</b>
d. Total R&D expenditure as % of total turnover	0.22%	0.18%

The focus of research in Pestology Science is continuously expanding and besides developing eco-friendly plant protection chemicals, innovative formulation technology, research on application technology, shelf-life is fast growing area. The pesticides research across the world is coming with newer economically viable and environment friendly molecules and safer use technology. Your Company's R&D Division continuously looks forward to exploring newer opportunities for collaboration and undertaking studies for label expansion on new crops/ insects, pests and diseases and also for registration of new molecules.

#### Foreign Exchange Earnings and Outgo

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

	(Rs. In Lakhs)	
Particular	2018-19	2017-18
Foreign Exchange Earned	437.90	451.25
Outgo of Foreign Exchange	12,257.10	10,570.65

#### For and on behalf of the Board

Sd/-  
**Mahendra Kumar Dhanuka**  
Managing Director  
DIN: 00628039





## Annexure 'D'

### Annual Report on CSR Activities

**1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.**

The CSR Policy recommended by the CSR Committee has been approved by the Board of Directors and is available on the Corporate Website i.e., [www.dhanuka.com](http://www.dhanuka.com) under "Investors" Section.

Your Company lays special emphasis on promoting education, eradication hunger, poverty and malnutrition; conservation of water, deployment of water for agriculture and human use.

The thrust is on training and education of farmers and dealers and transfer of technology to improve food production. The Company's CSR efforts have been to conserve "*Gaon ka paani, gaon mein aur khet ka pani, khet mein*" and will continue to work in this direction.

**2. The Composition of the CSR Committee.**

The Board of Directors has constituted CSR Committee, in accordance to the provisions u/s 135 and Schedule VII of

the Companies Act, 2013 and the Rules made thereunder. The CSR Committee comprises Mr. Ram Gopal Agarwal (Chairman), Mr. Indresh Narain (Member) and Mr. Arun Kumar Dhanuka (Member). Detailed information about CSR Committee is covered in the Corporate Governance Report.

**3. Average Net Profit of the Company for last three Financial Years:** Rs. 158.26 Crores, as per applicable Section 198 of the Companies Act, 2013.

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Rs. 316.51 Lakhs.

**5. Details of CSR spent during the Financial Year:**

- Total amount spent for the Financial Year: Rs. 330.78 Lakhs.
- Amount unspent: Nil
- Manner in which the amount spent during the Financial Year is detailed below.

(₹ In lacs)

S. No.	CSR project or activity identified/beneficiary	Sector in which the project is covered	Location of the Projects / programs	Amount outlay (budget)	Amount spent on the projects or programs Subheads: (1) Direct expenditure (2) Overheads	Cumulative expenditure upto the reporting period.	Amount spent: Direct/ Implementing Agency
1	Purchase of medical equipment	Promoting health care	New Delhi	2.50	2.50	2.50	Arya Samaj
2	Donation for Children Education	Promotion of Education	New Delhi	20.00	20.00	20.00	Bharat Lok Shiksha Parishad
3	Donation for Education of Physically disabled children	Promotion of Education	Agra, Uttar Pradesh	0.10	0.10	0.10	Blind Organization of India
4	Construction of school building	Promotion of Education	Salasar and Ratangarh, Rajasthan	150.00	150.00	150.00	Chiranji Lal Dhanuka Charitable Trust

6	Donation for drinking water (Pyau)	Making available safe drinking water	Jhunjh-unu, Rajasthan	0.11	0.11	0.11	Lok Sewa Samiti
7	Donation for drinking water (Pyau)	Making available safe drinking water	Ujjain, M a d h y a Pradesh	0.20	0.20	0.20	Ujjain Jila Khand D.B.V.S
8	Donation for Education assistance	Promotion of Education	Jhunjhunu, Rajasthan	0.10	0.10	0.10	Lok Sewa Samiti
9	Construction of Medical University	Promotion of Education	New Delhi	5.00	5.00	5.00	Maharaja Agrasen Hospital Charitable Trust
10	Aggregation of information on how to double agriculture income	Livelihood Enhancement projects	Ahmedabad, Gujarat	3.50	3.50	3.50	National Council for Climate Change Sustainable Development & Public Leadership
11	Donation for eye operation	Promoting health care	New Delhi	6.25	6.25	6.25	Sant Parmanand Hospital
12	Donation for Cancer Treatment	Promoting health care	Saharanpur, Uttar Pradesh	5.00	5.00	5.00	Ramakrishna Cancer Hospital
13	Donation for cancer medicine project	Promoting health care	New Delhi	12.16	12.16	12.16	Shri Ram Krishna Seva Sansthan
14	Financial help for poor helpless people	Promoting health care	Udaipur, Rajasthan	0.51	0.51	0.51	Tara Sansthan
15	Construction of Gonedawala check dam	Livelihood Enhancement projects	Kotpulti, Rajasthan	17.07	17.07	17.07	PHD Rural Development Foundation
16	Construction of Johad	Livelihood Enhancement projects	Ratangarh, Rajasthan	14.65	14.65	14.65	Direct by Company
17	Construction of Road	Livelihood Enhancement projects	Udhampur, J&K	6.31	6.31	6.31	Rathian Road Work
18	Fellowship for Students	Promotion of education	Jobner, Rajasthan	1.30	1.30	1.30	SKNAU, Jobner, Rajasthan
19	Fellowship for Students	Promotion of education	Jablapur, Madhya Pradesh	2.65	2.65	2.65	JNKVV, Jabalpur Madhya Pradesh
20	Fellowship for Students	Promotion of education	Ludhiana, Punjab	2.40	2.40	2.40	Punjab Agricultural University





21	Fellowship for Students	Promotion of education	Udaipur, Rajasthan	1.20	1.20	1.20	Maharana Pratap Agriculture University
22	Ration Providing for Sr. Citizens	Others	New Delhi	0.50	0.50	0.50	Dignity Foundation
23	Planting of Trees in Bhilwada	Environmental Sustainability	Bhilwada, Rajasthan	8.50	8.50	8.50	Pangea Econetassets Pvt. Ltd.
24	Donation for farmer Training	Promotion of education	Sonepat, Haryana	5.00	5.00	5.00	Agri Leadership Summit Farmer Training
25	Donation for disabled sports	Promotion of sports	Agra, Uttar Pradesh	0.15	0.15	0.15	Disabled Sporting Society
26	Donation for diploma course	Promotion of education	Akola, Maharashtra	4.00	4.00	4.00	Akola Agriculture University
27	Donation for Children education	Promotion of education	New Delhi	0.10	0.10	0.10	CRY
28	Donation for borewell for goner village	Making available safe drinking water	Kotpulti, Rajasthan	2.82	2.82	2.82	Ram Niwas & Sons
29	Fellowship for Students	Promotion of education	Junagarh, Gujarat	0.24	0.24	0.24	Junagarh Agriculture University
30	Printing of pesticide book for national food security	Eradicating Hunger	New Delhi	4.00	4.00	4.00	South Asia Biotechnology Centre
31	Sponsorship of Mid-Day Meal to Children	Eradicating Hunger	Mathura, Uttar Pradesh	5.00	5.00	5.00	The Akshaya Patra Foundation
32	Donation for organizing cancer screening camps	Promoting health care	New Delhi	25.00	25.00	25.00	All India Marwari Yuva Manch
33	World Water day celebration- Art/Drawing Competition	Environmental Sustainability	PAN India	16.21	16.21	16.21	Directly
<b>Total Direct Expense</b>				<b>330.78</b>	<b>330.78</b>	<b>330.78</b>	
<b>Overhead</b>				-	-	-	
<b>TOTAL</b>				<b>330.78</b>	<b>330.78</b>	<b>330.78</b>	



6. In case the Company has failed to spend the two per cent, of the average Net Profit of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.

Company has duly spent 2% of the Average Net Profit of past three years.

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

Sd/-  
**Ram Gopal Agarwal**  
(Chairman CSR Committee)  
(Director)  
DIN: 00627386

**Date: 21<sup>st</sup> May, 2019**  
**Place: Gurugram**

7. A Responsibility Statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

We hereby state that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

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

Sd/-  
**Arun Kumar Dhanuka**  
(Member CSR Committee)  
(Director)  
DIN: 00627425

Annexure 'E'

## FORM NO. AOC-2

### (Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

C&F Agreement with M/s Dhanuka Marketing Company ("DMC").

- (a) **Name(s) of the Related Party and nature of relationship:** M/s. Dhanuka Marketing Company. Mr. Ram Gopal Agarwal, Chairman and Mr. Mahendra Kumar Dhanuka, Managing Director are brothers of Mr. S.N. Agarwal, partner of DMC.
- (b) **Nature of contracts/arrangements/transactions:** C&F agent and care-taker of the Company's operations in state of Andhra Pradesh and Telengana.
- (c) **Duration of the contracts/arrangements/transactions:** For a period of 5 (Five) Financial Years from FY 2014-15 to FY 2018-19.
- (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:** Payment of Commission to DMC as a percentage of the Net Sales of in state of Andhra Pradesh and Telengana, as approved by the Audit Committee and the Board of Directors of the Company.
- (e) **Justification for entering into such contracts or arrangements or transactions:** DMC has been providing C&F

Agent services to M/s. Northern Minerals Limited (presently M/s. Dhanuka Agritech Limited) since 1980. DMC has strong network of dealers/distributors in in state of Andhra Pradesh and Telengana, provides various value added services to the Company.

- (f) **Date(s) of approval by the Board:** 20<sup>th</sup> May, 2014
- (g) **Amount paid as advances, if any:** Nil.
- (h) **Date on which the Special Resolution was passed in General Meeting as required under first proviso to Section 188:** 17<sup>th</sup> September, 2014
2. **Details of material contracts or arrangement or transactions at arm's length basis**

During the year, the Company had not entered into any contract or arrangement or transaction with Related Parties which could be considered material in accordance with the Policy of the Company on materiality of Related Party Transactions.

- (a) **Name(s) of the Related Party and nature of relationship:** Not Applicable

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

Sd/-  
**Ram Gopal Agarwal**  
Chairman  
DIN: 00627386

Sd/-  
**Mahendra Kumar Dhanuka**  
Managing Director  
DIN: 00628039

**Date: 21<sup>st</sup> May, 2019**  
**Place: Gurugram**





## Annexure 'F'

### R&D Company Secretaries

#### Secretarial Audit Report for the financial year ended 31st March, 2019

To  
The Members  
**Dhanuka Agritech Limited**  
82, Abhinash Mansion  
1st Floor, Joshi Road  
Karol Bagh, New Delhi-110005

In terms of the provisions of section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014, and other applicable provisions, if any, we have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dhanuka Agritech Limited, a Company incorporated under the provisions of the Companies Act, 1956, vide CIN L 24219 DL 1985 PLC 020126 and having its registered office at 82, Abhinash Mansion, 1st Floor, Joshi Road, Karol Bagh, New Delhi-110005 (hereinafter referred to as "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 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 the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable as the Company has not issued/ proposed to issue any Employee Stock Option Scheme and Employee Stock Purchase Scheme during the financial year under review.
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (De-listing of Equity Shares) Regulations, 2009; Not applicable as the Company has not delisted/ proposed to delist its equity shares from any stock exchange during the financial year under review.
  - h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998;
- vi. The Company has identified the following laws as specifically applicable to the Company.
  - a. The Insecticide Act, 1968;
  - b. The Legal Metrology Act, 2009;
  - c. The Legal Metrology (Packaged Commodities) Rules, 2011

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India notified by Central Government;
- ii. The Listing Agreements entered into by the Company with Stock Exchanges alongwith SEBI (Listing



Obligations and Disclosures Requirements) Regulations, 2015;

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

**We further report that**

During the period under review, the Board of Directors of the Company was 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 period under review were carried out in compliance with the provisions of the Act. Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately 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 the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

**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.

**We further report that** during the audit period, the Company has not entered into/carried out any specific events/actions which may have a major bearing on the Company's affairs.

**For R&D Company Secretaries**

**Sd/-  
Debabrata Deb Nath**

Partner

FCS No.: 7775; CP No. : 8612

**Place: Delhi  
Date: 17<sup>th</sup> May, 2019**

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

**Annexure-A to Secretarial Audit Report'**

To  
The Members  
**Dhanuka Agritech Limited**  
82, Abhinash Mansion  
1st Floor, Joshi Road  
Karol Bagh, New Delhi-110005

Our report of even date is to be read along with this letter.

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

**For R&D  
Company Secretaries**

**Sd/-  
Debabrata Deb Nath**

Partner

FCS No.: 7775; CP No. : 8612

Place: Delhi  
Date: 17<sup>th</sup> May, 2019





## Annexure 'G'

### Secretarial Compliance Report of Dhanuka Agritech Ltd for the year ended 31st March, 2019

We have examined:

- (a) All the documents and records made available to us and explanation provided by **Dhanuka Agritech Ltd** ("the listed entity"),
- (b) The filings/ submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,
- (d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2019 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;
  - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
  - (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (i) NA (other regulations as applicable) [And circulars/ guidelines issued thereunder; and based on the above examination, I/We hereby report that, during the Review Period:]
- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
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NIL

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.)
- (c) The following are the details of actions taken against the listed 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.
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NIL

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
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NIL

For R&D  
Company Secretaries

Sd/-  
**Debabrata Deb Nath**  
Partner

Place: Delhi  
Date: 17<sup>th</sup> May, 2019

FCS No.: 7775; CP No. : 8612

## Particulars of Employees

## Annexure 'H'

Information in accordance with the provisions of Section 197 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(I) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ended 31st March, 2019

Name of Director	Nature of Directorship	Ratio to median remuneration of employees
Mr. R.G. Agarwal	Chairman	114.13
Mr. M.K. Dhanuka	Managing Director	119.87
Mr. A.K. Dhanuka	Whole Time Director	86.52
Mr. Rahul Dhanuka	Whole Time Director	81.64
Mr. Mridul Dhanuka	Whole Time Director	62.30
Mr. Ashish Saraf	Whole Time Director	4.80

\* Median salary of employees during  
FY 2018-19: Rs. 3.54 Lacs p.a.  
FY 2017-18: Rs. 3.34 Lacs p.a.

All the Non-executive Directors were paid only sitting fees for attending the Board and Committee meetings. Hence, their remuneration is not comparable.

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2018-19





Name of Director	Nature of Directorship	% Increase (decrease) in the remuneration
Mr. R.G. Agarwal	Chairman	2.65
Mr. M.K. Dhanuka	Managing Director	(8.04)
Mr. A.K. Dhanuka	Whole Time Director	(14.79)
Mr. Rahul Dhanuka	Whole Time Director	(15.26)
Mr. Mridul Dhanuka	Whole Time Director	(11.13)
Mr. Ashish Saraf	Whole Time Director	(97.66)
Mr. V.K. Bansal	Chief Financial Officer	11.03
Ms. Jyoti Verma*	Company Secretary	N.A.

\* Appointed w.e.f 13.11.2017, the percentage increase in remuneration not applicable.

(iii) The percentage increase in the median remuneration of employees in the Financial Year 2018-19: 5.99%

(iv) The number of permanent employees on the rolls of Company as on 31st March, 2019: 1106.

(v) Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year i.e. FY 2018-19 and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:

Average percentile increase in salaries of employees other than Managerial Personnel is higher than average percentile increase in the managerial remuneration.

(vi) The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

(vii) As per rule 5(3) of the Companies (Appointment and Remuneration) Rules, 2014, employees who draw salary exceeding the limit of Rs. 1.02 Crores is as follows:

There were no employees other than the followings who were in receipt of remuneration in excess of above specified limit during the year 2018-19.

Name & Age	Designation	Remuneration p.a. (Rs. in Crore)	Qualification/ Experience	Date of Joining	Previous Employment & Designation	Percentage of shares held	Relation to any Director or Manager
Mr. Ram Gopal Agarwal (70 years)	Chairman	4.04	B.Com (Hons)/ 51 Years	Since incorporation	Own Business	0.73%	Brother- Mr. M.K. Dhanuka, Father- Mr. Rahul Dhanuka
Mr. Mahendra Kumar Dhanuka (65 years)	Managing Director	4.24	B.Com (Hons)/ 45 Years	Since Incorporation	Own Business	0.06%	Brother- Mr. R.G. Agarwal, Father- Mr. Mridul Dhanuka
Mr. Arun Kumar Dhanuka (62 Years)	Director (Works)	3.06	B.Com/ 40 Years	23.05.2007	Own Business	0.08%	No
Mr. Rahul Dhanuka (44 years)	Director (Marketing)	2.89	B.Sc & M.B.A./ 21 Years	01.02.2002	Own Business	0.67%	Son- Mr. R.G. Agarwal
Mr. Mridul Dhanuka (38 years)	Director (Operations)	2.20	B.Tech. & M.B.A./ 15 Years	01.04.2005	Own Business	0.06%	Son- Mr. M.K. Dhanuka

## Risk Identification, Assessment & Mitigation Document

Risk is the uncertainty associated with the outcome of an event, depending on factors influencing it. Risk is inherent in every form of enterprise and different risks have different impact on business. Risk in agricultural-inputs sector is considered to be relatively high, due to the dependency on Environmental factors.

### Risk Management

Risk Management is a pro-active approach towards better control and management of an organization. It comprises risk identification, assessment and mitigation. The first step is to identify all relevant risks - internal and external. The next step is to assess the probable impact of the risks on the business - high, medium or low. Finally, the Management has to decide its response strategy to manage each risk and take appropriate action.

A formal Risk Management process and its periodic review help in establishing a culture that results in better business and risk management. It puts Management in a better position to determine the best course of action to mitigate the risks.

### Objectives of Risk Mitigation Plan

The objectives of risk mitigation plan are to decide risk response strategies for the various risk items which have been identified and assessed during the risk analysis, to enable appropriate action in

the right direction to manage risk.

The following three key questions can be posed while planning risk mitigation measures:

1. What options are available and which ones are appropriate for us in current scenario?
2. What are the tradeoffs in terms of costs, benefits and risks among the available options?
3. What shall be the future impact of current decisions?

### Risk Response Strategy

A well-defined risk response strategy can help to avoid or reduce the identified risks.

A risk may be:

- Unidentified, unmanaged or ignored (by default).
- Recognized, but no action taken (absorbed as a matter of policy).
- Avoided (by taking appropriate steps).
- Reduced (by an alternative approach).
- Transferred (to others through contract or insurance).
- Retained and absorbed (by prudent strategy).
- Handled by a combination of the above

**A. INTERNAL RISK FACTORS:** Internal risks are those which are essentially within the Company's control. We have attempted to cover all relevant internal risks falling under the 7 M's of Management: Man, Money, Machine, Material, Method, Management, Measurement.

S. NO.	CATEGORY	INTERNAL RISK FACTORS	RISK ASSESSMENT: LIKELIHOOD/ IMPACT	RISK RESPONSE STRATEGY	RESPONSE ACTIONS
1	Man	Miss-handling of hazardous chemical and poisonous substances in the manufacturing process	L: Low I: High	Risk Reduction	Adequate training and safety measures
2	Money	Exposure to Foreign Exchange rate fluctuation	L: Medium I: Medium	Risk Transference	Partly covering Forex exposure by taking forward contracts, futures, options and cost reduction structures including cancellation and re-bookings at appropriate times by the Company officials as may be authorized by the Board or Banking, Finance & Operations Committee of the Company and Comply with applicable laws disclosure policies & norms and reporting of transactions etc. Frequent reviews and Statutory audit, including internal checks and controls.  The Company has also appointed consultant to guide the Company to mitigate risk to minimum possible level.





3	Money/ Machine	Fixed Assets	L: Low I: Low	Risk Transference	Insurance coverage
4	Material	Development of resistance by pests to Company's products in the long term rendering them ineffective	L: Low I: Low	Risk Reduction	Introduction of new products and tie-ups with International manufacturers of molecules
5	Material	Dependence on Strategic collaborations for supply of technical	L: Low I: High	Risk Retention	Maintaining amiable relations and a win-win approach towards existing collaborators and exploring new possibilities through two-pronged approach: a) widening of existing collaborations by adding new products b) exploring opportunities for collaborating with more Companies
6	Material	Increase in raw-material prices	L: Medium I: Low	Risk Reduction	Prices are mutually decided with suppliers, upfront at beginning of each fiscal for tie-up products with MNCs
7	Method	Indiscriminate/ Faulty use of the products by farmers	L: Low I: Medium	Risk Reduction	Dhanuka's Doctors and field staff train and educate farmers
8	Method	Inadequacy of documented plans, policies and process flows, business contingency plan	L: Low I: Low	Risk Reduction	The Company has appointed consultant to streamline this category of Risk.
9	Management	Dependence on Key Management Team– Attrition Management, back-ups and Succession planning	L: Low I: Medium	Risk Reduction	Training and development of next level are being undertaken.
10	Measurement	Inaccuracy of forecasts, Inventory & Logistic mismanagement could result in unexpected reduction in sales due to stock-outs or surplus of stocks, wastages, theft, pilferage	L: Low I: High	Risk Reduction	Proper planning & controls are being implemented through professional advice

**B. EXTERNAL RISK FACTORS:** External risks refer to risks external to the business itself and are largely beyond the Company's control. We have attempted to cover all relevant External risks as per PEST Analysis: Political/Legal, Economic, Social and Technological. In addition, Environmental factor has also been incorporated, as it has a major impact on our Industry.

S. NO.	CATEGORY	EXTERNAL RISK FACTORS	RISK ASSESSMENT	RISK RESPONSE STRATEGY	RESPONSE ACTIONS
1	Environment	Environmental conditions beyond the control of the Company like floods, droughts, monsoons, etc. can adversely affect operations of the Company	L: Medium I: High	Risk retention	Usually, rain is not evenly spread out over the country. Hence, even if rains are scarce in one territory, the sales in other territories, which have better rainfall averages out the shortfall in sales
2	Environment	Considering seasonality of the Company's business, sales may be low during off-season	L: Medium I: Medium	Risk reduction	Efforts are made to ensure availability of adequate stocks during peak season, to maximize sales, so that the total turnover meets targeted sales

3	Social	Sales of the Company are to a large extent dependent on the overall area under cultivation and the cropping pattern adopted by the farming community in India; increasing urbanisation	L: Low I: Low	Risk reduction	Products are being introduced which increase productivity per hectare. Some new products which directly increase productivity are Dhanvarsha, Dhanzyme, Dhanzyme Gold, Maxyld. Also, there are new products which indirectly increase productivity by protecting seeds from soil and seed borne diseases e.g. Vitavax power, Vitavax FF
4	Social	Increasing influence of NGO's / media wrt organic foods, side-effects of pesticides on health and environment	L: Low I: Low	Risk reduction	Educating people about the increasing food needs of an increasing population and extent of side-effects of pesticides usage. Also environment- friendly, new low- dosage, but high- efficacy products are introduced to minimise damage to health & environment. For instance, if 500 gm/ acre weedicide was being used earlier, now only 8 gm/ acre is being used because of advanced chemistry products.
5	Technological	Competition from other established companies and future entrants into the industry, both domestic and international, development of new molecules	L: Medium I: Medium	Risk reduction	Continuous exploration & strategic collaborations with International companies for new technologically advanced and more effective products
6	Economic	General State of the Economy & Industry	L: Medium I: Medium	Risk absorption	India is an agriculture dominated economy, where 58% of population is dependent on agriculture for livelihood and ours is an agri-inputs Company. Also, the Company has started to explore new markets through exports.
7	Economic	Farmers' incomes and Minimum Support Prices	L: Low I: Low	Risk absorption	Farmers' incomes and Minimum Support Prices are increasing, which is beneficial to our industry.
8	Political/ Legal	Failure to comply with/ changes in stringent quality norms prescribed by the Government, environmental & other laws/regulations/Policies/ litigation	L: Medium I: Medium	Risk reduction	All due steps are taken to ensure timely compliances
9	Political/ Legal	Changes in Government Policies relating to hazardous Industries	L: Medium I: High	Risk reduction	The Company has commenced production at its plant in Chemical Zone in Keshwana, Rajasthan.



# REPORT ON CORPORATE GOVERNANCE

## I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Dhanuka's governance framework is driven by the objective of enhancing long term stakeholders' value without compromising on ethical standards and Corporate Social Responsibilities. Efficient Corporate Governance requires a clear understanding of the respective roles of the Board of Directors ("Board") and of the Senior Management and their relationships with others in the Corporate Structure. Sincerity, fairness, good citizenship and commitment to compliance are key characteristics that drive relationships of the Board and Senior Management with other stakeholders.

Dhanuka's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices, committed to value creation by taking principle Business decisions. Good Corporate Governance results in enhancement of Shareholders' value and enables the Company to meet its obligations towards all stakeholders with integrity, equity, transparency, fairness, disclosure, accountability and commitment.

This includes its Corporate Structure and the manner in which it deals with various stakeholders. At Dhanuka, it is imperative that our Corporate Affairs are managed in a fair and transparent manner which in turn bring trust, faith and belief in the system. Therefore, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of our Corporate Governance.

Dhanuka believes in adopting the 'Best Practices' that are followed in the area of Corporate Governance across the Industry to ensure fiscal accountability and ethical corporate behavior, in addition to meeting the legal requirements. At Dhanuka, the Board is at the core of our Corporate Governance Practice and considers itself as a Trustee of its

Shareholders and acknowledges its responsibilities towards them for creating and safeguarding their wealth.

Dhanuka is in compliance with the requirements of the revised guidelines on Corporate Governance stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## II. BOARD OF DIRECTORS

### (a) Composition and Category of Directors:

The Board has an optimum combination of Executive, Non-Executive and Woman Director. As at March 31, 2019, Board comprises total 13 Directors out of which Seven are Non-Executive Independent Directors (including one Woman Director) and Six Executive Directors. Out of the Six Executive Directors, one is the Executive Chairman and one is Managing Director. All the Seven Non-Executive Directors are Independent Directors free from any business or other relationship that could materially influence their judgement. All the Independent Directors satisfy the criteria of Independence as defined under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

### (b) Other Directorships and Committee Memberships:

In compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors on Company's Board is a Director in more than 10 Public Limited Companies (including "Dhanuka Agritech Limited") or is a Member of more than 10 Board Committees (Committees being the Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than 5 Board Committees as on 31<sup>st</sup> March, 2019.



**(I) Attendance of each Director at the Meeting of the Board of Directors and the last Annual General Meeting**

S. No	Name of the Directors	Category	No. of Board Meetings during FY 2018-19		Attendance at last AGM held on 10 <sup>th</sup> August, 2018	Directorship in Public Limited Companies as on 31.03.2019	Membership of Committees (excluding Chairmanship) as on 31.03.2019	Chairmanship of Committees as on 31.03.2019
			Held	Attended				
1	Mr. Ram Gopal Agarwal DIN: 00627386	Executive (Promoter) Non-Independent	4	3	Absent	1	0	0
2	Mr. Mahendra Kumar Dhanuka DIN: 00628039	Executive (Promoter) Non-Independent	4	4	Present	2	1	0
3	Mr. Arun Kumar Dhanuka DIN: 00627425	Executive (Promoter) Non-Independent	4	4	Present	2	0	0
4	Mr. Rahul Dhanuka DIN: 00150140	Executive (Promoter) Non-Independent	4	4	Present	3	1	0
5	Mr. Mridul Dhanuka DIN: 00199441	Executive (Promoter) Non-Independent	4	3	Present	2	0	0
6	Mr. Priya Brat DIN: 00041859	Non-Executive Independent	4	4	Present	3	2	2
7	Mr. Indresh Narain DIN: 00501297	Non-Executive Independent	4	4	Present	1	1	1
8	Mr. Sachin Kumar Bhartiya DIN: 02122147	Non-Executive Independent	4	2	Present	4	1	0
9	Mr. Vinod Kumar Jain DIN: 01185937	Non-Executive Independent	4	3	Present	1	1	0



S. No	Name of the Directors	Category	No. of Board Meetings during FY 2018-19		Attendance at last AGM held on 10 <sup>th</sup> August, 2018	Directorship in Public Limited Companies as on 31.03.2019	Membership of Committees (excluding Chairmanship) as on 31.03.2019	Chairmanship of Committees as on 31.03.2019
			Held	Attended				
10	Mrs. Asha Mundra <sup>#</sup> DIN: 00394215	Non-Executive Independent	4	1	Absent	2	1	0
11	Mr. Om Prakash Khetan <sup>#</sup> DIN: 06883433	Non-Executive Independent	4	4	Present	1	0	0
12	Mr. Sanjay Saxena <sup>*</sup> DIN: 01257965	Non-Executive Independent	4	4	Present	1	1	0
13	Mr. Ashish Saraf DIN: 07767324	Executive -Non Independent	4	4	Present	1	0	0
14	Mr. Harsh Dhanuka <sup>**</sup> DIN: 00199516	Additional Executive (Promoter) Non-Independent	N.A	N.A	N.A	N.A	N.A	N.A
15	Mr. Bajrang Lal Bajaj <sup>***</sup> DIN: 00041909	Additional Non-Executive Independent	N.A	N.A	N.A	N.A	N.A	N.A
16	Ms. Namrata Gupta <sup>***</sup> DIN: 08358673	Additional Non-Executive Independent	N.A	N.A	N.A	N.A	N.A	N.A

<sup>#</sup>*Ceased to be Director on completion of First Term w.e.f. 20<sup>th</sup> May, 2019.*

<sup>\*</sup>*Appointed as an Additional Director (Non-Executive Independent category) w.e.f. 22.05.2018.*

<sup>\*\*</sup>*Appointed as an Additional Director (Executive Promoter Non-Independent category) w.e.f. 21.05.2019.*

<sup>\*\*\*</sup>*Appointed as an Additional Director (Non-Executive Independent category) w.e.f. 21.05.2019.*

Note:

1. Directorship, Committee Membership/ Chairmanship is inclusive of "Dhanuka Agritech Limited".
2. Only Audit Committee and Stakeholders' Relationship Committee are considered.
3. Directorships do not include Directorships of Private Limited Companies, LLP and Companies incorporated under Section 8 of the Companies Act, 2013.

**(ii) Listed Entities where the Directors hold other Directorships in the Company other than Dhanuka Agritech Limited**

S. No	Name of the Directors	Name of Other Listed Entities	Category of Directorship
1.	Mr. Priya Brat	1. Dhampur Sugar Mills Limited 2. South Asian Enterprises Limited	1. Independent Director 2. Independent Director
2.	Mr. Sachin Kumar Bhartiya	1. Stylam Industries Limited 2. Capital Trust Limited	1. Independent Director (nominee) 2. Independent Director (nominee)

*Note: No other Director is holding Directorship in any other Listed Entity.*

**(c) Board Meetings held during the Financial Year 2018-19:**

During the Financial Year, Four Board meetings were held and the time gap between any of the two Meetings was not more than one hundred and twenty days. The Board Meetings were held on 22nd May, 2018; 10<sup>th</sup> August, 2018; 14<sup>th</sup> November, 2018 and 12<sup>th</sup> February, 2019.

During the year, a separate meeting of the Independent Directors was held on 12th February, 2019, to review the performance of the Non-Independent Directors, Chairman of the Board, Committees of the Board and the Board as a whole.

**(d) Disclosure of Relationship of Directors Inter-se:**

Mr. Ram Gopal Agarwal, Chairman and Mr. Mahendra Kumar Dhanuka, Managing Director are brothers.

Mr. Rahul Dhanuka, Director -Marketing is son of Mr. R.G. Agarwal, Chairman.

Mr. Mridul Dhanuka, Director-Operations is son of Mr. Mahendra Kumar Dhanuka, Managing Director and brother of Mr. Harsh Dhanuka.

Mr. Arun Kumar Dhanuka is cousin Brother of Mr. Ram Gopal Agarwal and Mr. Mahendra Kumar Dhanuka.

Mr. Harsh Dhanuka, Whole time Director is son of Mr. Mahendra Kumar Dhanuka, Managing Director and Brother of Mr. Mridul Dhanuka.

No other Director has any relationship inter se.

**(e) Number of Shares and convertible instruments held by Non-Executive Directors:**

Mr. Indresh Narain, Non-Executive Independent Director is holding 800 Shares in the Company. No other Non-Executive Director holds any Shares of the Company.

**(f) Functioning of the Board and its Meetings:**

The Board and its Committees meet at regular intervals

for discussion on Agenda circulated well in advance by the Company. All material information is incorporated in the Agenda for facilitating meaningful and focused discussion at the meeting. Where it is not practical to attach or send the relevant information as a part of agenda papers, the same are tabled at the Meeting. To meet business exigencies, resolutions in respect of urgent matters are passed by Banking, Finance & Operations Committee and also by the Directors by Circulation.

The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances. The Board reviewed compliance reports prepared by the Company on quarterly basis.

**(g) Presentation by the Management:**

The Senior Management of the Company is invited at the meetings to make presentations to the Board, covering Financial Reports, Marketing update, operations of the businesses of the Company, Budgets, Auditor's Observations, Strategy and Business Plans, New Product Launch, CSR update and to provide clarifications as and when necessary.

**(h) Access to Employees:**

The Directors bring an independent perspective on the issues deliberated by the Board. They have complete and unfettered access to any information of the Company and to any employee of the Company.

**(i) Re-appointment of the Directors:**

The information/ details pertaining to Directors seeking re-appointment in the ensuing Annual General Meeting (AGM), is provided in the Notice of the AGM. The Notice contains the relevant information, like brief resume of the Directors, nature of their expertise in specific functional areas and names of the Companies in which they hold





Directorship and membership of any Committee of the Board.

**(j) Information Flow to the Board:**

Information is provided to the Board Members on a continuous and regular basis for their review, suggestions and approvals as and when required. More specifically, Annual Strategic and Operating Plans of our business are presented to the Board for their review, inputs and approval. Likewise, Quarterly Financial Statements and Annual Audited Financial Statements are first presented to the Audit Committee and subsequently to the Board for their approval. Detailed presentation on general working of the Company and material developments is made before the Board by Mr. Mahendra Kumar Dhanuka, Managing Director of the Company in every Board Meeting. Detailed presentation about Financial Highlights, Trends, Ratios etc. is made to the Board by Mr. V.K. Bansal, Chief Financial Officer of the Company at every Board Meeting.

In addition, Corporate Laws update, important managerial decisions, material positive/ negative developments and statutory matters are presented to the respective Committees of the Board and later with the recommendation of such Committees to the Board for their approval. Detailed Agenda for the Board and Committee Meetings along with supporting documents are circulated well in advance to all the Directors to enable them to fully participate in Meetings and provide their suggestions/ inputs and simultaneously to address their queries. Information pertaining to compliance status of all applicable Laws along with recent amendments is provided to the Board from time to time.

**(k) Familiarization Programme and Training for Independent Directors:**

The Company regularly provides orientation and business overview to its Directors by way of detailed presentations by various business & functional heads at Board Meetings and through other interactive programmes. Such Meetings/ programmes include briefings on the culture, values, business model of the Company, the roles and responsibilities of the Directors and Senior Executives. Besides this, the Directors are regularly updated about Company's new projects, R&D initiatives, Product Launch, Litigation update, changes in regulatory environment and strategic direction. The Board members are also provided relevant documents, reports and internal policies to facilitate familiarisation with the Company's procedures and practices, from time to time.

At the time of Appointment, the Company conducts Familiarization Programme for an Independent Director by conducting Meetings with key officials such as Chairman, Managing Director, Chief Financial Officer, Company Secretary and other Senior Business Leaders. During the Meeting, presentations are made on the roles and responsibilities, duties and obligations of the Board Members, Company's business and strategy, financial reporting, governance and compliances and other related matters. Details regarding familiarization programme are available on the Company's website i.e., [www.dhanuka.com](http://www.dhanuka.com) under "Investors Section".

**(l) Code of Conduct for the Board and Senior Management:**

The Company has laid down a Revised Code of Conduct for the Board and Senior Management Personnel of the Company which is effective from 1st April, 2019. The Company has received affirmations from the Board Members as well as Senior Management confirming their compliance with the earlier Code for Financial Year 2018-19 and also confirmation for adherence to Revised Code for Financial Year 2019-20. An Annual Declaration signed by the Chief Executive Officer (Managing Director) and Chief Financial Officer (CFO) to this effect forms part of this Report. The Code is available on the website of the Company i.e. [www.dhanuka.com](http://www.dhanuka.com) under the "Investors Section".

**(m) Code For Prevention of Trading by Designated Persons:**

The Company has Revised Code for Prevention of Insider Trading in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013 (as amended from time to time).

The Company has also Revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for Prevention of Insider Trading in line with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013 and referred to as the "Fair Disclosure Code".

The Trading Window is closed prior to the Board Meeting at which Unpublished Price Sensitive Information is discussed and re-opens after the Public Announcement of this information by the Company, in accordance with the Code. The Company observes a silent period when the Trading Window is closed.

The procedure for dissemination of Unpublished Price Sensitive Information is complied by the Chief Investors Relations Officer and Authorized Spokespersons, as stated in the Fair Disclosure Code.

(n) **Succession Planning for the Board and Senior Management:**

• **Board of Directors**

The Nomination and Remuneration Committee (NRC) of the Board, shall identify the suitable person For appointment at Board level including from the existing top Management. The NRC shall apply due diligence process to determine competency of person(s) being considered for appointment or re-appointment as a Director including Managing Director/ Whole time Directors of the Company in accordance with the provisions of the Nomination and

Remuneration Policy of the Company and the applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

• **Senior Management**

The Managing Director/ Executive Director(s) are empowered to identify, appoint and remove the Senior Management Personnel in accordance with the provisions of the NRC Policy, and keeping in view the organization's mission, vision, values, goals and objectives.

**A chart or a matrix setting out the skills/ expertise/ competence of the Board of Directors specifying the following:**

(i) **List of core skills/ expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board.**

Name of the Directors	Qualification	Experience	Competencies
<b>Mr. Ram Gopal Agarwal</b>  <b>Chairman</b>  Executive- Non Independent	B.Com (Hons)-Sri Ram college of Commerce, Delhi University.	51 Years	<p>Mr. R.G. Agarwal is a Founder member and Chairman of Dhanuka Agritech Limited. His deep commitment and inspiring leadership in initial turbulent days in an example worth inculcating. His passion to contribute to Indian Agriculture is commendable. Over Five long decades, he has never lost his vision. He has dedicated himself to bring changes in Agrochemicals Industry and the farming community. His contribution for adopting newer farming techniques at the grass root level, judicious use of Agrochemicals in farming and imparting knowledge through his nationwide network of distributors and Dhanuka Doctors in field has resulted in the overall prosperity of farmers.</p> <p>Today, Dhanuka group is present all over the country with 3 world class manufacturing facilities and one R&amp;D Centre.</p> <p>Mr. R.G. Agarwal has been the past Chairman of CCFI, (Crop Care Federation of India). He is also active as advisor to Agrochemicals Federation of India.</p> <p>Mr. R.G. Agarwal, Chairman, has been bestowed with many Awards. Few of those are:</p> <p><b>“Life Time Achievement Award”</b> during Agri Business Summit &amp; Agri Awards 2019 at Hyderabad by Agriculture Minister of Telangana.</p> <p><b>“EY Entrepreneur of the Year- 2016 Award”</b> for his outstanding contribution to inspire and support entrepreneurship in the agriculture sector</p> <p>Award for <b>“Distinguished Contribution to Indian Agrochemicals Industry”</b> during India Chem 2016 International Conference organised by FICCI.</p>



Name of the Directors	Qualification	Experience	Competencies
<b>Mr. Mahendra Kumar Dhanuka</b> Managing Director Executive- Non Independent	B.Com (Hons) -Sri Ram College of Commerce, Delhi University.	45 Years	<p>Mr. M. K. Dhanuka has been working as Managing Director of Dhanuka since its incorporation. He is an eminent personality and has a vast and rich experience of 45 years in the Agrochemicals Industry. He is proficient in the Corporate Affairs and his keen insight and judgment bring excellence in the functioning of the Company, its Board and Committees. He has deep commitments towards the achievement of organizational goals and has also played a key role in introducing principles of Corporate Governance in the functioning of the Company. His foresight and business acumen have helped the Company achieve its goals.</p> <p>Acting as a member of Audit Committee, he is excellently handling all the Financial Transactions of the Company as well as maintaining tremendous control over minimizing frauds and malpractices in the Company. In his supervision Company has become debt free and there are no Long term borrowings in the Company.</p>
<b>Mr. Arun Kumar Dhanuka</b> Executive- Non Independent	B.Com- Delhi University.	41 Years	<p>He has a distinguished corporate career of 41 years. He was responsible for overall operations of Gurgaon Factory. After shifting of manufacturing operations of Gurgaon Factory w.e.f. 9<sup>th</sup> January, 2018, he is taking care of Sanand Factory Operations. With his innovative ideas, able leadership and utmost sincerity, he has raised the Company to new heights of success.</p>
<b>Mr. Rahul Dhanuka</b> Director (Marketing) Executive- Non Independent	Master in Business Administration-S.P. Jain Institute of Management & Research.	21 Years	<p>He has a distinguished Corporate career of more than 21 years. Being Director Marketing, he has tremendously contributed in taking sales to new heights. Company has Pan India presence and around 7000 distributors. Due to his excellent Marketing Management Skills, the Company has been able to penetrate the interiors of rural India. He has been instrumental in bringing new systems and policies in the organization, implementation of ERP and for strategic business relationships with all the collaborators. As a member of Stakeholders' Relationship Committee of the Company he takes keen interest in ensuring that no effort is spared to maintain good stakeholders' relationship and to address grievances speedily.</p>
<b>Mr. Mridul Dhanuka</b> Director (Operations) Executive- Non Independent	B.Tech (Chemical Engineering)-Pune University MBA-NITIE, Mumbai.	15 Years	<p>Mr. Mridul Dhanuka has been associated with Dhanuka since 2005 and with his technical expertise, he has enlarged the product base of Dhanuka. He helped the Company in smoothening the production, procurement and logistic functions and established Quality Control. His new initiatives include improving the efficiency and functioning of the Company and improving the profitability. As Director Operations he is instrumental in driving various initiatives with the support of his key senior leadership teams to achieve the Company's set milestones aimed at <b><i>"Transforming India through Agriculture"</i></b>.</p>



Name of the Directors	Qualification	Experience	Competencies
<b>Mr. Priya Brat</b> Non-Executive Independent Director	M.Sc (Hons)-Physics; Fellow Member- Indian Institute of Bankers, Diploma (International Finance)-Development Management Institute, Geneva Diploma (Banking, Finance and Accountancy)-The Indian Institute of Bankers, Mumbai.	50 Years	He has distinguished career in State Bank of India and headed various important assignments related to Industrial Credit, Forex Management, Project Appraisal, Loan Syndication and Merchant Banking. Mr. Brat has been associated with Dhanuka for more than 15 years and plays very vital role in effective functioning of the Board and has made commendable suggestions from time to time. Being from Banking background and having rich experience of financial sector, Mr. Brat is heading Audit Committee and Nomination and Remuneration Committee of the Company as Chairman and has been instrumental in maintaining high standards of accuracy and efficiency in all financial transactions, Audit, internal controls etc.
<b>Mr. Indresh Narain</b> Non-Executive Independent Director	Bachelor of Arts (Hons) - AIB London.	40 Years	<p>Mr. Indresh Narain has rich experience of 40 years in Banking and has retired as Head of Compliance and Legal, HSBC Group. He was earlier Director on the Boards of Cholamandalam Investment &amp; Finance Limited, Intex Technologies Limited, Mindteck (India) Ltd., PineBridge Investments Trustee Company (India) Private Limited and member of the Board of Governors of the Indian Public Schools Society, Dehra Dun, and its Hony Treasurer.</p> <p>He is responsibly acting as member of the Audit Committee and ensures that the Audit Committee effectively performing its functions as per charter entrusted to it. Being Chairman of the Stakeholders' Relationship Committee and Member of Corporate Social Responsibility Committee, he ensures that Shareholder's grievances, requests etc. are addressed in a proper and timely manner and that minority interests are protected.</p>
<b>Mr. Sachin Kumar Bhartiya</b> Non-Executive - Independent Director	Fellow Chartered Accountant  B.Com- University of Calcutta	18 Years	<p>He is a Partner at Lighthouse Funds, an India dedicated mid-market focused private equity fund. At Lighthouse, Mr.Sachin leads agri and consumer verticals and presently sits on the boards of Bikaji Foods (one of the largest ethnic snacks Companies in India), Indian Herbs (the largest herbal medicine and feed supplement Company in India mainly focusing on cattle and poultry), Stylam Industries (premium laminates maker), and Capital Trust Ltd (lending to MSME enterprises).</p> <p>He was also involved in Fund's investments in Shaily Engineering (plastic product Company), Unibic Biscuits (premium cookies Company) and Suraksha Diagnostics (eastern India focused diagnostics chain) and held board positions there.</p>
<b>Mr. Vinod Kumar Jain</b> Non-Executive Independent Director	B.Com -Sri Ram college of Commerce, Delhi University.	45 Years	Having rich and multifaceted experience of more than 45 years. With his innovative ideas and skills, he has taken his business of cotton yarn to new heights. He is also Secretary of Cotton Yarn Merchant Association. He has added value to the Company's systems by giving his valuable suggestions and recommendations to the Board in critical areas. He is also acting as member of Audit Committee and provides his valuable suggestions relating to Business operations of the Company as well as Financial matters.



Name of the Directors	Qualification	Experience	Competencies
<b>Mr. Om Prakash Khetan</b> Non-Executive Independent Director	M.Tech- IIT Kharagpur MDP-IIT, Kolkata and completed his training in USA & UK.	30 Years	<p>Having over 30 years of experience in Industrial Relations/ Human Resource Management. Worked as head of HR/ Personnel with Steel Authority of India (SAIL) and ICI India Ltd. (Indian Subsidiary of British multinational). Former Chairman of National Institute of Per Personnel Management (Delhi Chapter). Presently he is Founder Executive Director of HRD Centre. He was also a member of Nomination and Remuneration Committee of the Board.</p> <p><b><i>Ceased to be Director w.e.f. 20<sup>th</sup> May, 2019</i></b></p>
<b>Mrs. Asha Mundra</b> Non-Executive Independent Director	Graduation-Miranda House College, Delhi University Export Marketing Course-Import Export Promotion Council, New Delhi.	24 Years	<p>Having more than 24 years of rich experience as Administrative Head with M/s. Merino Industries Limited, manufacturer of interior and panel products. Presently, she is an Executive Director in M/s. Anupriya Marketing Limited, which is involved in marketing of interior and panel products.</p> <p><b><i>Ceased to be Director w.e.f. 20<sup>th</sup> May, 2019</i></b></p>
<b>Mr. Ashish Saraf</b> Executive Non-Independent	B.Com-Shaheed Bhagat Singh College, Delhi University.	25 Years	<p>Having distinguished Corporate career of 25 years. Was associated in past with M/s. Narayan International, New Delhi, (International Trade &amp; Consultancy) as a Chief Executive Officer (CEO) and M/s. Mauria Udyog Ltd. (Terry Towel) as a Chief Coordinating Officer (CCO). Associated with Dhanuka for the past 3 years and efficiently handling CSR and HR activities of the Company.</p>
<b>Mr. Harsh Dhanuka</b> Additional Director- Executive Non-Independent	MBA- Monash Graduate Business School, Monash University, Melbourne, Australia.	12 Years	<p>Mr. Harsh Dhanuka has been associated as Vice President –Marketing in the past and associated with Dhanuka for past 12 years. He is instrumental in driving many key initiatives under various facets of the company directly impacting its Sales. He has a BBA degree specializing in Marketing and HR and a Masters Degree in International Business from Monash University, Melbourne, Australia.</p> <p>He undertook training in various departments of the Company like Accounts, Finance, HR and R&amp;D, before moving to Sales Division where he spent 7+ years. He handled various roles in sales division such as Sales Manager, Regional Manager and Zonal Manager, before moving into his current role.</p> <p>Mr. Harsh is responsible for all International Relationships of Dhanuka and working for getting new patented products and technologies for the benefit of Indian farmers. He has initiated and pioneered the Sales Excellence department which is now key function for performance management of Sales Department and supports in Farmer outreach. He is also working to expand Dhanuka's business by tying up with Indian Corporates and other Institutional Customers to add a new Revenue stream for the Company.</p> <p><b><i>Appointed as Whole time Director (Additional) w.e.f 21<sup>st</sup> May, 2019</i></b></p>

Name of the Directors	Qualification	Experience	Competencies
<b>Mr. Sanjay Saxena</b>  Non-Executive Independent Director	<ul style="list-style-type: none"> <li>❖ Cost and Management Accountant-Institute of Cost &amp; Management Accountants of India (ICMA)</li> <li>❖ B.Com- Delhi University.</li> <li>❖ PG Diploma (Urban Management and Planning with distinction-) Institute for Housing and Urban Development Studies (IHS), Erasmus University, Rotterdam, The Netherlands</li> <li>❖ Diploma in Advance Software Application -Computers Point, New Delhi.</li> </ul>	25 Years	<p>Having 25 years of experience of international working as development sector consultant. Areas–Governance, e-Governance, Public Financial Management (PFM) and Monitoring &amp; Evaluation (M&amp;E). He has applied this subject matter expertise across a range of diverse sectors such as Urban Development, Tourism Development, Rural Development, Infrastructure Development, Water and Sanitation, Skills Development, Education, Health, etc. He has also worked on over a hundred development sector projects in over 23 Countries, and also worked over the last 12 years, on numerous donor funded projects, where his scope of work ranged from providing technical inputs for initial project design and program planning, to implementation support and monitoring, to post-implementation review.</p> <p>Mr. Saxena has been associated with Dhanuka for the past one year. He is member of Stakeholder's Relationship Committee and Nomination and Remuneration Committee. His diversified experience has proved very beneficial for the Board and he has made valuable suggestion on various operational, financial matters. As a member of Stakeholders' Relationship Committee, he ensures that transfer/ transmission/ demat/ remat requests are speedily addressed by the Company/ RTA.</p>
<b>Ms. Namrata Gupta</b>  Non-Executive Independent Director	<ul style="list-style-type: none"> <li>❖ M.Com-Kurukshetra University</li> <li>❖ M.A.-Psychology</li> <li>❖ PGD-(Psychological Counselling) and M. Phil-(Organisational Behaviour) - Institute of Psychotherapy and Management Sciences</li> <li>❖ Member- International Association for Counselling (IAC).</li> </ul>	10 Years	<p>She is having over 10 years of experience in Relationship Counselling, Master practitioner of Neuro Linguistic programme and also worked with people individually and in groups and helped them develop a strong positive self-image, improve communication and resolve conflicts.</p> <p><b>Appointed as Additional Director Independent w.e.f 21<sup>st</sup> May, 2019.</b></p>
<b>Mr. Bajrang Lal Bajaj</b>  Non-Executive Independent Director	<ul style="list-style-type: none"> <li>❖ Fellow Chartered Accountant (Rank Holder)</li> <li>❖ Fellow Company Secretary (Gold Medalist)</li> <li>❖ Fellow Member of Indian Management Association</li> <li><b>Association with the Chambers of Commerce &amp; Industry (Present/Past)</b></li> <li>❖ FICCI- Industry Committee</li> <li>❖ FICCI- Finance and Banking Committee</li> <li>❖ FICCI- Foreign trade Committee</li> <li>❖ Several Committees of PHDCCI</li> </ul>	20 Years	<p>Rich experience in Corporate Finance, Cross Border Business Development, M&amp;A &amp; General Management. Offers advisory services as MD of M/s. Dynamic Orbits Consultancy to Indian as well as global corporate looking for mergers/ acquisitions/ JVs and cross border business development.</p> <p><b>Industry Experience</b> - Automobiles, Chemicals, Power, Textile, IT, Services, International Business and Investment Banking. Handled functions like-Strategy, Business Development, Operations and CEO position.</p> <p><b>Appointed as Additional Director Independent w.e.f 21<sup>st</sup> May, 2019.</b></p>





**(ii) Confirmation that in the opinion of the Board, the Independent Directors fulfil the conditions specified in these Regulations and are Independent of the Management.**

The Board has given its confirmation stating that all the Independent Directors fulfil all the conditions specified in the Listing Regulations and are Independent of the Management. All the Independent Directors have also given confirmation stating that they meet the Criteria of Independence.

**(iii) Detailed reasons for the Resignation of an Independent Director who resigns before the expiry of his tenure along with a confirmation by such Director that there are no other material reasons other than those provided.**

**(a) Mr. Om Prakash Khetan**

The First Term of Mr. Om Prakash Khetan as an Independent Director has been concluded on 19th May,

2019. He has shown his unwillingness to continue as an Independent Director for Second Term due to health reasons. Mr. Khetan has confirmed that there is no other material reason for non-continuation other than as provided above.

**(b) Mrs. Asha Mundra**

The First Term of Mrs. Asha Mundra as an Independent Director has been concluded on 19th May, 2019. She has shown her unwillingness to continue as an Independent Director for Second Term due to pre-occupation and paucity of time. Mrs. Mundra has confirmed that there is no other material reason for non-continuation other than as provided above.

**(iv) Changes among Directors:**

Name of the Directors	First Term	Second Term
Mr. Priya Brat	First Term Expired w.e.f. 19 <sup>th</sup> May, 2019	20 <sup>th</sup> May, 2019 to 19 <sup>th</sup> May, 2024
Mr. Indresh Narain	First Term Expired w.e.f. 19 <sup>th</sup> May, 2019	20 <sup>th</sup> May, 2019 to 19 <sup>th</sup> May, 2024
Mr. Vinod Kumar Jain	First Term Expired w.e.f. 19 <sup>th</sup> May, 2019	20 <sup>th</sup> May, 2019 to 19 <sup>th</sup> May, 2024
Mrs. Asha Mundra	First Term Expired w.e.f. 19 <sup>th</sup> May, 2019	Non Continuation of Second Term due to Preoccupation and paucity of time
Mr. Om Prakash Khetan	First Term Expired w.e.f. 19 <sup>th</sup> May, 2019	Non Continuation of Second Term due to health reasons

Name of Directors	Effective Date	Appointment/ Cessation
Mr. Sanjay Saxena	22 <sup>nd</sup> May, 2018	Appointment as an Independent Director for First Term of Five Years
Mr. Arun Kumar Dhanuka	1 <sup>st</sup> August, 2018	Re-appointment as Whole Time Director for Five Years*
Mr. Harsh Dhanuka	21 <sup>st</sup> May, 2019	Appointment as an Additional Director (Non-Independent Executive Category for 5 Years)**
Mr. Bajrang Lal Bajaj	21 <sup>st</sup> May, 2019	Appointment as an Additional Director (Independent Category for First Term of 5 Years)**
Ms. Namrata Gupta	21 <sup>st</sup> May, 2019	Appointment as an Additional Director (Independent Category for First Term of 5 Years)**

\* Appointed pursuant to Special Resolution passed by the Shareholders at their Annual General Meeting held on 10<sup>th</sup> August, 2018.

\*\* Appointment of Mr. Harsh Dhanuka, Mr. Bajrang Lal Bajaj and Ms. Namrata Gupta is recommended for members' approval at the ensuing AGM.

(o) Re-appointment of Directors Proposed at upcoming AGM:

- ❖ Following Directors are liable to retire by rotation and are eligible for re-appointment at the forthcoming AGM:
  1. Mr. Arun Kumar Dhanuka
  2. Mr. Rahul Dhanuka
- ❖ Tenure of Mr. Mahendra Kumar Dhanuka as Managing Director of the Company will be over on 13<sup>th</sup> August, 2019 and being eligible, he has offered himself for re-appointment. Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors has approved and recommended his re-appointment as Managing Director for a further period of 5 (Five) Years w.e.f. 14<sup>th</sup> August, 2019 at the ensuing AGM.
- ❖ Mr. Harsh Dhanuka has been appointed as Additional Director w.e.f. 21st May, 2019. His appointment as Whole time Director for a period of 5 (Five) consecutive years is proposed at ensuing AGM.
- ❖ Ms. Namrata Gupta has been appointed as Additional Director (Independent Category) w.e.f. 21st May, 2019. Her appointment as Independent Director for First Term of 5 (Five) consecutive years is proposed at ensuing AGM.
- ❖ Mr. Bajrang Lal Bajaj has been appointed as Additional Director (Independent Category) w.e.f. 21st May, 2019. His appointment as Independent Director for First Term of 5 (Five) consecutive years is proposed at ensuing AGM.

Brief resume, nature of expertise in specific functional areas, Directorships and Membership of the Board Committees of all the proposed appointees/ re-appointees are given in the Explanatory Statement attached to the Notice of 34th AGM of the Company.

(p) **Committees of the Board of Directors :**

The Board Committees play a crucial role in the Governance structure of the Company and have been assigned specific areas/ activities which need closer review. They are set up under the formal approval of the Board, to carry out their clearly defined roles.

Currently, the Board has the following Committees(s):

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Banking, Finance and Operations Committee
- Corporate Social Responsibility Committee
- Buyback Committee

➤ **Audit Committee :**

The Audit Committee of the Company is constituted in line with the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 and the Rules notified by the Central

Government in this regard. The Board decides the Membership and terms of reference of the Audit Committee within the framework laid down by SEBI. Four Meetings of the Committee were held during the year on 22<sup>nd</sup> May, 2018; 10<sup>th</sup> August, 2018; 14<sup>th</sup> November, 2018 and 12<sup>th</sup> February, 2019. The necessary quorum was present during all the Meetings.

**Terms of Reference :**

- 1) Recommend to the Board the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors, including filling of a casual vacancy, fixation of audit fee/ remuneration, terms of appointment and also provide prior approval of the appointment and the fees for any other services rendered by the Statutory Auditors. The Committee will recommend to the Board, the name of the audit firm who may replace the incumbent auditor on the expiry of their term.
- 2) To review and monitor the information provided by the audit firm relating to the independence of such firm and among other things, information relating to the non-audit services provided and expected to be provided by the Statutory Auditors.
- 3) Review with the Statutory Auditors their plans for and the scope of their annual audit and other examinations.
- 4) Discuss with the Statutory Auditors the matters required to be discussed for the conduct of the audit.
- 5) Review and examination with the Statutory Auditors the proposed Report on the annual audit, areas of concern and the accompanying management letter,
- 6) Review and examination of the Company's financial Reporting process and the disclosure of its financial information to ensure that the Financial Statements are accurate, sufficient and credible and evaluation of internal financial controls and risk management systems.
- 7) The Audit Committee will review with appropriate officers of the Company and the Statutory Auditors, the annual Financial Statements of the Company prior to submission to the Board or public release thereof, focusing primarily on:
  - ❖ Matters required to be included in the Directors' Responsibility Statement
  - ❖ In the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013;
  - ❖ Any changes in accounting policies and practices and reasons for the same.
  - ❖ Major accounting entries based on exercise of judgment.
  - ❖ Qualifications in draft Audit Report.
  - ❖ Significant adjustments made in the Financial Statements arising out of audit.
  - ❖ The going concern assumption.
  - ❖ Compliance with accounting standards.
  - ❖ Compliance with Listing and other legal requirements



- concerning Financial Statements.
- ❖ Disclosure of Related Party Transactions, i.e. transactions of the Company with its subsidiaries, promoters or the management, or their relatives, etc. that may have conflict with the interest of the Company at large.
  - ❖ Contingent liabilities.
  - ❖ Status of litigations by or against the Company.
  - ❖ Claims against the Company and their effect on the accounts.
  - ❖ Modified opinion(s) in the draft audit report;
- 8) Reviewing with the Management, the annual/ quarterly/ interim Financial Statements before recommending to the Board for approval.
- 9) Review with the management the performance of the Internal Auditors and the existence, adequacy and effective functioning of the internal control systems including internal control system over financial reporting.
- 10) Oversight of the Company's Financial Reporting process and the disclosure of its financial information to ensure that the Financial Statements are correct, sufficient and credible.
- 11) Review the adequacy of the Internal Audit function, including the structure of the Internal Audit department, adequate staffing and the qualifications, experience, authority and autonomy of the person heading the department, the Reporting structure, coverage and frequency of Internal Audit.
- 12) Review with the senior Internal Audit executive and appropriate members of the staff of the Internal Audit department
- The plans and the scope of their ongoing audit activities.
  - The periodic Reports of the findings of the audit Reports and the necessary follow up.
  - Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of the internal control system of a material nature and ensure that proper corrective action is taken.
  - The adequacy of the Company's internal financial controls as defined in Section 134 of the Companies Act, 2013.
- 13) Direct access to Chairman of the Audit Committee under Vigil mechanism/ Whistle Blower Policy of the Company to provide adequate safeguards against victimization of all persons.
- 14) Review such other matters in relation to the accounting, auditing and financial Reporting practices and procedures of the Company as the Committee may, in its own discretion, deem desirable in connection with the review functions described above.
- 15) Report its activities to the Board in such manner and at such times, as it deems appropriate.
- 16) Authority to investigate any matter in relation to the items specified in Section 177 of the Companies Act, 2013 or referred to it by the Board and for this purpose; it will have full access to the information contained in the records of the Company. It may also investigate any activity within its term of reference. It has the authority to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (for non-payment of declared dividends) and creditors, if any and any other instance of a failure of legal compliance.
- 17) The Committee may seek information from any employee and may obtain from external independent sources any legal or other professional advice it considers necessary in the performance of its duties. It may also secure attendance of independent professional persons with suitable qualifications and relevant experience in specific matters, if it considers this necessary.
- 18) Approval for appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc.
- 19) Review and monitor, with the management, the statement of uses/ application of funds raised through an issue (public, rights preferential issue etc.) the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the Report submitted by the monitoring agency monitoring the utilization of proceeds of the public issue or rights issue, and make appropriate recommendations to the Board.
- 20) Review of Other Informations:
1. Management Discussion and Analysis of financial condition and results of operation.
  2. Statement of Related Party Transactions submitted by the Management.
  3. Internal Audit Reports relating to internal control weaknesses.
  4. Inter-corporate loans and investments.
  5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.
  6. Valuation of undertakings and assets of the Company, whenever necessary
- 21) Omnibus approval for Related Party Transactions.
- 22) Review and approval of all Related Party Transactions.
- 23) The Chairman of the Audit Committee will attend the Annual General Meetings of the Company and provide clarifications on matters relating to its scope sought by the members of the Company.
- 24) The Committee will review the Financial Statements, in particular the inter-corporate loans and investments made by or in the Subsidiary Companies.
- 25) In case the Auditor has sufficient reason to believe that an offence involving fraud is being or has been committed



against the Company by employees of the Company or by the Company, the Auditor will forward his Report to the Committee and the Committee will send its reply or observations to the Auditor and such matters will be reported to the Board by the Committee. The Statutory Auditors of the Company shall have a right to be heard in the Audit Committee Meetings and they will participate in discussions related to the audit and review of the annual Financial Statements of the Company and any other matter that in the opinion of the Statutory Auditors needs to be brought to the notice of the Committee or any matter in which they are invited by the Committee to participate.

- 26) The Committee will take into consideration the qualifications and experience of the person proposed for appointment as the Cost Auditor and recommend such appointment to the Board, together with the remuneration to be paid to the Cost Auditor.
- 27) The Committee will carry out all other duties, as may be

prescribed by Listing Agreement with Stock Exchanges, Companies Act, 2013, Rules made thereunder and all other applicable laws.

- 28) To review the utilization of loans and/ or advances from/ investment by the Company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the Subsidiary, whichever is lower including existing loans/ advances/ investments existing as on 1st April, 2019.
- 29) To review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) at least once in a financial year and to verify that the systems for internal control are adequate and are operating effectively.
- 30) To Review the Report presented by Compliance officer with regard to compliance of Internal Code of Conduct of the Company to Regulate, Monitor and Report Trading by Designated Persons.

### Composition and Attendance

Name	Designation and Category	Meeting(s) Held during Tenure	Meetings Attended
Mr. Priya Brat	Chairman - Non-Executive Independent	4	4
Mr. Mahendra Kumar Dhanuka	Member - Executive Non Independent	4	4
Mr. Vinod Kumar Jain	Member - Non-Executive Independent	4	3
Mr. Sachin Kumar Bhartiya	Member - Non-Executive Independent	4	2
Mr. Indresh Narain	Member - Non-Executive Independent	4	4

Company Secretary of the Company being Secretary to the Committee attended all the Meetings.

All the members of Audit Committee are financially literate and Mr. Priya Brat, Chairman of the Committee, has expertise in finance.

Reporting of Internal Auditors: The Internal Auditors of the Company attend Meetings of Audit Committee on a regular basis and findings of internal audits as well as action taken thereon are reported directly to the Audit Committee.

#### ➤ **Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee formulates the criteria for remuneration of Directors, Senior Management and Key Managerial Personnel and after

evaluation recommends the same to Board of Directors. This Committee also evaluates performance of Independent Directors and Board of Directors from time to time based upon descriptive performance evaluation forms. Non Independent Directors conduct detailed evaluation of performance of Independent Directors based upon pre filled questionnaire setting out expectations from Independent directors and their actual performance on same. During the year ended 31st March, 2019, two meetings of the Committee were held on 22nd May, 2018 and 14th November, 2018. The necessary quorum was present during both the Meetings.

Name	Designation and Category	Meeting(s) Held during Tenure	Meetings Attended
Mr. Priya Brat	Chairman- Non-Executive Independent	2	2
Mr. Om Prakash Khetan*	Member Non-Executive Independent	2	2
Mr. Sachin Kumar Bhartiya	Member- Non-Executive Independent	2	1
Mr. Sanjay Saxena**	Member- Non-Executive Independent	NA	NA

\* ***Ceased to be member w.e.f. 20th May, 2019 on conclusion of his first term as Independent Director and unwillingness to continue for the second term.***

\*\* ***Appointed as member with effect from 12th February, 2019***

Company Secretary of the Company being Secretary to the Committee attended all the Meetings.



## Terms of Reference:

**The terms of reference of Nomination and Remuneration Committee were revised in following manner with effect from 12th February, 2019:**

- (1) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance;
- (2) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- (3) To Formulate criteria for performance evaluation of Independent Directors and the Board;
- (4) Devise a Policy on Board diversity;
- (5) Evaluate whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- (6) Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time;
- (7) Any other matter, as may be required by the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any other law for the time being in force or as directed by the Board of Directors.

## REMUNERATION POLICY

The Company's Remuneration Policy represents the overarching approach of the Company to the remuneration of Directors and Senior Management. The objective of the Company's Remuneration Policy is to ensure that all employees, including Executive Directors and Key Managerial Personnel are sufficiently incentivized for enhanced performance. The Nomination and Remuneration Committee takes into account various factors to determine this Policy and to amend it from time to time. The Policy ensures that due regard is given to the Company's financials and interest of Shareholders and that levels of remuneration are sufficient to attract and retain exceptional employees who can take the Company forward.

Within the terms of agreed Policy, the Company determines the individual remuneration package for all its employees giving due weightage to the Corporate and individual performance including their experience, educational and professional qualifications. Both variable and fixed components of the

remuneration packages are set as per the market practices followed in India and our industry. Total remuneration will comprise:

- a) Basic Salary to perform day to day operations.
- b) Variable pay payable to Sales team on achievement of prescribed targets on Specialty and Lifeline products.
- c) Sales Incentives payable to Sales team as per the incentive Policy of the Company devised to motivate its sales employees to "Sell More, Earn More".
- d) A performance linked incentive for non-sales team based on the corporate performance, departmental achievements and individual contribution.
- e) Relevant long term employee benefits - Provident Fund, Gratuity, Superannuation etc. are paid in accordance with the applicable laws.
- f) Commission and Perquisites are provided to Executive Directors and Senior Executives as per the market practices.
- g) Business tools like car / driver / laptops / phones, etc. are provided, as per Company Policy.

Remuneration policy of the Company is available at its website i.e. [www.dhanuka.com](http://www.dhanuka.com) under investors section.

## Remuneration paid During Financial Year 2018-19

### ❖ To Non-Executive Directors

S. No.	Name of Directors	Sitting Fee (In Rs.)
1	Mr. Priya Brat	2,40,000
2	Mr. Vinod Kumar Jain	1,50,000
3	Mr. Indresh Narain	2,80,000
4	Mr. Sanjay Saxena	1,80,000
5	Mr. Sachin Kumar Bhartiya	1,20,000
6	Mrs. Asha Mundra	50,000
7	Mr. Om Prakash Khetan	1,60,000

### ❖ To Executive Directors:

As per the remuneration policy, the remuneration paid to Executive Directors is recommended by the NRC and approved by the Board, subject to subsequent approval by shareholders at the General Meeting and such other authorities, as the case may be. The remuneration is arrived at after considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the Company.

₹ in Lakhs

S. No.	Name of the Director	Salary and Allowances	Commission	Superannuation	P.F.	Total
1.	Mr. Ram Gopal Agarwal Chairman	183.68	205.33	-	15.00	404.01
2.	Mr. Mahendra Kumar Dhanuka Managing Director	204.12	205.33	-	14.88	424.33
3.	Mr. Arun Kumar Dhanuka Whole time Director	90.15	205.33	-	10.80	306.28
4.	Mr. Rahul Dhanuka Whole time Director	73.65	205.33	1.20	8.82	289.00
5.	Mr. Mridul Dhanuka Whole time Director	70.65	140.22	1.20	8.46	220.53
6.	Mr. Ashish Saraf Whole time Director	17.15	-	-	0.22	17.37

The Executive Directors are not paid any Sitting Fees. The Non-Executive Directors were paid sitting fees of Rs. 30,000/- for each Board Meeting attended and Rs. 20,000/- for each Committee Meeting attended during the Financial Year 2018-19.

#### ❖ Details of Equity Shares Held by Directors as on 31<sup>st</sup> March, 2019

Name of the Directors	Number of Equity Shares
Mr. Ram Gopal Agarwal	349148
Mr. Rahul Dhanuka	316958
Mr. Mahendra Kumar Dhanuka	28665
Mr. Indresh Narain	800
Mr. Mridul Dhanuka	28665
Mr. Arun Kumar Dhanuka	37906

The Company has not issued any ADR/GDR/Warrants/ any kind of convertible Securities or Employee Stock Option.

None of the Non-Executive Directors hold any Equity Shares of the Company, except Mr. Indresh Narain, who holds 800 (Eight Hundred) Equity Shares.

#### ➤ Stakeholder's Relationship Committee :

During the Financial Year 2018-19, Four Stakeholders' Relationship Committee Meetings were held on 22<sup>nd</sup> May, 2018; 10<sup>th</sup> August, 2018; 14<sup>th</sup> November, 2018 and 12<sup>th</sup> February, 2019.

The necessary quorum was present during all the Meetings.

#### Constitution and Attendance:

Name	Designation and Category	Meeting(s) Held during Tenure	Meetings Attended
Mr. Indresh Narain	Chairman - Non-Executive Independent	4	4
Mr. Rahul Dhanuka	Member - Executive Non Independent	4	4
Mrs. Asha Mundra*	Member - Non-Executive Independent	4	1
Mr. Sanjay Saxena**	Member - Non-Executive Independent	3	3

\* Ceased to be member consequent to completion of First Term of Directorship w.e.f. 20th May, 2019 and unwillingness to continue for the Second Term.

\*\* Mr. Sanjay Saxena has been appointed as a member of the Committee w.e.f. 10<sup>th</sup> August, 2018.

Company Secretary of the Company being Secretary to the Committee attended all the Meetings.



**Terms of Reference :**

The Stakeholders' Relationship Committee

- (1) To review for the timely redressal of investors' complaints and to consider measures in the larger interest of investors
- (2) Resolving 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;
- (3) Review of measures taken for effective exercise of voting rights by shareholders;
- (4) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- (5) Review of 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.

**Name, designation and address of Compliance Officer :**

**Ms. Jyoti Verma, Company Secretary/ Compliance Officer  
Dhanuka Agritech Limited**

(CIN: L24219DL1985PLC020126)  
14th Floor, Building 5A, DLF Epitome,  
DLF Phase III, Cyber City, Gurgaon,  
Haryana - 122 002

**Number of Shareholders Complaints received :** During the Financial Year 2018-19, the Company has received 56 correspondences and 0 (Zero) Complaints directly and 35 correspondences were received by RTA (including nil complaint) from the Shareholders. At the end of the Financial Year no complaint was pending and all were resolved.

**➤ Banking, Finance and Operations Committee :**

During the Financial Year 2018-19, Twelve (12) Meetings of the Banking, Finance and Operations Committee of the Board of Directors were held on:

7<sup>th</sup> May, 2018; 28<sup>th</sup> June, 2018; 16<sup>th</sup> July, 2018; 24<sup>th</sup> August, 2018; 26<sup>th</sup> September, 2018; 27<sup>th</sup> October, 2018; 14<sup>th</sup> November, 2018; 12<sup>th</sup> December, 2018; 15<sup>th</sup> January, 2019; 20<sup>th</sup> February, 2019; 20<sup>th</sup> March, 2019; and 27<sup>th</sup> March, 2019.  
The necessary quorum was present during all the Meetings.

**Constitution and Attendance:**

Name	Designation and Category	Meeting(s) Held during Tenure	Meetings Attended
Mr. Ram Gopal Agarwal	Chairman-Executive Non Independent	12	8
Mr. Mahendra Kumar Dhanuka	Member- Executive Non Independent	12	12
Mr. Arun Kumar Dhanuka	Member- Executive Non Independent	12	12
Mr. Rahul Dhanuka	Member- Executive Non Independent	12	11
Mr. Mridul Dhanuka	Member- Executive Non Independent	12	10

Company Secretary of the Company being Secretary to the Committee attended all the Meetings.

#### Terms of Reference:

- (1) Approval for opening/ closing bank accounts, including modification of authorities for operating them;
- (2) Approval of all borrowings, including those from banks/ financial institutions etc., including availing ad-hoc funds for working capital purpose, accepting sanction of loans and giving security for the same;
- (3) Approval for investing surplus funds of the Company;
- (4) Approval for applying for licenses, registrations, etc. to all Central and State Government departments, to deal with and represent the Company before various Regulatory Authorities, to initiate and defend legal proceedings, by/ against the Company, to execute Power of Attorney;
- (5) Approval for acceptance of security deposits in the routine course of business of the Company for the performance of contract for supply of goods;
- (6) Approval for financing Bank guarantees;

- (7) Any other activity relating to afore said matters subject to all applicable laws including power to delegate such of its functions, from time to time, as may be considered necessary.

#### ➤ Corporate Social Responsibility Committee:

Keeping in view the requirements of Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has constituted the Corporate Social Responsibility Committee ("**CSR Committee**") in its Meeting held on 6th February, 2014.

During the Financial Year 2018-19, CSR Committee Meeting was held on 14<sup>th</sup> November, 2018. All the members were present in the Meeting. The Committee comprises Mr. Arun Kumar Dhanuka, Mr. Indresh Narain, as Members and Mr. Ram Gopal Agarwal as its Chairman.

#### Constitution and Attendance:

Name	Designation and Category	Meeting(s) Held during Tenure	Meetings Attended
Mr. Ram Gopal Agarwal	Chairman- Executive, Non Independent	1	1
Mr. Arun Kumar Dhanuka	Member- Executive, Non Independent	1	1
Mr. Indresh Narain	Member- Non Executive, Independent	1	1

Company Secretary of the Company being Secretary to the Committee attended the Meeting.

#### Terms of Reference :

- a. Formulate and recommend to the Board, a Corporate Social Responsibility ("CSR") Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- b. Recommend the amount of expenditure to be incurred on CSR activities; and
- c. Monitor the CSR Policy of the Company from time-to-time.

The Company is involved in various CSR activities.

The objective of CSR Policy is to lay down guidelines to bring effectiveness in its CSR activities which are being undertaken to assist in the sustainable development of the society. The Company strives to actively contribute to the social and economic development of the communities in which it operates. The Company believes in making sustained efforts towards promoting education and health care; eradicating hunger, poverty and malnutrition; conservation of water, deployment of water for agriculture and human use.

The thrust is on training and educating farmers and dealers and transfer of technology to improve food production. The Company's CSR efforts have been to conserve "**Gaon ka paani gaon mein, aur khet ka paani, khet mein**" and will continue its CSR activities in this direction.

The Company undertakes CSR activities that aim at improving the lives of agricultural and rural community holistically. The Company's CSR Policy is available on the Company's website and other details about CSR spend are part of Directors' Report.

#### ➤ Buyback Committee

During the Financial Year 2018-19, three meetings of the Buyback Committee were held on 12th December, 2018; 20<sup>th</sup> December, 2018 and 18<sup>th</sup> February, 2019.



### Constitution and Attendance:

Name	Designation and Category	Meeting(s) Held during Tenure	Meetings Attended
Mr. Ram Gopal Agarwal	Chairman- Executive Non Independent	3	3
Mr. Mahendra Kumar Dhanuka	Member- Executive Non Independent	3	3
Mr. Arun Kumar Dhanuka	Member- Executive Non Independent	3	3
Mr. Rahul Dhanuka	Member- Executive Non Independent	3	3
Mr. Mridul Dhanuka	Member- Executive Non Independent	3	3

Company Secretary of the Company being Secretary to the Committee attended all Meetings.

### **III. GENERAL BODY MEETINGS/ POSTAL BALLOT:**

The details of date, venue and time of the last three Annual General Meetings, Extra-ordinary General Meeting, our Convened Meetings held and Special Resolutions passed are as under:

#### **SPECIAL RESOLUTION PASSED VIA POSTAL BALLOT- 20<sup>th</sup> December, 2018**

1. Approval for Buy-Back of Equity Shares of the Company;
2. Continuation of appointment of Mr. Ram Gopal Agarwal as Whole Time Director of the Company even after attaining age of 70 years and to consider and approve his remuneration in terms of SEBI Amended Regulations;
3. Approval of remuneration to Mr. Mahendra Kumar Dhanuka as Whole Time Director in terms of regulation 17(6)(e) of SEBI Amended Regulations for the remaining tenure of his appointment;
4. Approval of remuneration to Mr. Rahul Dhanuka as Whole Time Director in terms of regulation 17(6)(e) of SEBI Amended Regulations for the remaining tenure of his appointment;
5. Approval of remuneration to Mr. Mridul Dhanuka as Whole Time Director in terms of regulation 17(6)(e) of SEBI Amended Regulations for the remaining tenure of his appointment;
6. Approval of remuneration to Mr. Arun Kumar Dhanuka as Whole Time Director in terms of regulation 17(6)(e) of SEBI Amended Regulations for the remaining tenure of his appointment;
7. Continuation of Directorship of Mr. Priya Brat Non-Executive Director for current term expiring on 19th May, 2019 and Second Term starting from 20th May, 2019 notwithstanding that he has attained the age of 75 Years;
8. Continuation of Directorship of Mr. Om Prakash Khetan Non-Executive Director for current term expiring on 19th May, 2019 and Second Term starting from 20th May, 2019 notwithstanding that he has attained the age of 75 Years;
9. Continuation of Directorship of Mr. Indresh Narain Non-Executive Director for Second Term starting from 20th May, 2019 notwithstanding that he has attained the age of 75 Years.

#### **PERSON WHO CONDUCTED THE POSTAL BALLOT**

Ms. Pragnya Parimita Pradhan, Practicing Company Secretary from Pragnya Pardhan and Associates acted as scrutinizer to Postal ballot Process. The Process was conducted via Remote e-voting as well as physical Postal ballot.



### **33<sup>RD</sup> ANNUAL GENERAL MEETING (2017-18) – 10<sup>th</sup> August, 2018 at 10:30 AM**

**Venue: Mapple Emerald Hotel, Rajokri, National Highway-8, New Delhi -110 038**

#### **Special Resolutions Passed-7**

1. To re-appoint Mr. Arun Kumar Dhanuka as Whole time Director;
2. To re-appoint Mr. Priya Brat, as an Independent Director for Second Term;
3. To re-appoint Mr. Vinod Kumar Jain as an Independent Director for Second Term;
4. To re-appoint Mr. Indresh Narain as an Independent Director for Second Term;
5. To re-appoint Mrs. Asha Mundra as an Independent Director for Second Term;
6. To re-appoint Mr. Om Prakash Khetan as an Independent Director for Second Term;
7. To consider and approve granting of Loan u/s 185 to M/s Dhanuka Laboratories Limited

### **32<sup>ND</sup> ANNUAL GENERAL MEETING (2016-17) – 10<sup>th</sup> August, 2017 at 11:00 AM**

**Venue: Mapple Emerald Hotel, Rajokri, National Highway-8, New Delhi -110 038**

**Special Resolutions Passed-Nil**

#### **Postal Ballot –(2016-17) 2<sup>ND</sup> January, 2017**

**Special Resolution: To consider and approve Buyback of Equity Shares by the Company**

#### **PERSON WHO CONDUCTED THE POSTAL BALLOT**

Mr. Praveen K Bharti, Advocate from M/s. Rajeev Goel & Associates, Advocates and Corporate Consultants acted as scrutinizer to Postal ballot Process. The Process was conducted via Remote e-voting as well as physical Postal ballot.

### **31<sup>ST</sup> ANNUAL GENERAL MEETING (2015-16) – 11<sup>th</sup> August, 2016 at 11:00 AM**

**Venue: Shri Purushottam Hindi Bhawan, 11<sup>th</sup>, Vishnu Digambar Marg (Rouse Avenue), New Delhi – 110 002**

**Special Resolutions Passed-Nil**

\*The Company offered E-voting facility to its Members pursuant to the provisions of the Companies Act, 2013 as an alternate voting mechanism which enabled them to cast their votes electronically.

#### **IV. MEANS OF COMMUNICATION:**

- a) **Results:** Unaudited Standalone as well as Consolidated Quarterly as well as Annual Audited Financial Results of the Company are approved and taken on record by the Board of Directors of the Company within 45 days (for I, II, III quarter)/ 60 days (for IV quarter) from the end of quarter. The Approved Results are communicated to Stock Exchanges where Company is listed and also published within 48 hours in Financial Express i.e. English Newspaper and Jansatta i.e. Hindi leading Newspaper. Further, results are also pasted on the website of the Company.
- b) **Website:** The Company's website ([www.dhanuka.com](http://www.dhanuka.com)) provides comprehensive information on Company's profile, its business lines, Management, Corporate Governance, news releases etc. An exclusive section is dedicated to Investors, where all information related to quarterly/yearly results, Annual Report, Quarterly filing, Share /Dividend Transfer Details to IEPF etc. are pasted from time to time. It provides all the information as prescribed under Regulation 46 of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015. Public Announcements made by the Company from time to time are also displayed on the Company's website. Corporate Presentations made to the Institutional Investors and analysts after the declaration of the quarterly, half-yearly and Annual Audited Financial Results are also displayed on the Company's website ([www.Dhanuka.com](http://www.Dhanuka.com)).

- c) **Annual Report:** Annual Report containing, inter alia Consolidated & Standalone Financial Statements, Cash Flow Statement, Auditor's Report, Directors' Report, Notice of Annual General Meeting and other important information is circulated to Members and others entitled thereto. In accordance with the Green initiatives of the MCA, all important communication to shareholders including the Annual Reports are sent via e-mail to those Shareholders, whose e-mail id is registered with the Depository Participants. All communication in Physical mode are sent to only those Shareholders whose e-mail ids are not registered with their DPs. The Annual Report of the Company is also available on the Company's website in a user-friendly and downloadable form.



**d) Management Discussion and Analysis (MDA) Report:** The Report on MDA forms part of the Annual Report.

**e) Intimation to the Stock Exchanges:** All Price Sensitive information and material events are disclosed to the Stock Exchange(s), in accordance with its Materiality Policy on disclosure of Material Events.

The objective of the Materiality Policy is to ensure timely and adequate disclosure of material events and price sensitive information under Regulations 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Company. All such disclosures are signed by the Chairman or Managing Director or Compliance Officer. This information is also posted on the website of the Company.

#### V. GENERAL SHAREHOLDER INFORMATION:

**a) 34th Annual General Meeting for the Financial Year ended 31st March, 2019**

Day & Date: Monday, 12th day of August, 2019

Time: 10:30 A.M.

Venue: "D Imperia Hotel", 417, M.G. Road, Ghitorni, New Delhi- 110 030

**b) Date of Book Closure: Thursday 1st August, 2019 to Monday, 12th August, 2019.**

**c) Financial Year: 1st April, 2018 to 31st March, 2019**

**d) Dividend**

Dividend @ 30% i.e. Rs. 0.60 per Equity Share fully paid up for the Financial Year 2018-19 has been recommended by the Board of Directors to the shareholders for their approval. If approved, the Dividend shall be paid to those members whose name(s) appear on the Register of Members as on Record Date i.e. 31st July, 2019 fixed for the purpose.

**e) Transfer to Investor Education and Protection Fund (IEPF):**

#### Dividend Transferred:

During the Financial Year under review, Company has transferred unpaid/ unclaimed dividend, amounting to Rs. 6,47,210/- for FY 2010-11 to the Investor Education and Protection Fund (IEPF) of the Central Government of India.

**f) Due Dates for Transfer of Unclaimed Dividend to Investors Education and Protection Fund (IEPF)**

Pursuant to Section 124 of the Companies Act, 2013, Final Dividend for the Financial Year 2011-12 and Interim Dividend for 2012-13, which remained unpaid/ unclaimed for a period of Seven Years from the date of such transfer shall be transferred by the Company to the Investors Education and Protection Fund (IEPF) of the Central Government. The Dividend for following years (see table below), which remains unclaimed for Seven years from the date of such transfer in the Unpaid Dividend Account, will be transferred to the IEPF in accordance with the schedule given below. Shareholders who have not en-cashed their Dividend warrants relating to the Dividends specified below are requested to immediately send their request for issue of duplicate warrants/ payment of Unpaid Dividend. The details of Dividends specified below are available on the website of the Company [www.Dhanuka.com](http://www.Dhanuka.com). Once Unclaimed Dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company. However, shareholders may claim their unclaimed amount as per the procedures/ guidelines issued by the Ministry of Corporate Affairs (MCA). For details, investors can visit the website of IEPF Authority viz. [www.iepf.gov.in](http://www.iepf.gov.in).

#### Due Date for Transfer of Unpaid/ Unclaimed Dividend to IEPF

S. No.	Financial Year	Type of Dividend	Date of declaration	Percentage	Unpaid Dividend Balance as on 31.03.2019 Amount (in ₹)	Tentative Date for Transfer
1	2011-12	Final	13.08.2012	110%	880066.00	18.09.2019
2	2012-13	Interim	19.02.2013	75%	606547.50	26.03.2020
3	2012-13	Final	12.08.2013	65%	470723.50	27.09.2020
4	2013-14	Interim	18.02.2014	100%	724422.00	17.02.2021
5	2013-14	Final	17.09.2014	100%	634318.00	23.10.2021

S. No.	Financial Year	Type of Dividend	Date of declaration	Percentage	Unpaid Dividend Balance as on 31.03.2019 Amount (in ₹)	Tentative Date for Transfer
6	2014-15	Final	29.12.2015	225%	1464705.00	04.02.2023
7	2015-16	Interim	09.02.2016	125%	858965.00	17.03.2023
8	2015-16	Interim	17.03.2016	200%	1235044.00	22.04.2023
9	2016-17	Final	10.08.2017	30%	238479.80	15.09.2024
10	2017-18	Interim	14.02.2018	100%	575476.00	22.03.2025
11	2017-18	Final	10.08.2018	175%	1070964.00	17.09.2025
<b>Total</b>					<b>8759710.80</b>	

During the Financial year, unpaid Final Dividend for the Financial Year 2011-12 and Interim Dividend for the Financial Year 2012-13 shall be transferred to Investors Education and Protection Fund (IEPF).

**g) Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of Unpaid/ Unclaimed Dividend on shares for a consecutive period of Seven years**

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) shares on which

Dividend has not been paid or claimed by a shareholder for a period of Seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

**Details of Shares Transferred to IEPF till date is as follows:**

S. No.	No. of Shares Transferred	Date of Transfer
1	82,500 Shares for the year 2008-2009	05.12.2017
2	26,800 Shares for the year 2009-2010	28.09.2018
3	13,882 Shares for the year 2010-2011	09.10.2018

Details of such shares are available on website of Company under Investors Section. Shares which have been transferred to the Demat Account of IEPFA can be claimed back by the shareholder from IEPFA by following the procedure prescribed under the aforesaid rules. Therefore, it is in the interest of shareholders to regularly claim the Dividends declared by the Company. In Financial Year 2019-20 following unclaimed shares are due to be transferred to IEPF Authority:

**14000 Equity Shares- Tentative Date for Transfer- 18<sup>th</sup> September, 2019**

**20 Equity Shares- Tentative Date for Transfer- 26<sup>th</sup> March, 2020**

Complete detail of such shares is available on the website of the Company at [www.dhanuka.com](http://www.dhanuka.com)

**h) Securities Listed on Stock Exchange(s):**

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400 001.

**Scrip Code: 507717**

**National Stock Exchange of India Limited**

Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (E), Mumbai - 400 051.

**Scrip Code: DHANUKA**

Annual listing fees for the Financial Year 2019-20 have been paid to the above Stock Exchange(s).

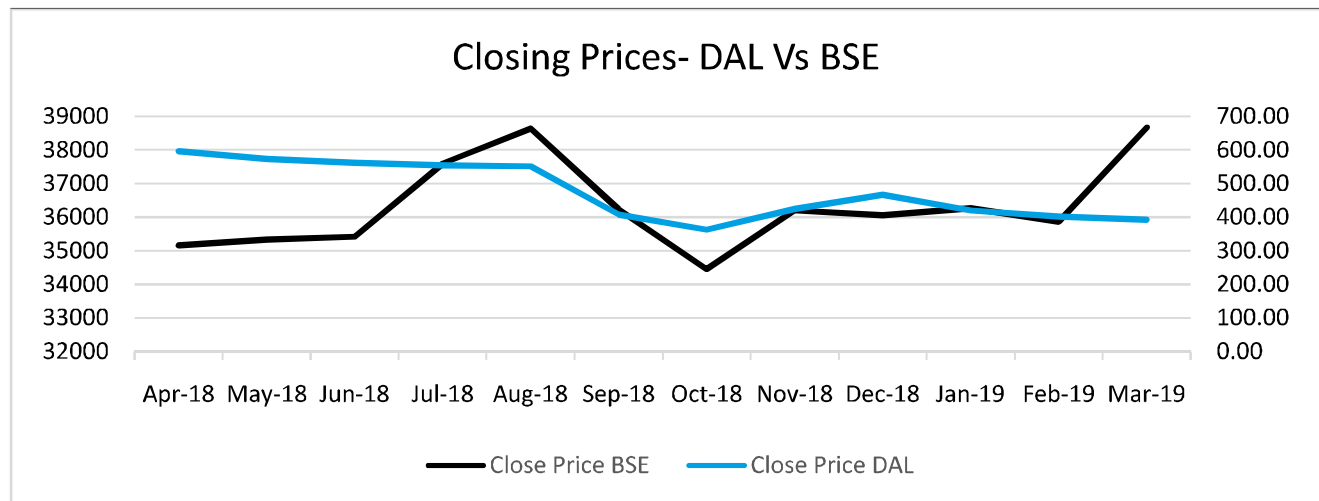




## I) Market Price Data:

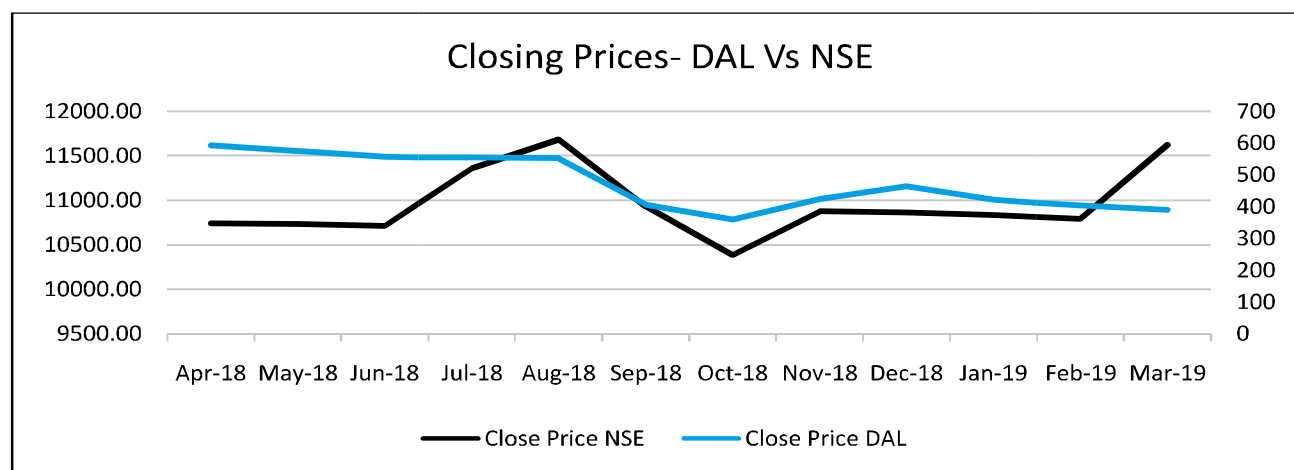
### (1) BSE:

Month	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	Traded Quantity (No.)	Total Turnover (Rs. In Lakhs)
Apr-18	632.50	558.25	596.75	31,391	188.84
May-18	604.00	556.10	573.75	20,946	121.94
Jun-18	614.90	526.10	562.25	31,713	179.41
Jul-18	567.15	511.30	553.85	2,96,104	1553.38
Aug-18	617.00	528.95	551.90	20,201	115.89
Sep-18	560.00	392.30	407.80	14,946	71.61
Oct-18	430.00	358.25	363.30	47,477	193.32
Nov-18	464.00	363.10	426.00	39,327	166.73
Dec-18	486.00	411.50	467.10	53,882	246.76
Jan-19	457.05	396.45	420.75	20,189	84.94
Feb-19	442.00	370.00	402.55	23,534	93.47
Mar-19	449.75	388.50	392.90	23,950	101.14



## (2) NSE:

Month	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	Traded Quantity (No.)	Total Turnover (Rs. in Lakhs)
Apr-18	634.95	550.00	592.05	3,95,668	2,380.08
May-18	601.25	555.05	573.65	2,31,919	1,350.08
Jun-18	615.00	527.40	555.80	2,57,066	1,462.66
Jul-18	566.00	508.00	554.70	4,98,949	2,651.66
Aug-18	620.00	527.55	551.45	2,67,835	1,510.41
Sep-18	555.05	390.00	406.15	3,44,208	1,701.19
Oct-18	426.27	356.55	359.60	3,64,071	1,438.62
Nov-18	457.75	360.20	423.95	6,02,096	2,530.33
Dec-18	484.00	421.10	464.75	6,96,435	3,181.39
Jan-19	459.90	394.80	420.95	2,91,361	1,236.61
Feb-19	443.00	367.70	403.60	3,03,722	1,214.89
Mar-19	449.80	387.25	389.90	2,73,167	1,153.66



## j) Financial Calendar

Financial reporting for the first quarter ending on 30 <sup>th</sup> June, 2019;	Within 45 days of the end of the quarter
Financial reporting for the second quarter ending on 30 <sup>th</sup> September, 2019;	Within 45 days of the end of the quarter
Financial reporting for the third quarter ending on 31 <sup>st</sup> December, 2019;	Within 45 days of the end of the quarter
Financial reporting for the Financial Year ending on 31 <sup>st</sup> March, 2020;	Within 60 days of the end of the Financial Year
Annual General Meeting for the Financial Year ending on 31 <sup>st</sup> March, 2020.	Within 6 months of the end of the Financial Year

**k) Share Transfer System:**

Abhipra Capital Limited is the Registrar and Transfer Agent (RTA) of the Company and carries out the process of share transfers and transmissions. Stakeholders' Relationship Committee takes note of the transfers and transmissions executed by RTA on quarterly basis. Shares are also received by the RTA for dematerialization from the Shareholders. Such Shares are dematerialized by RTA within stipulated time and a monthly Demat Statement is sent to the Company.

**l) Investor's Correspondence:**

All enquiries relating to share transfer/ transmission, change of address, loss of share certificate etc. should be addressed to the RTA- M/s. Abhipra Capital Limited.

The queries relating to non-receipt of Dividend and Annual Reports should be addressed to the Company Secretary at the Corporate Office of the Company or e-mailed to investors@dhanuka.com.

**m) Registrar and Transfer Agents:**

M/s. Abhipra Capital Limited,  
Ground Floor, Abhipra Complex, Dilkhush Industrial Area,  
A-387, G.T. Karnal Road, Azadpur, Delhi- 110033, India  
Phone Nos.: (+91)(011)27127362, 27249773/4,  
42390708, 42390783  
Website: www.abhipra.com  
E-mail: info@abhipra.com, rta@abhipra.com

**n) Plant(s) Locations:**

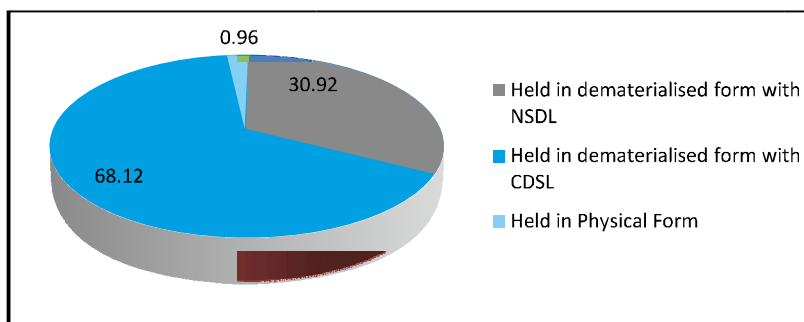
1. Ajanta Industrial Estate, Vasna lyava, Sanand, District, Ahmedabad, Gujarat.
2. SIICOP Industrial Estate, Battal Ballian, Udhampur (J&K)
3. Keshwana Industrial Area, Kotputli, Jaipur, Rajasthan.

**o) Dematerialization of Shares and Liquidity:**

In compliance with the SEBI Circular dated 30th September, 2011, 100% of the Company's Promoters and Promoter - Group Shareholding is in demat mode. As on 31st March, 2019, 4,71,23,312 Equity Shares of the Company were held in dematerialized form. The Equity Shares of the Company are actively traded on the BSE Ltd. and National Stock Exchange of India Limited in demat form. All the requests for nomination, change of address, change of Bank mandate/ Bank particulars and dematerialization of Shares etc. are to be made only to the Depository Participant with whom the Shareholders have opened their Demat Account.

**RECONCILIATION OF SHARE CAPITAL AS ON 31.03.2019**

Segments	Holding	% of Holding
NSDL	1,47,13,716	30.92%
CDSL	3,24,09,596	68.12%
<b>Demat- (NSDL + CDSL)</b>	<b>4,71,23,312</b>	<b>99.04%</b>
Physical	4,55,012	0.96%
<b>Total Shareholding</b>	<b>4,75,78,324</b>	<b>100%</b>



The total number of Equity Shares issued by the Company are 4,75,78,324 having Face Value of Rs. 2/- each.



#### SHAREHOLDING PATTERN AS ON 31<sup>st</sup> MARCH, 2019:

Class of Investors	No. of Shares held	% of Paid-Up Capital
Promoters & Associates	35806727	75.26
Mutual Funds/UTI	5053623	10.62
Indian Public	4435769	9.32
Foreign Institutional Investors	0	0
Foreign Corporate Bodies	860386	1.81
Financial Institution	5484	0.01
Corporate Bodies	856145	1.80
Non-Resident Indians	227090	0.48
Others	333100	0.70
<b>TOTAL</b>	<b>4,75,78,324</b>	<b>100.00</b>

#### DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>st</sup> MARCH, 2019:

Range	Shareholders	Value		
	Numbers	Percentage (%)	Rs.	Percentage (%)
Upto 2,500	25195	97.91	5736710	6.029
2,501 - 5,000	307	1.19	1119354	1.176
5,001 - 10,000	117	0.45	847370	0.891
10,001 - 20,000	39	0.15	560966	0.590
20,001 - 30,000	21	0.08	525134	0.552
30,001 - 40,000	7	0.03	232842	0.245
40,001 - 50,000	6	0.02	272432	0.286
50,001 - 1,00,000	15	0.06	956200	1.005
1,00,001 & Above	26	0.11	84905640	89.227
<b>TOTAL</b>	<b>25733</b>	<b>100</b>	<b>95156648</b>	<b>100.00</b>

#### p) Foreign Exchange Risk

- The Company's derivative instruments comprise forward contracts which are not intended for trading or speculation purposes and are used only to hedge Company's import liabilities.
- During the year, the Company has managed foreign exchange risk and hedged to the extent considered necessary. Net open exposures are reviewed regularly and covered through forward contracts. The details of foreign currency exposure are disclosed in Note No. 43 to the Standalone Financial Statements.

#### q) Credit Ratings

Company continues to remain debt-free due to robust Financial Management. ICRA has accorded (ICRA) AA-

(Stable outlook) rating for fund based limits and (ICRA) A1+ rating for non-fund based limits of the Company.

#### VI. DISCLOSURES:

##### a) Related Party Transactions:

Pursuant to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015, necessary approvals for transactions with Related Parties were obtained from Audit Committee, Board and Members, during the Financial Year 2018-19.

The Board has approved a Revised Policy for Related Party Transactions w.e.f. 01.04.2019 which has been uploaded on the Company's website at the following link



<http://www.Dhanuka.com/compliance-report-on-corporate-governance/>.

**b) Disclosures on materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large:**

The disclosures with regard to transactions with Related Parties are given in the Notes to Accounts of the Audited Financial statements for the Financial Year ended 31st March, 2019. These transactions are not in conflict with the Company's interest. There was no material Related Party Transaction during the year ended 31st March, 2019.

**c) Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to the Capital Markets during the last three years:**

The Company has been strictly adhering to the applicable Rules and Regulations made by SEBI. No penalties or strictures were imposed on the Company by the BSE/ NSE or SEBI or any other Statutory Authority, on any matter related to the capital markets during last three years.

**d) Disclosure of Accounting Treatment:**

The Financial statements are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') as amended through rules and other relevant provisions of the Act to the extent applicable.

**e) Compliance Certificate**

The Compliance Certificate as stipulated in Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board along with the Financial Statements for the Financial Year ended 31st March, 2019 and the Board reviewed the same. The said Certificate is annexed to this Report.

**f) Whistle Blower Policy and affirmation that no personnel has been denied access to Audit Committee:**

Company has well planned Whistle Blower mechanism for any stakeholder to report concerns about unethical behavior or actual or suspected fraud of all kinds, including alleged fraud by or against the Company, abuse of authority, whether made by a named complainant or anonymously. No person has been denied access to the Chairman of the Audit Committee. The Policy is available on the Company's website

([www.dhanuka.com](http://www.dhanuka.com)). No complaints under this head was reported during the year.

**g) Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013:**

Company has constituted Internal Complaints Committee ("ICC") in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 which is comprising the following:

Ms. Jyoti Verma (Presiding Officer),  
Mr. Sudhir Sharma (Member),  
Ms. Puja Gogia (Member)  
Ms. Isha Thakur (Member)

**Status of Complaints is as follows:**

Number of Complaints Filed during Financial Year 2018-19- Nil  
Number of Complaints disposed of during Financial Year 2018-19- Nil  
Number of Complaints pending at the end of Financial Year 2018-19- Nil

The Policy framed for prevention of Sexual Harassment of Women at Workplace is available on the Company's website.

**h) Details of the familiarization programme of the Independent Directors are available on the website of the Company <http://www.dhanuka.com/investors>.**

**i) A Certificate from Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI BOARD/ Ministry of Corporate Affairs or Any other such authority**

M/s. Pragnya Pradhan & Associates, Company Secretaries in Practice has duly verified and checked that none of the Director of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI BOARD/ Ministry of Corporate Affairs or Any other such authority. Based on above verification they have given a Certificate in this regard which is annexed to this Report.

**j) Total Fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis to Statutory Auditors and all entities in the network Firm/ Network entity to which the Statutory Auditor is a part**

During Financial Year 2018-19, Rs.15,51,500/- (Rupees Fifteen Lakhs Fifty One Thousand Five

Hundred Only) have been paid to Statutory Auditors M/s S.S. Kothari Mehta & Co.

*\*The above amount is exclusive of GST and inclusive of out of pocket expenses. All payments have been made for the Company only and no payments have been made for its subsidiary Company.*

**k) Web link for various Policies**

The details of various other policies applicable on the Company are available on Corporate Governance Section under the Investors Tab on the website of the Company. (<http://www.dhanuka.com/investors>).

**l) Compliance Certificate from Statutory Auditors for Compliance of Conditions of Corporate Governance**

Compliance Certificate from Statutory Auditors for Compliance of Conditions of Corporate Governance in terms of Part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been annexed to the Director's Report of the Company.

**m) Secretarial Audit Report and Secretarial Compliance Report**

In terms of Provisions of Section 204 of the Companies Act, 2013 and in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018, Secretarial Audit Report and Secretarial Compliance Report for Financial Year 2018-19 issued by M/s R & D, Company Secretaries are annexed to the Director's Report.

**VII. CORPORATE GOVERNANCE COMPLIANCE:**

**Compliance with mandatory & non-mandatory requirements**

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 and the Company has fulfilled the following non-mandatory requirements as prescribed in Schedule II, PART E of Regulation 27(1) of (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**A) Audit Qualifications**

It has always been the Company's endeavor to present unqualified Audited Financial Statements. There is no Audit Qualification/ adverse remark in the Statutory Audit Report, Secretarial Audit Report and Secretarial Compliance Report of the Company for the Financial Year ended 31<sup>st</sup> March, 2019.

**B) Separate posts of Chairman and Managing Director**

Company has assigned separate post for Chairman and Managing Director. Mr. Ram Gopal Agarwal is Chairman of the Company and Mr. Mahendra Kumar Dhanuka is Managing Director of the Company.

**C) Reporting of Internal Auditor**

The Internal Auditor's reporting is directly to the Audit Committee.

**D) The Company has a Wholly Owned Subsidiary but that is not a Material Subsidiary Company.**

**E) Company has complied with all the requirement of Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except regulation 24(1) which is not applicable to the Company.**

**DECLARATION BY CHIEF EXECUTIVE OFFICER/ MANAGING DIRECTOR PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

I, Mahendra Kumar Dhanuka, Managing Director of M/s. Dhanuka Agritech Limited ("the Company") confirm that as provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has adopted a Code of Conduct ("Code") for its Board Members and Senior Management Personnel and the Code is available on the Company's website [www.dhanuka.com](http://www.dhanuka.com).

I, further confirm that the Company has received from its Board Members as well as Senior Management Personnel affirmation in respect of the Financial Year ended 31<sup>st</sup> March, 2019, as to compliance with the Code of Conduct.

Sd/-

**Mahendra Kumar Dhanuka**

Managing Director

DIN : 00628039

Date: 21<sup>st</sup> May, 2019

Place: Gurugram



## 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  
**M/s DHANUKA AGRITECH LIMITED**  
82, Abhinash Mansion, 1st Floor Joshi Road,  
Karol Bagh New Delhi,  
Delhi-110005

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **DHANUKA AGRITECH LIMITED** having **CIN: L24219DL1985PLC020126** and having registered office at 82, Abhinash Mansion, 1st Floor Joshi Road, Karol Bagh, New Delhi, Delhi-110005 (hereinafter referred to as 'the Company'), produced before me 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 my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	DIN	Name Of Director	Date of Appointment in the Company
1.	00041859	MR. PRIYA BRAT	28/10/2002
2.	00150140	MR. RAHUL DHANUKA	28/01/2002
3.	00199441	MR. MRIDUL DHANUKA	23/05/2011
4.	00394215	MS. ASHA MUNDRA	06/02/2014
5.	00501297	MR. INDRESH NARAIN	23/05/2007
6.	00627386	MR. RAM GOPAL AGARWAL	10/03/1992
7.	00627425	MR. ARUN KUMAR DHANUKA	23/05/2007
8.	00628039	MR. MAHENDRA KUMAR DHANUKA	13/02/1985
9.	01185937	MR. VINOD KUMAR JAIN	24/03/2005
10.	01257965	MR. SANJAY SAXENA	22/05/2018
11.	02122147	MR. SACHIN KUMAR BHARTIYA	09/02/2016
12.	06883433	MR. OM PRAKASH KHETAN	20/05/2014
13.	07767324	MR. ASHISH SARAF	24/03/2017

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 the management has conducted the affairs of the Company.

**Sd/-**  
**Pragnya Parimita Pradhan**  
Membership No. A32778  
C.P. No.: 12030

Date: 18<sup>th</sup> May, 2019  
Place: New Delhi





## Independent Auditors' Certificate on Corporate Governance

To  
The Members of,  
**Dhanuka Agritech Limited**

We have examined the compliance of conditions of Corporate Governance by **DHANUKA AGRITECH LIMITED** ("the Company") for the year ended 31st March, 2019, as stipulated in Regulations 17 to 27 and clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').

### Management's Responsibility

The compliance of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to ensure the compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the terms and conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2019.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

### Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated 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 during the year ended 31st March, 2019.

We further 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.

### Restriction on use

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

**For S. S. Kothari Mehta & Co.**  
Chartered Accountants  
Firm Registration No. 000756N

Sd/-  
**Yogesh K. Gupta**  
Partner  
Membership No. 093214

Date: 21<sup>st</sup> May, 2019  
Place : Gurugram



**Certificate from MD and CFO**  
(Financial Year ended 31<sup>st</sup> March, 2019)

**COMPLIANCE CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)**  
**PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We, M.K.Dhanuka, Managing Director and V.K.Bansal, Chief Financial Officer of Dhanuka Agritech Limited ("the Company"), hereby certify that:

- A. We have reviewed Financial Statements and the Cash Flow Statement of the Company for the Financial Year ended 31<sup>st</sup> March, 2019 and that 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 Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for Financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to Financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
1. Significant changes in internal control over Financial reporting during the Year ended 31<sup>st</sup> March, 2019;
  2. Significant changes in accounting policies during the Year and that the same have been disclosed in the notes to the Financial Results; and
  3. 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 company's internal control system over Financial reporting.

**For Dhanuka Agritech Limited**

Sd/-

**V. K. Bansal**

Chief Financial Officer

Place: Gurugram

Date: 21<sup>st</sup> May, 2019

**For Dhanuka Agritech Limited**

Sd/-

**Mahendra Kumar Dhanuka**

Managing Director

DIN : 00628039

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
**Dhanuka Agritech Limited**

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of **DHANUKA AGRITECH LIMITED** ("the Company"), which comprise the standalone Balance sheet as at 31 March 2019, the standalone statement of Profit and Loss (including Other Comprehensive Income), standalone statement of cash flows and standalone statement of changes in equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	Auditor's Response
<p><b>Estimation of provision for sales returns, discounts, rebates, schemes and incentives on sales impacting revenue from sale of products</b></p> <p>Revenue from sale of products is presented net of returns, discounts, rebates, schemes and incentives in the standalone Ind AS financial statements.</p> <p>The Company's management determines provision for sales return, discounts, rebates, schemes and incentives on the basis of various factors such as the current and expected operating environment, sales return variability and expected achievement of targets against various ongoing schemes floated.</p> <p>We determined the estimates associated with sales returns, discounts, rebates, schemes and incentives on sale of products as a key audit matter in view of it having significant impact on the recognised revenue and the involvement of management judgement in estimating the amounts at which these are expected to be settled.</p>	<p><b>Our audit procedures included the following:</b></p> <ul style="list-style-type: none"> <li>Understanding the policies and procedures applied to estimate the sales returns, discounts, rebates, schemes and incentives including evaluation and testing of the design and operating effectiveness of controls related to these estimates.</li> <li>Obtained management's calculations for the respective estimates and assessed the reasonableness of assumptions used by the management in determining the amount of provisions based on understanding of the market conditions.</li> <li>Assessed the reasonableness of estimates made by the management in the past by comparing the provisions recognised in the earlier financial year with their subsequent settlement, ratio analysis of sales returns, discounts, rebates, schemes and incentives as a percentage of sale of last few years.</li> <li>Verified, if any credit notes were issued and/or adjustments made after the balance sheet date and their impact if any on the reported amounts.</li> </ul>

Information Other than the Standalone Ind AS Financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report 2018-19, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 Ind AS 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 Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management for Standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements, 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls 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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS 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 Standalone Ind AS 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 standalone Ind AS financial statements for the financial year ended March 31, 2019 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

The standalone Ind AS financial statements of the Company for the year ended March 31, 2018, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 22, 2018, expressed an unmodified opinion on those Standalone Ind AS financial statements. Our opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "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;
  - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Cash Flows and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act;
  - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the

Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 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; and

- (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 Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its Standalone Ind AS financial statements - Refer Note 37 to the Standalone Ind AS financial statements.
  - ii. The Company did not have any material foreseeable losses on its long-term contracts, the Company did not have any long-term derivative contracts; and
  - iii. Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company:

Period to which amount relates	Nature of Dues	Amount (Rs. In lacs)	Due Date	Date of Payment
FY 2010-11	Unclaimed/ Unpaid Dividend	6.47	03.09.2018	12.09.2018

For **S.S. KOTHARI MEHTA & COMPANY**  
Chartered Accountants  
Firm Reg. No. 000756N

**Sd/-**  
**Yogesh K. Gupta**  
Partner  
Membership No.:093214  
Place: Gurugram  
Date: 21<sup>st</sup> May, 2019



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Dhanuka Agritech Limited of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a program of physical verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of examination of title deeds / sale deed / transfer deed / conveyance deed / possession letter / allotment letter and other relevant records evidencing title/ possession provided, we report that the title deeds of the immovable properties are held in the name of the Company.
- ii. The inventories of the Company (except stock in transit) have been physically verified by the management at reasonable intervals. In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
- iii. The Company has granted unsecured loan to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the Company are not prejudicial to interest of the Company.
  - (b) In respect of aforesaid loan, repayment of principal and payment of interest has been stipulated. Repayment of principal & interest is not due at the close of the year.
- (c) There is no amount overdue for more than 90 days as on the date of Balance Sheet.
- iv. According to the information, explanations and representations provided by the Management and based upon audit procedures performed, we are of the opinion that in respect of loans and investments the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013. The Company has not provided any guarantees or security as specified under Section 185 and 186 of the Companies Act, 2013.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under sub-section 1 of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax, Duty of Customs, Cess and any other material statutory dues to appropriate authorities.
- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at March 31st, 2019.
- (c) According to the records and information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, duty of excise, goods and service tax, duty of custom, or value added tax which have not been deposited on account of any dispute except as given below:

Name of the Statute	Nature of dues	Period	Amount (Rs. in lacs)	Amount deposited (Rs. in lacs)	Forum where pending
The Central Excise Act, 1994	Excise Duty	1996	9.41	NIL	Additional/Deputy Commissioner
The Central Excise Act, 1994	Excise Duty	1999-2000	48.21	15.00	CESTAT, Chandigarh
The Central Excise Act, 1994	Excise Duty	2010-2011	14.60	NIL	CESTAT, Ahmedabad
The Central Excise Act, 1994	Excise Duty	Jan 2014- Sep 2015	357.31	46.90	CESTAT, Chandigarh
The Central Excise Act, 1994	Excise Duty	April 2012-Sep 2016	132.70	23.80	CESTAT, Ahmedabad
The Central Excise Act, 1994	Excise Duty	Oct 2015- March 2016	103.23	7.74	Commissioner (A), Jammu
The Central Excise Act, 1994	Excise Duty	June 2010-Jan 2014	105.85	7.94	Commissioner (A), Jammu
The Service Tax Act, 1994	Service Tax	Jan 2005 to Aug 2007	140.25	65.20	Additional/Deputy Commissioner, Delhi
The Service Tax Act, 1994	Service Tax	Oct 2008 to March 2009	36.00	1.80	Additional/Deputy Commissioner, Delhi
The Central Sales Tax Act, 1944 and State VAT Act	VAT	2009-10	19.95	NIL	West Bengal, Appellate Tribunal
The Central Sales Tax Act, 1944 and State VAT Act	VAT	2008-09	14.89	8.19	Assistant Commissioner, Bihar
The Central Sales Tax Act, 1944 and State VAT Act	VAT	2012-13	138.15	46.00	Joint Commissioner, Gujarat

- viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any banks or financial institutions during the year. The Company has not obtained any loans from debenture holders or government.
- ix. According to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the company or on the Company by its officers or employees noticed or reported during the year, nor have we been informed of such case by the Management.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the record of the company, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable.

**For S.S. KOTHARI MEHTA & COMPANY**

Chartered Accountants  
Firm Reg. No. 000756N

**Sd/-**

**Yogesh K. Gupta**

Partner  
Membership No. 093214  
Place : Gurugram  
Date: 21<sup>st</sup> May, 2019

**“Annexure B” to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of DHANUKA AGRITECH LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements'**

We have audited the internal financial controls over financial reporting of **DHANUKA AGRITECH LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management 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 components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

**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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**(Meaning of Internal Financial Controls) over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation



of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls 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 Company has, 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.S. KOTHARI MEHTA & COMPANY**  
Chartered Accountants  
Firm Registration No. 000756N

**Sd-**  
**Yogesh K. Gupta**  
Partner  
Membership No.:093214

Place: Gurugram  
Date: 21<sup>st</sup> May, 2019



## Standalone Balance Sheet as at March 31, 2019

(₹ In lacs)

	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>I</b>	<b>Assets</b>			
<b>1</b>	<b>Non-current assets</b>			
a	Property, Plant and Equipment	4	11,434.37	12,795.80
b	Capital work in progress	5	98.91	7.68
c	Other Intangible assets	6	254.63	297.63
d	Financial Assets			
i)	Investments	7	8,977.59	8,948.66
ii)	Loans	8	353.50	392.15
iii)	Other financial assets	9	984.44	134.19
e	Other non-current assets	14	1,996.69	1,971.57
	<b>Total Non-Current assets</b>		<b>24,100.13</b>	<b>24,547.68</b>
<b>2</b>	<b>Current assets</b>			
a	Inventories	10	20,683.01	20,498.57
b	Financial Assets			
i)	Investments	7	3,049.04	9,250.65
ii)	Trade receivables	11	21,867.60	20,796.75
iii)	Cash and cash equivalents	12	45.49	1,056.86
iv)	Bank balances other than (iii) above	12	87.60	83.34
v)	Loans	8	3,288.42	3,280.63
vi)	Other financial assets	9	6,538.82	469.46
c	Current Tax Assets (Net)	13	1,426.94	257.43
d	Other current assets	14	2,445.31	2,025.27
	<b>Total Current assets</b>		<b>59,432.23</b>	<b>57,718.96</b>
	<b>Total Assets</b>		<b>83,532.36</b>	<b>82,266.64</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
a	Equity Share Capital	15	951.57	981.57
b	Other Equity	16	63,270.45	62,354.32
	<b>Total equity</b>		<b>64,222.02</b>	<b>63,335.89</b>
	<b>LIABILITIES</b>			
<b>2</b>	<b>Non-current liabilities</b>			
a	Financial Liabilities			
i)	Other financial liabilities	19	1,530.77	2,351.41
b	Provisions	20	242.97	178.32
c	Deferred tax liabilities (Net)	21	1,220.67	1,333.49
d	Other non-current liabilities	22	-	7.93
	<b>Total Non-current Liabilities</b>		<b>2,994.41</b>	<b>3,871.15</b>
<b>3</b>	<b>Current Liabilities</b>			
a	Financial Liabilities			
i)	Borrowings	17	2,221.25	471.65
ii)	Trade payables	18		
	-Total Outstanding dues of Micro Enterprises and Small Enterprises		117.81	662.61
	-Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		7,635.36	7,638.00
iii)	Other financial liabilities	19	4,327.33	4,080.91
b	Other current liabilities	22	1,986.63	2,181.65
c	Provisions	20	27.55	24.78
	<b>Total Current Liabilities</b>		<b>16,315.93</b>	<b>15,059.60</b>
	<b>Total Equity and Liabilities</b>		<b>83,532.36</b>	<b>82,266.64</b>

Accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **S.S. KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm Registration No: 000756N

Sd/-  
**YOGESH K GUPTA**  
Partner  
Membership No : 093214  
Place : Gurugram  
Dated : 21<sup>st</sup> May, 2019

Sd/-  
**M.K. DHANUKA**  
Managing Director  
DIN : 00628039

Sd/-  
**RAHUL DHANUKA**  
Executive Director  
DIN : 00150140

Sd/-  
**V.K. BANSAL**  
C.F.O.

Sd/-  
**JYOTI VERMA**  
Company Secretary  
FCS-7210

## Standalone Statement of Profit & Loss for the year ended March 31, 2019

(₹ In lacs)

	Particulars	Note No.	For the period ended March 31, 2019	For the period ended March 31, 2018
I	Revenue from Operations	23	100,583.80	97,624.42
II	Other Income	24	2,120.45	1,603.06
III	<b>Total Revenue (I + II)</b>		<b>102,704.25</b>	<b>99,227.48</b>
IV	<b>EXPENSES</b>			
	Cost of materials consumed	25	54,630.15	38,736.28
	Purchase of Stock In Trade	26	9,250.76	11,070.33
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	27	(2,214.19)	6,416.79
	Excise Duty		-	1,360.93
	Employee Benefit Expenses	28	10,465.79	10,646.38
	Finance Costs	29	89.29	87.34
	Depreciation and Amortization Expense	30	1,234.85	1,420.62
	Other Expenses	31	13,852.08	12,788.02
	<b>Total Expenses</b>		<b>87,308.73</b>	<b>82,526.69</b>
V	<b>Profit Before Exceptional Items and Tax (III-IV)</b>		<b>15,395.52</b>	<b>16,700.79</b>
VI	<b>Exceptional items</b>	32	-	-
VII	<b>Profit before Tax (V-VI)</b>		<b>15,395.52</b>	<b>16,700.79</b>
VIII	<b>Tax Expenses</b>	33		
	Current Tax		5,283.03	4,458.67
	Tax of earlier year provided / (written back)		(1,032.27)	(449.87)
	Deferred Tax		(112.82)	74.22
IX	<b>Profit for the year</b>		<b>11,257.58</b>	<b>12,617.77</b>
X	<b>Other Comprehensive Income</b>	34		
A	(i) Items that will not be reclassified to profit or loss		(50.62)	82.77
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI	<b>Total Comprehensive Income (IX+X)</b>		<b>11,206.96</b>	<b>12,700.54</b>
XII	<b>Earnings per Equity Share</b>			
	1) Basic (in ₹)	35	<b>23.02</b>	<b>25.71</b>
	2) Diluted (in ₹)	35	<b>23.02</b>	<b>25.71</b>

Accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **S.S. KOTHARI MEHTA & COMPANY**  
Chartered Accountants  
Firm Registration No: 000756N

Sd/-  
**YOGESH K GUPTA**  
Partner  
Membership No : 093214  
Place : Gurugram  
Dated : 21<sup>st</sup> May, 2019

Sd/-  
**M.K. DHANUKA**  
Managing Director  
DIN : 00628039

Sd/-  
**RAHUL DHANUKA**  
Executive Director  
DIN : 00150140

Sd/-  
**V.K. BANSAL**  
C.F.O.

Sd/-  
**JYOTI VERMA**  
Company Secretary  
FCS-7210



## Standalone Statement of Changes in Equity for the year ended March 31, 2019

(₹ In lacs)

a. EQUITY SHARE CAPITAL		As at March 31, 2019		As at March 31, 2018	
Particulars	No of shares	Amount	No of shares	Amount	
Balance at the beginning of the reporting period	49,078,324.00	981.57	49,078,324.00	981.57	
Changes in equity share capital during the year (Refer Note-15)	(1,500,000.00)	(30.00)	-	-	
<b>Balance at the end of the reporting period</b>	<b>47,578,324.00</b>	<b>951.57</b>	<b>49,078,324.00</b>	<b>981.57</b>	

b.	OTHER EQUITY	Reserves & Surplus				Total
	Particulars	Capital Reserve	General Reserve	Capital Redemption Reserve	Retained earnings	
	Balance as at April 1, 2018	95.47	2,455.03	18.82	59,784.99	62,354.32
	Total comprehensive income for the year ended 31 March, 2019					
	-Profit for the year	-	-	-	11,257.58	11,257.58
	-Other comprehensive income for the year	-	-	-	(50.62)	(50.62)
	<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,206.96</b>	<b>11,206.96</b>
	-Dividend paid during the year	-	-	-	(1,717.74)	(1,717.74)
	-Dividend Distribution Tax (DDT)	-	-	-	(353.08)	(353.08)
	-Buy back of Shares (Refer Note-15)	-	(2,455.03)	30.00	(5,794.97)	(8,220.00)
	<b>Balance as at March 31, 2019</b>	<b>95.47</b>	<b>-</b>	<b>48.82</b>	<b>63,126.16</b>	<b>63,270.45</b>

As per our report of even date attached

For and on behalf of the Board of Directors

For **S.S. KOTHARI MEHTA & COMPANY**  
Chartered Accountants  
Firm Registration No: 000756N

Sd/-  
**YOGESH K GUPTA**  
Partner  
Membership No : 093214  
Place : Gurugram  
Dated : 21<sup>st</sup> May, 2019

Sd/-  
**M.K. DHANUKA**  
Managing Director  
DIN : 00628039

Sd/-  
**RAHUL DHANUKA**  
Executive Director  
DIN : 00150140

Sd/-  
**V.K. BANSAL**  
C.F.O.

Sd/-  
**JYOTI VERMA**  
Company Secretary  
FCS-7210



## Standalone Statement of Cash Flows for the year ended March 31, 2019

(₹ In lacs)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Profit / (Loss) Before Tax</b>	<b>15,395.52</b>	<b>16,700.79</b>
	Adjustments for:		
	Depreciation, amortization and impairment expenses	1,234.85	1,420.62
	Net (Gain)/Loss on Sale of Property, Plant and Equipment	(13.11)	(4.46)
	Property, Plant and Equipment Written off	15.05	-
	Finance Costs	89.29	87.34
	Interest Income	(714.40)	(366.22)
	Dividend Income from Investments	(159.94)	(338.87)
	Net (Gain)/Loss on Sale of Investments	(280.11)	(46.56)
	Net (Gain)/Loss on Investments measured at fair value through profit or loss	(352.79)	(314.49)
	Allowance for Bad and Doubtful debts & Advances	381.98	101.55
	Forex Fluctuation on Translation of Assets & Liabilities	(55.13)	59.73
	<b>Operating Profit/(loss) before Working Capital changes</b>	<b>15,541.21</b>	<b>17,299.43</b>
	(Increase) / Decrease in Trade Receivables	(1,257.12)	(2,513.92)
	(Increase) / Decrease in Current financial assets - Loans	(203.50)	(2,593.22)
	(Increase) / Decrease in Non Current financial assets - Loans	38.64	(25.12)
	(Increase) / Decrease in Other Current financial assets*	(1,193.33)	53.88
	(Increase) / Decrease in Other Non Current financial assets	(850.24)	(6.28)
	(Increase) / Decrease in Other Current assets	(420.05)	(160.56)
	(Increase) / Decrease in Other Non Current assets	(16.53)	(72.81)
	(Increase)/Decrease in Inventories*	(4,559.74)	5,948.54
	Increase / (Decrease) in Trade Payables	(492.30)	2,560.64
	Increase / (Decrease) in Other Current Financial Liabilities	273.62	(280.60)
	Increase / (Decrease) in Other Non Current Financial Liabilities	(818.86)	(297.65)
	Increase / (Decrease) in Other Current Provisions	2.77	(123.63)
	Increase / (Decrease) in Other Non Current Provisions	14.04	(376.63)
	Increase / (Decrease) in Other Current Liabilities	(195.02)	(1,606.44)
	Increase / (Decrease) in Other Non Current Liabilities	(7.93)	(7.11)
	<b>Cash generated (used) in /from Operations before tax</b>	<b>5,855.66</b>	<b>17,798.52</b>
	Net Direct Taxes paid	(5,420.28)	(4,032.40)
	<b>Net cash flow (used) in/ from Operating Activities</b>	<b>435.38</b>	<b>13,766.12</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Acquisition of Property, Plant and Equipment, Intangible Assets & Capital work in Progress	(607.52)	(648.45)
	Proceeds from sale of Property, Plant and Equipment*	134.55	13.84
	Purchase and sale of Investments (Net)	6,805.58	(11,198.08)
	Interest Received	721.22	391.91
	Dividend Income from Investments	159.94	338.87
	<b>Net cash flow (used) in/ from Investing Activities</b>	<b>7,213.77</b>	<b>(11,101.91)</b>
	<b>Net cash (used) in/ from Operating and Investing Activities</b>	<b>7,649.15</b>	<b>2,664.21</b>



## Standalone Statement of Cash Flows for the year ended March 31, 2019

(₹ In lacs)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Short Term Borrowings (Net)	1,749.59	(336.37)
	Payment of Dividend	(1,717.74)	(1,276.04)
	Taxes on Dividend	(353.08)	(259.78)
	Buy Back of Shares	(8,250.00)	-
	Interest Paid	(89.29)	(87.34)
	<b>Net cash (used) in/ from Financing Activities</b>	<b>(8,660.52)</b>	<b>(1,959.53)</b>
	<b>Net cash (used) in/ from Operating, Investing &amp; Financing Activities</b>	<b>(1,011.37)</b>	<b>704.68</b>
	<b>Opening balance of Cash and Cash equivalent</b>	<b>1,056.86</b>	<b>352.18</b>
	<b>Closing balance of Cash &amp; Cash equivalent</b>	<b>45.49</b>	<b>1,056.86</b>

Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following (refer note no.12):-

<b>i) Cash Balance on Hand</b>	40.19	46.37
<b>ii) Balance with Banks :</b>		
-In Current Accounts	5.30	7.84
-In Fixed Deposits	-	1,000.15
-Cheques in hand	-	2.50
<b>Total</b>	<b>45.49</b>	<b>1,056.86</b>

\* Adjustments has been made on account of non cash items. Refer Note-32

### Change in liability arising from financing activities

Particulars	As at April 1, 2018	Cash flows	Foreign exchange movement	As at March 31, 2019
Borrowing Current (Refer Note 17)	471.65	1,749.59	-	2,221.25
Particulars	As at April 1, 2017	Cash flows	Foreign exchange movement	As at March 31, 2018
Borrowing Current (Refer Note 17)	789.25	(336.37)	18.77	471.65

As per our report of even date attached

For and on behalf of the Board of Directors

For **S.S. KOTHARI MEHTA & COMPANY**  
Chartered Accountants  
Firm Registration No: 000756N

Sd/-  
**YOGESH K GUPTA**  
Partner  
Membership No : 093214  
Place : Gurugram  
Dated : 21<sup>st</sup> May, 2019

Sd/-  
**M.K. DHANUKA**  
Managing Director  
DIN : 00628039

Sd/-  
**RAHUL DHANUKA**  
Executive Director  
DIN : 00150140

Sd/-  
**V.K. BANSAL**  
C.F.O.

Sd/-  
**JYOTI VERMA**  
Company Secretary  
FCS-7210

## Notes to Standalone Financial Statement for the year ended March 31, 2019

### 1. CORPORATE INFORMATION

Dhanuka Agritech Limited ("DAL" or "the Company") is a public limited company incorporated under The Companies Act, 1956, domiciled in India and has its registered office at New Delhi. The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange.

DAL manufactures a wide range of agro-chemicals like herbicides, insecticides, fungicides, plant growth regulators in various forms - liquid, dust, powder and granules. The Company has a Pan-India presence through its Branch offices/Depots in all major states in India.

The Registered office of the company situated at 82, Abhinash Mansion, 1st Floor, Joshi Road, Karol Bagh, New Delhi-110005 and the corporate office is situated at 14th Floor, Building 5A, Cyber City, DLF Phase-III, Gurugram-122002.

### 2. BASIS OF PREPARATION

#### a. Statement of compliance

The financial statements are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') as amended through rules and other relevant provisions of the Act to the extent applicable.

These financial statements were authorized for issue by the Board of Directors on May 21, 2019.

#### b. Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following:

- Certain financial assets and liabilities that is measured at fair value;
- Defined benefit plans - plan assets measured at fair value.

#### c. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest lacs, unless otherwise indicated.

#### d. New and amended standards adopted by the Company

##### I. Ind AS 115, Revenue from Contracts with Customers

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, effective April 1, 2018, on a modified retrospective basis, applying the standard to all contracts that are not completed as such date. The adoption of Ind AS 115 did not have any significant financial impact and accordingly, no adjustments are made to the amounts recognized in the financial statements. The adoption has resulted in changes to accounting policies and mandated certain disclosures. Refer note number 3(h) below for accounting policies and note number 23 for related disclosures.

##### II. Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's financial statements.

#### e. Current or Non-current classification

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

#### f. Critical accounting judgements and key source of estimation uncertainty

The preparation of standalone financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.



## Notes to Standalone Financial Statement for the year ended March 31, 2019

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

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

Application of accounting policies that require critical accounting estimates and assumption judgements having the most significant effect on the amounts recognized in the financial statements are:

- Measurement of defined benefit obligations;
- Recognition of deferred tax assets & minimum alternative tax credit entitlement;
- Useful life and residual value of Property, plant and equipment and intangible assets;
- Impairment test of financial and non-financial assets;
- Measurement of fair value of financial instrument; and
- Recognition and measurement of provisions and contingencies.
- Recognition and measurement of provision for discounts and rebates.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

#### a. Property, plant and equipment

##### I. Recognition and measurement

On transition to Ind AS, the Company had elected to continue with the carrying value of all its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Freehold land is carried at cost. All other items of Property, plant and equipment are measured at cost, less

accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, after deducting trade discount and rebates, and including import duties, non-refundable purchase taxes, any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in cost to the extent they relate to the period till such assets are ready for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment or major inspections performed, are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of all other repairs and maintenance are recognized in the Statement of Profit & Loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under construction as at the balance sheet date.

An item of property, plant and equipment is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal is recognized in statement of profit & loss.

#### II. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values, recognized in the statement of profit and loss. Depreciation on property, plant and equipment is provided on Written Down Value Method (WDV) at the rate and in the manner based on the useful life of the assets as estimated by the management which coincide with the useful life specified under Schedule II of the Companies Act, 2013, which are as follows:



## Notes to Standalone Financial Statement for the year ended March 31, 2019

• Building including factory building-	30-60 years
• General plant and machinery-	15 years
• Plant and Machinery-Vessel/Storage tank-	20 years
• Furniture and Fittings-	10 years
• Motor Vehicles-	8-10 years
• Office Equipment-	5 years
• Computers and data processing units-	3-6 years
• Wind Mill-	22 years
• *Solar Plant-	25 years

- \* The useful life considered above is on the basis of the agreement with third party regarding sale of electricity generated from this plant.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (upto) the date on which the property, plant and equipment is available for use (disposed off).

Assets having cost upto ₹ 5000/- have been fully depreciated in the year of acquisition by leaving Re.1 as a nominal value for its identity in fixed assets register.

### b. Intangible assets

On transition to Ind AS, company has elected to continue with the carrying value of all of its intangible assets recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Intangible assets are measured at cost less any accumulated amortization and impairment losses, if any.

Cost of an item of intangible asset comprises its purchase price, after deducting trade discount and rebates, and including import duties, non-refundable purchase taxes, any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Amortization is recognized on a straight line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate

being accounted for on a prospective basis.

The estimated useful lives are as follows:

Computer Software	10 years
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An intangible asset is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal is recognized in statement of profit & loss.

### c. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs').

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

In respect of assets for which impairment loss has been recognized in prior periods, the company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. After impairment, depreciation or amortization is provided on the revised carrying amount of the assets over its remaining useful life.

### d. Financial instruments

#### I. Initial recognition

The Company recognizes financial assets and financial



## Notes to Standalone Financial Statement for the year ended March 31, 2019

liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recognized at fair value plus transaction costs directly attributable to its acquisition. The transaction costs incurred for the purchase of financial assets held at fair value through profit and loss are expensed in the statement of profit and loss immediately.

### II. Subsequent measurement

#### 1) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognized or impaired, the gain or loss is recognized in the statement of profit and loss.

#### 2) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss.

Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognized in OCI are not reclassified to the statement of profit and loss.

#### 3) Financial assets at fair value through profit and loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

#### 4) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts is approximate to the fair value due to the short maturity of these instruments.

#### 5) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any, in the separate financial statements.

### III. Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. Except trade receivables, expected credit losses are measured at an amount equal to the twelve month expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

In case of trade receivables, the Company follows the simplified approach which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

### IV. Derecognition

#### 1) Financial Assets

Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and

## Notes to Standalone Financial Statement for the year ended March 31, 2019

rewards of the transferred assets, the transferred assets are not derecognized.

### 2) Financial Liabilities

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

### V. Reclassification of Financial Assets and Financial liabilities

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for

managing those assets. If the company reclassifies financial assets, it applies prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

### VI. Derivative financial instruments

The company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognized immediately in the statement of profit and loss.

### VII. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

#### e. Fair Value measurement

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, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the

fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/ or disclosure purposes are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

**Level 1** - This includes financial instruments measured using quoted prices (Unadjusted) in active markets for identical assets and liabilities.

**Level 2** - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize 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. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### f. Inventories

Inventories (including Stock-in-transit) of Finished Goods, Stock in Trade, Work in progress, Raw materials, packing materials and Stores & Spares are stated at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cost of Raw Materials, Packing Materials, Stores and Spares, Stock in Trade and other products are determined on First in first out (FIFO) basis and are net of GST.

Cost of Work in progress and Finished Goods is determined on First in first out (FIFO) basis considering direct material cost and appropriate portion of manufacturing overheads



## Notes to Standalone Financial Statement for the year ended March 31, 2019

based on normal operating capacity.

Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and wherever necessary, the same are written off or provision is made for such inventories. Finished goods and work in progress are written down if anticipated net realizable value declines below the carrying amount of the inventories and such write down to inventories are recognized in statement of profit & loss. When reason for such write down ceases to exist, then write down is reversed through statement of profit and loss account.

### g. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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 recognized but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

### h. Revenue Recognition

#### i. Sale of goods

Revenue is generated primarily from sale of agrochemicals.

Revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognized at the point in time when control is transferred to the customer which is usually on delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

#### Contract balances

##### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 3(d) Financial instruments - initial recognition and subsequent measurement.

##### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

## II. Interest Income

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 through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

## III. Dividends

Dividend income is recognized when the Company's right to receive dividend is established and is included in other income in the statement of profit and loss.



## Notes to Standalone Financial Statement for the year ended March 31, 2019

### IV. Revenue from electricity generation

Revenue from electricity generation is recognized on the basis of electricity units generated and invoice raised on monthly basis.

#### i. Employee Benefits

##### I. Short Term Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### II. Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund, National Pension scheme and Employees State Insurance are defined contribution schemes. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable exceeds contribution already paid, the deficit payable is recognized as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Company recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to reduction in future payments or a cash refund.

##### III. Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The company contributes to the gratuity fund, which are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

When the calculation results in a potential asset for the

company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit & loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit & loss. The company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### IV. Other long term employee benefits

Other long term Employee benefits includes earned leaves and sick leaves. The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognized in statement of profit & loss in the period in which they arise.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

#### j. Foreign currency transactions

The financial statements are presented in Indian rupee, which is the company's functional and presentation currency, unless stated otherwise. A company's functional currency is that of the primary economic environment in which the company operates.

Foreign currency transactions are translated into the



## Notes to Standalone Financial Statement for the year ended March 31, 2019

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 recognized in the statement of profit and loss.

### k. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

### l. Income Tax

Income tax expense comprises current and deferred tax. It is recognized in statement of profit & loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income

#### I. Current Tax

Current tax comprises the expected tax payable on the taxable income for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### II. Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax assets/liabilities are generally recognized for all taxable temporary differences, the carry forward balance of unused tax

credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, the carry forward balance of unused tax credits and unused tax losses can be utilized.

The carrying value 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 all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

### m. Segment Reporting

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the company's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

The Chairman, Managing Director, Executive directors and CFO have been identified as CODM by the Company. Refer Note 39 for segment information.

### n. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## Notes to Standalone Financial Statement for the year ended March 31, 2019

### o. Statement of cash flows

Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Ind AS on Statement of Cash Flows (Ind AS - 7). The cash flows from operating, financing and investing activity of the company are segregated.

### p. Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### Company as a lessor

##### I. Operating Lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

##### II. Finance Lease

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

#### Company as a lessee

##### I. Operating Lease

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Payments under operating lease are recorded in the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in

line with expected general inflation to compensate for the expected inflationary cost increases.

##### II. Finance Lease

Finance Lease that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

##### q. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period 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 net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

##### r. Dividend to Equity Shareholders

Dividend to equity shareholders is recognized as a liability and deducted from shareholders' Equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

##### s. Research and Development Expenses

Research and Development Expenses of revenue nature are charged to the Statement of Profit and Loss.



## Notes to Standalone Financial Statement for the year ended March 31, 2019

### 4. PROPERTY, PLANT AND EQUIPMENT

(₹ In lacs)

Particulars	Land-Freehold	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Power Gen. Plant	Total
<b>Gross Carrying Amount</b>								
<b>As at April 01, 2017</b>	<b>2,867.40</b>	<b>7,221.95</b>	<b>3,276.43</b>	<b>148.91</b>	<b>152.99</b>	<b>330.95</b>	<b>950.74</b>	<b>14,949.37</b>
Additions	149.63	58.20	332.13	21.69	19.60	101.09	-	682.34
Disposals/Adjustments	-	-	(1.33)	(0.02)	(7.61)	(1.18)	-	(10.14)
<b>Balance as at March 31, 2018</b>	<b>3,017.03</b>	<b>7,280.16</b>	<b>3,607.22</b>	<b>170.58</b>	<b>164.98</b>	<b>430.86</b>	<b>950.74</b>	<b>15,621.57</b>
<b>Balance as at April 1, 2018</b>	<b>3,017.03</b>	<b>7,280.16</b>	<b>3,607.22</b>	<b>170.58</b>	<b>164.98</b>	<b>430.86</b>	<b>950.74</b>	<b>15,621.57</b>
Additions	89.49	15.18	112.18	4.14	196.73	56.37	-	474.09
Disposals/Adjustments	(96.01)	(5.33)	(806.14)	(2.81)	(8.86)	(11.84)	-	(930.99)
<b>Balance as at March 31, 2019</b>	<b>3,010.51</b>	<b>7,290.01</b>	<b>2,913.26</b>	<b>171.91</b>	<b>352.85</b>	<b>475.39</b>	<b>950.74</b>	<b>15,164.67</b>
<b>Accumulated Depreciation</b>								
<b>As at April 01, 2017</b>	<b>-</b>	<b>621.82</b>	<b>547.83</b>	<b>35.90</b>	<b>36.36</b>	<b>128.79</b>	<b>75.77</b>	<b>1,446.47</b>
Depreciation for the year	-	575.93	518.51	34.56	35.33	114.51	101.22	1380.06
Disposals/Adjustments	-	-	(0.28)	(0.01)	(0.44)	(0.04)	-	(0.77)
<b>Balance as at March 31, 2018</b>	<b>-</b>	<b>1,197.75</b>	<b>1,066.06</b>	<b>70.46</b>	<b>71.25</b>	<b>243.26</b>	<b>176.98</b>	<b>2,825.76</b>
Depreciation for the year	-	527.41	410.01	27.42	46.84	90.30	89.50	1,191.48
Disposals/Adjustments	-	(0.59)	(272.48)	(1.26)	(6.68)	(5.93)	-	(286.94)
<b>Balance as at March 31, 2019</b>	<b>-</b>	<b>1,724.57</b>	<b>1,203.59</b>	<b>96.62</b>	<b>111.41</b>	<b>327.63</b>	<b>266.48</b>	<b>3,730.30</b>
<b>Net carrying amount</b>								
<b>Balance as at March 31, 2018</b>	<b>3,017.03</b>	<b>6,082.41</b>	<b>2,541.16</b>	<b>100.12</b>	<b>93.73</b>	<b>187.60</b>	<b>773.76</b>	<b>12,795.80</b>
<b>Balance as at March 31, 2019</b>	<b>3,010.51</b>	<b>5,565.44</b>	<b>1,709.67</b>	<b>75.29</b>	<b>241.44</b>	<b>147.76</b>	<b>684.26</b>	<b>11,434.37</b>

#### Notes

a. Refer note 17(a) for information on movable assets which are pledged as security by the company to banks

### 5. CAPITAL WORK IN PROGRESS

(₹ In lacs)

Particulars	Amount
<b>As at April 01, 2017</b>	<b>44.17</b>
Additions	173.47
Less: Amount capitalized in Property, Plant and Equipment	(209.96)
<b>Balance as at March 31, 2018</b>	<b>7.68</b>
<b>As at April 01, 2018</b>	<b>7.68</b>
Additions	119.58
Less: Amount capitalized in Property, Plant and Equipment	(28.35)
<b>Balance as at March 31, 2019</b>	<b>98.91</b>



## Notes to Standalone Financial Statement for the year ended March 31, 2019

### 6. OTHER INTANGIBLE ASSETS

(₹ In lacs)

Particulars	Amount (Computer Software)
<b>Gross Carrying Amount</b>	
<b>As at April 01, 2017</b>	<b>315.12</b>
Additions	57.45
<b>Balance as at March 31, 2018</b>	<b>372.57</b>
Additions	0.37
<b>Balance as at March 31, 2019</b>	<b>372.94</b>

<b>Accumulated Amortization</b>	
<b>As at April 1, 2017</b>	<b>34.38</b>
Charge for the year	40.56
<b>Balance as at March 31, 2018</b>	<b>74.94</b>
Charge for the year	43.37
<b>Balance as at March 31, 2019</b>	<b>118.31</b>

<b>Net Carrying Amount</b>	
<b>Balance as at March 31, 2019</b>	<b>254.63</b>
<b>Balance as at March 31, 2018</b>	<b>297.63</b>



## Notes to Standalone Financial Statement for the year ended March 31,2019

### 7. INVESTMENTS

(₹ In lacs)

	As at March 31, 2019	Amount	As at March 31, 2018	Amount
	No. of Shares/Units		No. of Shares/Units	
<b>NON CURRENT</b>				
<b>Investment in Equity Instruments</b>				
<b>a. Quoted- At Fair Value through Profit &amp; Loss</b>				
Equity PMS-Shares of Listed Companies	PMS	280.96	PMS	301.42
PMS Advisor-Accuracap Consultancy Services Private Limited				
<b>b. Unquoted- At Fair Value through Profit &amp; Loss</b>				
Units of India Build Out Fund-Venture Capital Fund	1,177.16	17.39	1,177.16	17.39
Units of Edelweiss Alternative Equity Scheme	644,379.62	135.32	645,412.39	132.59
<b>c. Unquoted-Investment in Subsidiary at cost</b>				
Shares of M/s Dhanuka Agri-solutions Pvt. Ltd.	1,500.00	0.09	1,500.00	0.09
<b>Investment in Preference Shares</b>				
<b>a. Quoted- At Fair Value through Profit &amp; Loss</b>				
Preference shares of Tata Motors Finance Ltd.	250,000.00	532.43	-	-
<b>Investment in debentures or bonds</b>				
<b>a. Quoted- At Fair Value through Profit &amp; Loss</b>				
NCD - Face Value of 100000/- each in Edelweiss Asset Reconstruction company Ltd	-	-	500.00	595.80
NCD - Face Value of 100000/- each in IIFL Wealth Finance Limited	-	-	483.00	509.18
NCD - Face Value of 100000/- each in ECAP Equities Limited	-	-	978.00	1,048.02
NCD - Face Value of 100000/- each in Edelweiss Finvest Pvt. Ltd.	294.00	288.23	-	-
NCD - Face Value of 100000/- each in IIFL Wealth Finance Limited	300.00	327.00	-	-
NCD - Face Value of 100000/- each in Edelweiss Finvest Pvt. Ltd.	1,000.00	995.55	-	-
<b>b. Quoted- At Amortised Cost</b>				
7.35% Bonds - Face Value of 1000/- each in Indian Railway Finance Corporation Limited	5,878.00	58.78	5,878.00	58.78
7.28% Bonds - Face Value of 1000/- each in Indian Railway Finance Corporation Limited	30,200.00	302.00	30,200.00	302.00
7.35% Bonds - Face Value of 1000/- each in National Highway Authority of India	14,285.00	142.85	14,285.00	142.85
7.39% Bonds - Face Value of 1000/- each in National Highway Authority of India	7,709.00	77.09	7,709.00	77.09
7.49% Bonds - Face Value of 1000/- each in Indian Renewable Energy Development Agency Ltd	34,060.00	340.60	34,060.00	340.60
7.39% Bonds - Face Value of 1000/- each in Housing and Urban Development Corp Ltd	7,007.00	70.07	7,007.00	70.07
7.35% Bonds - Face Value of 1000/- each in National Bank for Agriculture and Rural Development	5,010.00	50.10	5,010.00	50.10
7.11% Bonds - Face Value of 1000/- each in Power Finance Corporation Limited	2,567.00	25.67	2,567.00	25.67
18.50% NCD - Face Value of 1000000/- each of Manyata Developers Private Limited	20.00	127.37	20.00	128.85
<b>c. Unquoted- At Amortised Cost</b>				
Units of Annuities In Senior Secured Estate Fund	338,233.58	338.23	491,792.54	491.79
Units of IIFL Real Estate Fund-Series 2	47,09,658.52	358.98	47,09,658.52	386.63
Units of Religare Credit Investment Trust	22.73	41.75	38.31	67.46
Units of ICICI Prudential Real Estate	122,953.24	130.44	146,799.80	148.86
Units of IIFL Real Estate Fund-Series 3	1,850,000.00	84.58	1,850,000.00	110.12
<b>d. Unquoted- At Fair Value through Profit &amp; Loss</b>				
Units of UTI Structured Debt Opportunities Fund	13,449,205.63	243.47	12,587,261.04	126.04

## Notes to Standalone Financial Statement for the year ended March 31, 2019

(₹ In lacs)

	As at March 31, 2019 No. of Shares/Units	Amount	As at March 31, 2018 No. of Shares/Units	Amount
<b>Investment in Mutual Funds</b>				
<b>a. Quoted- At Fair Value through Profit &amp; Loss</b>				
Units of Reliance Fixed Horizon Fund-XXX-Series 13	-	-	2,500,000.00	295.23
Units of Reliance Fixed Horizon Fund-XXX-Series 17	-	-	1,500,000.00	176.42
Units of UTI Fixed Term Income Fund Series-1182 Days	-	-	3,000,000.00	355.08
Units of HDFC FMP 1161 Days Series 35	-	-	2,000,000.00	245.51
Units of Reliance Fixed Horizon Fund-XXXV-Series 13	3,000,000.00	327.77	3,000,000.00	304.79
Units of UTI Fixed Term Income Fund Series-1113 Days	3,000,000.00	331.68	3,000,000.00	310.04
Units of UTI Fixed Term Income Fund Series-1204 Days	3,000,000.00	327.51	3,000,000.00	305.07
Units of ICICI Prudential Fixed Maturity Plan Series 82-1203 Days	3,000,000.00	327.37	3,000,000.00	303.84
Units of ICICI Prudential Fixed Maturity Plan Series 82-1215 Days	3,000,000.00	327.84	3,000,000.00	304.37
Units of Aditya Birla Sun life Fixed Term Plan Series PB-1190 Days	3,000,000.00	327.08	3,000,000.00	304.46
Units of Aditya Birla Sun life Fixed Term Plan Series PC-1169 Days	3,000,000.00	326.99	3,000,000.00	304.45
Units of DSP FMP Series 219-40M	3,000,000.00	327.30	3,000,000.00	304.48
Units of DSP FMP Series 220-40M	3,000,000.00	326.32	3,000,000.00	303.52
Units of Aditya Birla Sun life Fixed Term Plan Series QX-1103 Days	3,000,000.00	318.05	-	-
Units of Aditya Birla Sun life Fixed Term Plan Series RA-1100 Days	2,000,000.00	212.13	-	-
Units of DSP FMP Series 243-36M	1,500,000.00	157.32	-	-
Units of Reliance Fixed Horizon Fund-XXXIX-Series 2	2,000,000.00	214.83	-	-
Units of UTI Fixed Term Income Fund Series XXX-I-1104 Days	1,500,000.00	156.45	-	-
<b>Total Non Current Investment</b>		<b>8,977.59</b>		<b>8,948.66</b>
Aggregate amount of quoted investments and Market Value thereof		7,627.35		7,467.68
Aggregate amount of quoted investments and Book Value thereof		7,627.35		7,467.68
Aggregate amount of unquoted investments		1,350.24		1,480.98
Aggregate amount of impairment in value of investments		-		-



## Notes to Standalone Financial Statement for the year ended March 31, 2019

(₹ In lacs)

	As at March 31, 2019	Amount	As at March 31, 2018	Amount
	No. of Shares/Units		No. of Shares/Units	
<b>CURRENT</b>				
<b>Investment in Equity Instruments</b>				
<b>a. Unquoted- At Fair Value through Profit &amp; Loss</b>				
Units of Edelweiss Alpha Fund	-	-	100,000.00	1,028.49
Units of DSP India Enhanced Equity SatCore Fund	200,000.00	208.58	-	-
<b>Investment in debentures or bonds</b>				
<b>a. Quoted- At Fair Value through Profit &amp; Loss</b>				
NCD - Face Value of 100000/- each in IIFL Wealth Finance Limited	483.00	552.02	-	-
NCD - Face Value of 100000/- each in ECAP Equities Limited	978.00	1,135.15	-	-
<b>Investment in Mutual Funds</b>				
<b>a. Quoted- At Fair Value through Profit &amp; Loss</b>				
Units of UTI Liquid Cash Plan-Dividend Reinvestment	-	-	78,556.02	800.84
Units of UTI Spread Fund-Dividend Reinvestment/Payout	-	-	6,003,437.24	1,000.83
Units of Edelweiss Arbitrage Fund-Dividend Payout	-	-	2,426,988.11	297.22
Units of SBI Arbitrage Opportunities Fund-Dividend Payout	-	-	2,257,132.54	300.86
Units of ICICI Pru Equity Arbitrage-Dividend Reinvestment/Payout	-	-	2,180,771.41	297.46
Units of HDFC Arbitrage Fund-Dividend Reinvestment/Payout	-	-	9,493,709.88	999.12
Units of Aditya Birla Sun Life Enhanced Arb Fund-Dividend Payout	-	-	5,733,316.47	997.31
Units of Kotak Equity Arbitrage Fund-Dividend Payout-Regular Plan	-	-	2,796,915.94	299.07
Units of IDFC Arbitrage Fund-Dividend Payout	-	-	2,368,695.32	299.88
Units of Reliance Arbitrage Advantage Fund-Dividend Payout	-	-	8,845,134.20	1,002.89
Units of Reliance Banking & PSU Debt Fund-Growth	-	-	2,029,336.08	255.89
Units of Axis Enhanced Arbitrage Fund-Dividend Payout	-	-	5,733,316.47	601.19
Units of HDFC Medium Term Opportunities Fund-Growth	-	-	1,319,560.64	256.10
Units of Aditya Birla Sun Life Short Term Fund-Growth	-	-	386,298.46	256.68
Units of Kotak Equity Arbitrage Fund-Dividend Payout-Direct Plan	-	-	2,735,379.40	300.66
Units of IDFC Corporate Bond Fund-Growth	-	-	2,154,708.04	256.16
Units of Reliance Fixed Horizon Fund-XXX-Series 13	2,500,000.00	317.34	-	-
Units of Reliance Fixed Horizon Fund-XXX-Series 17	1,500,000.00	189.55	-	-
Units of UTI Fixed Term Income Fund Series-1182 Days	3,000,000.00	381.89	-	-
Units of HDFC FMP 1161 Days Series 35	2,000,000.00	264.51	-	-
<b>Total Current Investment</b>		<b>3,049.04</b>		<b>9,250.65</b>
Aggregate amount of quoted investments and Market Value thereof		2,840.46		8,222.16
Aggregate amount of quoted investments and Book Value thereof		2,840.46		8,222.16
Aggregate amount of unquoted investments		208.58		1,028.49
Aggregate amount of impairment in value of investments		-		-



## Notes to Standalone Financial Statement for the year ended March 31, 2019

### 8. LOANS

(₹ In lacs)

Unsecured, Considered good unless otherwise stated	As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>		
Loans to employees	16.54	5.62
Loan to Subsidiary#	11.56	11.56
Security Deposits	325.40	374.97
	<b>353.50</b>	<b>392.15</b>
<b>Break up of Security Details</b>		
Loans considered good-Secured	-	-
Loans considered good-Unsecured	353.50	392.15
Loans which have significant increase in Credit Risk	-	-
Loans-Credit impaired	-	-
<b>Total</b>	<b>353.50</b>	<b>392.15</b>
Less : Allowance	-	-
<b>Total</b>	<b>353.50</b>	<b>392.15</b>
<b>Current</b>		
Loans to employees	70.13	71.91
Security Deposits	168.29	8.72
Loans to corporates and others		
Unsecured, Considered good*	3,050.00	3,200.00
Doubtful	195.71	-
Less: Allowance for doubtful debts	(195.71)	-
	<b>3,288.42</b>	<b>3,280.63</b>
<b>Break up of Security Details</b>		
Loans considered good-Secured	-	-
Loans considered good-Unsecured	3,288.42	3,280.63
Loans which have significant increase in Credit Risk	-	-
Loans-Credit impaired	195.71	-
<b>Total</b>	<b>3,484.13</b>	<b>3,280.63</b>
Less : Allowance	(195.71)	-
<b>Total</b>	<b>3,288.42</b>	<b>3,280.63</b>
<b>Footnotes :</b>		
a. #The same is in the nature of advance. Refer Note-40.		
b. *Includes amount due to related parties amounting to 2500.00 Lacs (March 31, 2018 Nil). Refer Note-40.		
c. There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.		



## Notes to Standalone Financial Statement for the year ended March 31,2019

### 9. OTHER FINANCIAL ASSETS

(₹ In lacs)

Unsecured, Considered good unless otherwise stated		As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>			
	Fixed Deposits With Banks*	951.56	101.31
	Claim Receivable	32.88	32.88
		<b>984.44</b>	<b>134.19</b>
<b>Current</b>			
	Interest Accrued On Loans and Investment	46.40	53.22
	Claim Receivable	6,492.42	416.24
		<b>6,538.82</b>	<b>469.46</b>
<b>Footnotes :</b>			
a.	*Includes interest accrued thereon		
b.	There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.		

### 10. INVENTORIES

(₹ In lacs)

	As at March 31, 2019	As at March 31, 2018
Raw materials*	4,479.71	6,570.93
Packing materials**	1,742.59	1,674.87
Work in Progress	810.11	674.50
Finished Goods***	11,063.87	9,144.17
Stock in Trade****	2,480.58	2,321.70
Store and spares	106.15	112.40
<b>TOTAL</b>	<b>20,683.01</b>	<b>20,498.57</b>
<b>Footnotes :</b>		
a.	The mode of valuation of inventories has been stated in note no 3(f)	
b.	Refer note 17(a) for information on Inventories pledged as security by the company to banks	
c.	*: Stock of Raw Materials includes value of goods in transit of 228.13 lacs [March 31,2018 : 530.86 lacs]	
d.	**: Stock of Packing Materials includes value of goods in transit of 38.83 lacs [March 31,2018 : 46.47 lacs]	
e.	***: Stock of Finished Goods includes value of goods in transit of 158.60 lacs [March 31,2018 : 22.30 lacs]	
f.	****: Stock in Trade includes value of goods in transit of 7.01 lacs [March 31,2018 : Nil]	
g.	Cost of Inventories recognized as an expense during the year amount to 64,756.23 lacs [P.Y. 58,054.75 lacs]	
h.	The cost of inventories recognised as an expense includes Nil in respect of inventories written down to net realizable value [P.Y. 230.39 lacs] . Previous write-downs have been reversed as a result of increased net realizable value.	

## Notes to Standalone Financial Statement for the year ended March 31, 2019

### 11. TRADE RECEIVABLES

(₹ In lacs)

	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered good*	22,200.20	20,943.08
Less: Allowance for doubtful debts (expected credit loss allowance) (Refer Note-43)	(332.60)	(146.33)
<b>TOTAL</b>	<b>21,867.60</b>	<b>20,796.75</b>
<b>Break up for Security Details</b>		
Trade Receivables considered good-Secured	-	-
Trade Receivables considered good-Unsecured	22,200.20	20,943.08
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables-Credit impaired	-	-
<b>TOTAL</b>	<b>22,200.20</b>	<b>20,943.08</b>
Less: Allowance for doubtful debts (expected credit loss allowance) (Refer Note-43)	(332.60)	(146.33)
<b>TOTAL</b>	<b>21,867.60</b>	<b>20,796.75</b>
<b>Footnotes :</b>		
a. *Of the above, trade receivable from related parties are given below :		
Unsecured, considered good (Refer note-40)	-	<b>0.47</b>
b. Refer note 17(a) for information on Trade Receivable pledged as security by the company to banks		
c. There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.		

### 12. CASH & CASH EQUIVALENTS

(₹ In lacs)

	As at March 31, 2019	As at March 31, 2018
<b>Cash &amp; Cash Equivalents</b>		
Balance With Banks In Current Account	5.30	7.84
Cash on Hand	40.19	46.37
Cheques / Drafts In Hand	-	2.50
Fixed Deposits With Banks*	-	1,000.15
	<b>45.49</b>	<b>1,056.86</b>
<b>Bank Balance other than Cash and Cash Equivalents</b>		
Balance With Banks In Unpaid Equity Dividend Account**	87.60	83.34
	<b>87.60</b>	<b>83.34</b>
<b>Footnotes :</b>		
a. *Includes interest accrued thereon		
b. **Earmarked against the corresponding unclaimed dividend liabilities as shown under the head "Other financial liabilities"		



## Notes to Standalone Financial Statement for the year ended March 31,2019

### 13. CURRENT TAX ASSETS

(₹ In lacs)

	As at March 31, 2019	As at March 31, 2018
Advance Income Tax (Net of Provision for Income Tax)	1,426.94	257.43
	<b>1,426.94</b>	<b>257.43</b>

### 14. OTHER ASSETS

(₹ In lacs)

Unsecured, Considered good unless otherwise stated	As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>		
Capital Advance	1,801.16	1,792.57
Receivables from Govt. Authorities	88.53	72.85
Deposits with Public Authorities	57.29	59.25
Prepaid expenses	32.17	15.13
Prepaid Lease Rental	7.00	18.31
Advances To Vendor	-	0.20
Other Advances	10.54	13.26
	<b>1,996.69</b>	<b>1,971.57</b>
<b>Current</b>		
Prepaid expenses	307.59	158.35
Prepaid Lease Rental	15.46	16.02
Advances To Vendor	1,221.36	953.47
Receivables from Govt. Authorities	822.97	835.45
DEPB Licence In Stock	20.31	-
Other Advances*	57.62	61.98
	<b>2,445.31</b>	<b>2,025.27</b>
<b>Footnotes :</b>		
a. *Includes advances given to employees		

### 15. EQUITY SHARE CAPITAL

(₹ In lacs)

Unsecured, Considered good unless otherwise stated	As at March 31, 2019	As at March 31, 2018
<b>Authorized Share capital</b>		
14,21,00,000 equity shares of 2/- each	2,842.00	2,842.00
<b>Issued,subscribed and fully paid up</b>		
4,75,78,324 equity shares of 2/- each	951.57	981.57
[Last Year 4,90,78,324 equity shares of 2/- each]	<b>951.57</b>	<b>981.57</b>
<b>Notes:</b>		



## Notes to Standalone Financial Statement for the year ended March 31, 2019

### a. Reconciliation of the shares outstanding at the beginning and at the end of the year

(₹ In lacs)

	As at March 31, 2019	Amount	As at March 31, 2018	Amount
	No. of Shares/Units		No. of Shares/Units	
Opening	49,078,324	981.57	49,078,324	981.57
Issued during the period	-	-	-	-
Shares Extinguished on buy back*	1,500,000	30.00	-	-
<b>Closing at the end of the year</b>	<b>47,578,324</b>	<b>951.57</b>	<b>49,078,324</b>	<b>981.57</b>

\*The Board of Directors of the Company in its meeting held on 14th November, 2018, have approved the proposal for buyback of 15,00,000 Equity shares of the Company for an amount not exceeding 82.50 crores (Rupees Eighty-Two Crore Fifty Lakh only) at a maximum price not exceeding 550/- (Rupees Five Hundred Fifty only) per Equity Share, which was further approved by the shareholders of the Company by way of special resolution through postal ballot, result of which was declared on 20th December, 2018.

Pursuant to above, Offer for Buy back of equity shares of Company was open from 25th January, 2019 to 7th February, 2019. The settlement of shares was completed on 14th February, 2019 and 15,00,000 shares were extinguished on 16th February, 2019 in terms of SEBI (Buy Back of Securities) Regulations, 2018. Consequent to above Buy Back, paid up share capital of the Company have been reduced by 30,00,000/-.

### b. Terms/Rights attached to Issued Equity Shares

1	The Company has only one class of Equity Shares having at par value of 2/- per share. Each Equity share is entitled to one vote.
2	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.
3	The distribution will be in proportion to the number of Equity Shares held by the shareholders.

### c. Details of shareholders holding more than 5% shares in the company

(₹ In lacs)

Name of the Share holder	As at March 31, 2019	% holding	As at March 31, 2018	% holding
	No. of Shares (In Lacs)		No. of Shares (In Lacs)	
M/s Triveni Trust	290.35	61.03%	298.46	60.81%
M/s Pushpa Dhanuka Trust	51.84	10.90%	53.29	10.86%
M/s DSP Blackrock Trustee Co. Pvt Ltd	34.84	7.32%	35.89	7.31%

As per the records of the Company, including its Register of Shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

### d. The Company does not have any holding / ultimate holding company



## Notes to Standalone Financial Statement for the year ended March 31,2019

### 16. OTHER EQUITY

(₹ In lacs)

<b>Reserves and Surplus</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Capital Reserve</b>		
Balance at the beginning of the Financial year	95.47	95.47
Addition during the Financial year	-	-
Deduction during the Financial year	-	-
	<b>95.47</b>	<b>95.47</b>
Capital Reserve includes profit on merger of entities		
<b>Capital Redemption Reserve</b>		
Balance at the beginning of the Financial year	18.82	18.82
Addition during the Financial year	30.00	-
Deduction during the Financial year	-	-
	<b>48.82</b>	<b>18.82</b>
Capital Redemption Reserve created on redemption of Equity shares		
<b>General Reserve</b>		
Balance at the beginning of the Financial year	2,455.03	2,455.03
Add: Transferred during the year	-	-
Less: Buy back of shares	(2,455.03)	-
	<b>-</b>	<b>2,455.03</b>
General Reserve is created out of the profits earned by the company by way of transfer from surplus in the statement of profit & loss. The same is to be utilized as per provisions of the Companies Act, 2013.		
<b>Retained Earnings</b>		
Balance at the beginning of the Financial year	59,784.99	48,620.27
Addition during the Financial year	11,257.58	12,617.77
Less: Buy back of shares	(5,794.97)	-
Add/ (Less):		
Remeasurements of the defined benefit plans through OCI	(50.62)	82.77
Dividend paid including Dividend Distribution Tax (DDT)	(2,070.82)	(1,535.82)
	<b>63,126.16</b>	<b>59,784.99</b>
<b>Total</b>	<b>63,270.45</b>	<b>62,354.32</b>
Retained Earnings represents undistributed profits of the company which can be distributed to it's Equity Shareholders in accordance with the requirements of Companies Act, 2013.		
Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.		

## Notes to Standalone Financial Statement for the year ended March 31, 2019

### Detail of Dividend Proposed and Paid

(₹ In lacs)

	As at March 31, 2019	As at March 31, 2018
<b>a.) Dividend Paid</b>		
Final Dividend Declared for F.Y. 2016-17 [Dividend Paid 0.60/- per share]	-	294.47
Dividend Distribution Tax	-	59.96
Interim Dividend Declared for F.Y. 2017-18 [Dividend Paid 2.00/- per share]	-	981.57
Dividend Distribution Tax	-	199.82
Final Dividend Declared for F.Y. 2017-18 [Dividend Paid 3.50/- per share]	1,717.74	-
Dividend Distribution Tax	353.08	-
	<b>2,070.82</b>	<b>1,535.82</b>
<b>b.) Proposed Dividend</b>		
After the reporting date, the Board of Directors of the Company has recommended a final dividend of 0.60 per Equity share amounting to 285.47 Lacs excluding applicable taxes for the financial year 2018-19.		
The dividend proposed by the Directors are subject to approval at the annual general meeting. The dividend including tax has not been recognised as liability. The same will be recognised as a liability and deducted from shareholder's equity in the period in which the dividends are approved by the equity shareholders in the general meeting.		

### 17 BORROWINGS (CURRENT)

(₹ In lacs)

	As at March 31, 2019	As at March 31, 2018
<b>Secured</b>		
<b>From Banks-Loan Repayable on Demand</b>		
Cash Credit limits from Banks	1,396.71	465.51
Over Draft Against Pledge of FDR	824.54	6.14
	<b>2,221.25</b>	<b>471.65</b>
<b>Footnotes :</b>		
a.	Loan from Banks are secured by hypothecation of stocks of raw materials, work in process, finished goods, book debts and other movable assets on pari-passu basis and by joint and several guarantee of the Directors of the Company. Loan from Banks are repayable on demand and carried interest @ 8.90% to 10.15% p.a.	

### 18. TRADE PAYABLES

(₹ In lacs)

	As at March 31, 2019	As at March 31, 2018
<b>Trade Payables</b>		
Total outstanding dues of micro enterprises and small enterprises	117.81	662.61
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises*	7,635.36	7,638.00
	<b>7,753.17</b>	<b>8,300.61</b>
<b>Footnotes :</b>		
a.	*Includes amount due to related parties amounting to 590.68 Lacs (March 31, 2018 575.46 Lacs)-Refer Note-40	
b.	Refer note 41 for information on total outstanding dues of micro enterprises and small enterprises	



## Notes to Standalone Financial Statement for the year ended March 31,2019

### 19. OTHER FINANCIAL LIABILITIES

(₹ In lacs)

	As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>		
Security Received from Customers*	1,284.49	1,457.39
Security Received from Vendor	-	633.48
Security received from Staff	0.84	3.51
Capital Creditors	245.44	247.22
Other Payable	-	9.81
	<b>1,530.77</b>	<b>2,351.41</b>
<b>Current</b>		
Unclaimed Dividend**	87.60	83.34
Capital Creditors	82.54	114.00
Other Payable***	4,157.19	3,883.57
	<b>4,327.33</b>	<b>4,080.91</b>
<b>Footnotes :</b>		
a. *Security Received from Customers includes Security Received from C&F Agents		
b. **There are no outstanding dues to be paid to Investor Education & Protection Fund.		
c. ***Other payables includes Employee related costs and provision of Expenses and discounts and rebates on sale.		

### 20. PROVISIONS

(₹ In lacs)

	As at March 31, 2019	As at March 31, 2018
<b>Provision For Employee Benefits</b>		
<b>Non Current</b>		
Provision for Gratuity	161.61	103.72
Provision for Compensated absences	81.36	74.60
	<b>242.97</b>	<b>178.32</b>
<b>Current</b>		
Provision for Compensated absences	27.55	24.78
	<b>27.55</b>	<b>24.78</b>
<b>Footnotes :</b>		
a. Refer note 36(b) for information on Defined benefit plans-Gratuity		



## Notes To Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2019

### 21. DEFERRED TAX LIABILITIES (NET)

(₹ In lacs)

	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liabilities	1,407.00	1,387.53
Deferred Tax Assets	(186.33)	(54.04)
	<b>1,220.67</b>	<b>1,333.49</b>

(₹ In lacs)

			As at April 1, 2018	Recognized in P&L	As at March 31, 2019
	Deferred tax (assets)/ liabilities are attributable to the following items :				
	Deferred Tax Liabilities				
	Property, plant and equipment & Intangible assets		1,202.17	(106.84)	1,095.33
	Investments		185.36	126.31	311.67
	Total-(A)		1,387.53	19.47	1,407.00
	Deferred Tax Assets				
	Amalgamation Expenses		(3.40)	1.68	(1.72)
	Trade Receivables		(50.64)	(133.97)	(184.61)
	Total-(B)		(54.04)	(132.29)	(186.33)
	Net Deferred Tax Liability	(A+B)	1,333.49	(112.82)	1,220.67

### 22. OTHER LIABILITIES

	As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>		
Advances from customers	-	7.93
	-	<b>7.93</b>
<b>Current</b>		
Advances from customers	942.80	1,131.89
Statutory dues payable	1,043.83	1,049.76
	<b>1,986.63</b>	<b>2,181.65</b>



## Notes To Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2019

### 23. REVENUE FROM OPERATIONS

(₹ In lacs)

		For the year ended March 31, 2019	For the year ended March 31, 2018
<b>a.</b>	<b>Revenue From Operations</b>		
	<b>Sales of products</b>		
	<b>Finished Goods</b>		
	-Agrochemical	85,711.68	81,160.36
	<b>Traded Goods</b>		
	-Agrochemical	13,717.67	15,442.29
		<b>(A)</b>	<b>99,429.35</b>
	<b>Other operating revenues</b>		
	Income From Power Generation Plant	178.94	168.30
	Scrap Sales	308.99	109.28
	Tax Incentive from Govt.	666.52	744.19
		<b>(B)</b>	<b>1,154.45</b>
	<b>Total Revenue</b>	<b>(A)+(B)</b>	<b>100,583.80</b>
<b>b.</b>	<b>Reconciliation of Revenue from contract with customers :</b>		
	Revenue as per contracted price	113,575.53	112,263.15
	Less : Discounts & Rebates	12,991.73	14,638.73
	<b>Revenue from contract with customers</b>	<b>100,583.80</b>	<b>97,624.42</b>
<b>c.</b>	Goods and Service Tax (GST) has been effective from July 01, 2017. Consequently, excise duty, value added tax (VAT), Service tax etc. have been replaced with GST. Until June 30, 2017, 'Sale of products' included the amount of excise duty recovered on sales. With effect from July 01, 2017, 'Sale of products' excludes the amount of GST recovered. Accordingly, revenue from 'Sale of Products' and 'Revenue from operations' for the current year are not comparable with those of year ended March 31, 2018.		
<b>d.</b>	<b>Contract balances :</b>		
	The following table provides information about receivables, contract assets and contract liabilities from contracts with customers :		
		<b>(₹ In lacs)</b>	
		<b>As at March 2019</b>	<b>As at March 2018</b>
	Trade Receivables*	21,867.60	20,796.75
		<b>21,867.60</b>	<b>20,796.75</b>
	Contract Liabilities		
	Advances from Customers	942.80	1,139.82
		<b>942.80</b>	<b>1,139.82</b>
	* Trade receivables are non-interest bearing and are generally on terms of 90 to 120 days.		
<b>e.</b>	<b>The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) is as follows :</b>		
	Advances from customers	942.80	1,139.82
		<b>942.80</b>	<b>1,139.82</b>
<b>f.</b>	Refer note-40 for transactions with Related Party		

## Notes to Standalone Financial Statement for the year ended March 31, 2019

### 24. OTHER INCOME

(₹ In lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Interest Income on Financial Assets at amortised cost</b>	714.40	366.22
<b>Dividend Income</b>	159.94	338.87
<b>Net Gain on sale of investments</b>	280.11	46.56
<b>Net Gain on Investments measured at fair value through profit or loss</b>	352.79	314.49
<b>Other Non-Operating Income</b>		
Rent Received	5.82	2.64
Miscellaneous Receipts	538.54	400.43
Net Gain On Foreign Currency Transactions	38.18	98.69
Net Profit on disposal of property, plant and equipment	13.11	4.46
Liabilities No Longer Required, Written Back	17.56	30.70
	<b>2,120.45</b>	<b>1,603.06</b>

### 25. COST OF MATERIALS CONSUMED

(₹ In lacs)

		For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Raw Materials</b>			
Inventories at the beginning of the financial year		6,570.93	6,076.57
Add : Purchases*		46,147.38	33,925.10
Less : Inventories at the end of the financial year		(4,479.71)	(6,570.93)
<b>Cost of Raw Material Consumed</b>	<b>(A)</b>	<b>48,238.60</b>	<b>33,430.74</b>
<b>Packing Materials</b>			
Inventories at the beginning of the financial year		1,674.87	1,754.72
Add : Purchases		6,459.27	5,225.69
Less : Inventories at the end of the financial year		(1,742.59)	(1,674.87)
<b>Cost of Packing Materials Consumed</b>	<b>(B)</b>	<b>6,391.55</b>	<b>5,305.54</b>
	<b>(A)+(B)</b>	<b>54,630.15</b>	<b>38,736.28</b>
<b>Footnote :</b>			
a. *Refer note-40 for transactions with Related Party			

### 26. PURCHASE OF STOCK IN TRADE

(₹ In lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Agrochemical	9,250.76	11,070.33
	<b>9,250.76</b>	<b>11,070.33</b>



## Notes to Standalone Financial Statement for the year ended March 31, 2019

### 27. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN -TRADE AND WORK-IN-PROGRESS

(₹ In lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Inventories at the end of the period</b>		
Stock in Trade	2,480.58	2,321.70
Work in Progress	810.11	674.50
Finished Goods	11,063.87	9,144.17
	<b>14,354.56</b>	<b>12,140.37</b>
<b>Inventories at the beginning of the period</b>		
Stock in Trade	2,321.70	3,555.41
Work in Progress	674.50	613.89
Finished Goods	9,144.17	14,387.86
	<b>12,140.37</b>	<b>18,557.16</b>
<b>(Increase)/Decrease in Inventories</b>	<b>(2,214.19)</b>	<b>6,416.79</b>

### 28. EMPLOYEE BENEFIT EXPENSES

(₹ In lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	9,453.37	9,410.34
Contribution to Provident & Other funds	427.16	453.16
Gratuity	111.00	186.70
Compensated absences	236.30	339.13
Staff Welfare Expenses	237.96	257.05
	<b>10,465.79</b>	<b>10,646.38</b>
<b>Footnotes :</b>		

- Refer note 36(a) for information on Defined Contribution plan
- Refer note 36(b) for information on Defined benefit plan-Gratuity
- Refer note 36(c) for information on Other employee benefits-Compensated absences
- Refer note-40 for transactions with Related Party

### 29. FINANCE COSTS

(₹ In lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on bank overdraft & working capital limits	15.65	9.59
Interest on Security Deposits & others	73.64	77.75
	<b>89.29</b>	<b>87.34</b>

### 30. DEPRECIATION AND AMORTIZATION EXPENSES

	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on Property, Plant & Equipment (Refer Note-4)	1,191.48	1,380.06
Amortization of Intangible Assets (Refer Note-6)	43.37	40.56
	<b>1,234.85</b>	<b>1,420.62</b>



## Notes to Standalone Financial Statement for the year ended March 31, 2019

### 31. OTHER EXPENSES

(₹ In lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Power, fuel, electricity & water charges	190.15	202.49
Consumable Stores	110.62	74.62
Packing Charges	188.88	143.25
Repair & Maintenance, Machinery	106.86	107.10
Repair & Maintenance, Factory Building	73.58	74.10
Incineration Charges	2.53	7.44
Security Charges	69.55	72.28
Laboratory expenses	29.58	24.06
ISI Marking Fees	6.87	7.94
R&D expenses	223.20	180.13
Travelling and conveyance	1,377.35	1,239.98
Communication Expenses	137.56	141.68
Postage and Telegram	36.77	43.12
Printing and Stationery	56.45	57.78
Office and Godown Rent	558.50	551.51
Rates and Taxes	152.95	65.54
Insurance Charges	180.78	63.66
Legal and Professional Charges	337.21	293.71
Repair & Maintenance-Building	193.11	199.16
Repair & maintenance-Other	175.01	143.55
Security Charges-Offices	25.07	23.21
Electricity & Water Charges	62.48	67.34
Books and Periodicals	2.71	2.50
Recruitment Expenses	33.49	51.85
Fees and Subscription	35.69	40.89
Charity and Donation	9.57	6.48
Bank Charges	14.26	18.07
Miscellaneous Expenses	9.56	12.46
Directors' Sitting Fee*	11.60	14.38
Payment To Auditors (Refer Note 31.1)	15.52	7.00
Vehicles Hiring & Maintenance	1,400.75	1,288.88
Property, Plant and Equipment Written off	15.05	-
CSR Expenses (Refer Note 31.2)	333.09	294.21
Education and Seminar	717.87	643.49
Advertisement and Publicity	596.36	1,011.04
Business Promotion Expenses	123.03	100.01
Allowance for Bad and Doubtful Debts & Loans (Net)	348.41	127.64
Freight & Cartage on STV & Sales	3,120.39	2,996.91
Field Assistant Expenses	1,529.29	1,311.87
C&F Commission	1,240.38	1,076.69
	<b>13,852.08</b>	<b>12,788.02</b>

\* Expenses amounting to Rs. 0.20 lacs recognized as expense in last year. Thus Current year expense is lower by the same amount



## Notes to Standalone Financial Statement for the year ended March 31, 2019

(₹ In lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>31.1 Payment to Auditors</b>		
<b>Statutory Auditors</b>		
Audit Fees	9.00	7.00
Limited Review Fees	3.00	-
Tax Audit Fees	2.00	-
Certification & Other Matters	1.00	-
Reimbursement of expenses	0.52	-
<b>TOTAL</b>	<b>15.52</b>	<b>7.00</b>

(₹ In lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>31.2 Amount Spent on CSR Activities</b>		
Gross amount required to be spent by the company during the year	315.72	292.77
Amount spent during the year		
Promotion of Education	192.09	194.51
Preventive Healthcare	51.42	61.54
Eradicating Hunger	9.00	36.00
Safe Drinking Water	3.13	-
Livelihood Enhancement Projects	9.96	1.15
Facilities for Senior Citizens	0.50	1.00
Environmental Sustainability	66.99	-
	<b>333.09</b>	<b>294.20</b>

### 32. EXCEPTIONAL ITEMS

(₹ In lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Insurance Claim Receivable	5,661.59	-
Loss Due to Fire	(5,661.59)	-
	-	-

#### Footnotes :

There was a fire incident in our manufacturing unit situated at Keshwana, Rajasthan on 30th September, 2018. Due to fire, Loss of Inventory and other tangible assets worth 5661.59 lacs has been recognized in book of accounts and similar increase has been recorded under claim receivable head, as the management is fully confident of recovering the said amount from the Insurance Company.

## Notes to Standalone Financial Statement for the year ended March 31, 2019

### 33. INCOME TAX EXPENSE

(₹ In lacs)

a.	Income tax recognized in profit or loss		
		For the year ended March 31, 2019	For the year ended March 31, 2018
	<b>Current tax expense</b>		
	Current Tax	5,283.03	4,458.67
	Tax of earlier year provided / written back	(1,032.27)	(449.87)
	<b>Deferred tax expense</b>		
	Origination and reversal of temporary differences	(112.82)	74.22
		<b>4,137.94</b>	<b>4,083.02</b>
b.	Reconciliation of effective tax rate		
		For the year ended March 31, 2019	For the year ended March 31, 2018
	Profit before tax	15,395.52	16,700.79
	Tax using the Company's domestic tax rate i.e. 34.944% (Last Year-34.608%)	5,379.81	5,779.81
	Effect of Expenses not deductible for tax purpose	82.28	86.85
	Effect of Income Exempt from tax	(118.98)	(151.28)
	Effect of Concessions and Tax incentives	(135.54)	(1,305.62)
	Effect of Lower tax Rate for the capital gains	(30.32)	-
	Other	(17.69)	28.64
	Adjustment in respect of current tax related to earlier years	(1,032.27)	(449.87)
	Adjustment in respect of Deferred tax related to earlier years	10.65	94.49
	<b>Income tax Expenses recognised in the statement of profit and loss</b>	<b>4,137.94</b>	<b>4,083.02</b>

### 34. OTHER COMPREHENSIVE INCOME

(₹ In lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>(i) Items that will not be reclassified to profit or loss</b>		
Remeasurements of the defined benefit plans	(50.62)	82.77
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>	-	-
<b>(i) Items that will be reclassified to profit or loss</b>	-	-
<b>(ii) Income tax relating to items that will be reclassified to profit or loss</b>	-	-
	<b>(50.62)</b>	<b>82.77</b>



## Notes to Standalone Financial Statement for the year ended March 31, 2019

### 35. Earnings per share (EPS)

(₹ In lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Net Profit for Basic & diluted EPS ( In Lacs)	11,257.58	12,617.77
Number of Equity Shares at the beginning of the year	49,078,324.00	49,078,324.00
<b>Add:</b> Shares issued during the year	-	-
<b>Less :</b> Shares bought back during the year	1,500,000.00	-
Total Number of Shares outstanding at the end of the year	47,578,324.00	49,078,324.00
Weighted Average number of Equity Shares outstanding during the year	48,901,611.67	49,078,324.00
<b>Earnings Per Share - Basic ( )</b>	<b>23.02</b>	<b>25.71</b>
<b>Earnings per share - Diluted ( )</b>	<b>23.02</b>	<b>25.71</b>
<b>Face value per share ( )</b>	<b>2.00</b>	<b>2.00</b>

### 36. EMPLOYEE BENEFITS

The company participates in defined contribution and benefit schemes, the funded assets of which are held in separately administered funds. For defined contribution schemes the amount charged to the statements of profit & loss is the total of contributions payable in the year.

#### a. Defined Contribution Plans

The Company has Defined Contribution Plans for post-employment benefits namely Provident Fund, Superannuation Fund and National Pension Scheme, which are administered by appropriate Authorities.

The Company contributes to a Government administered Provident Fund, Employees' Deposit Linked Insurance Scheme and Employee Pension Scheme, on behalf of its employees and has no further obligation beyond making its contribution.

The Superannuation Fund and National Pension Scheme applicable to certain employees is a Defined Contribution Plan as the Company contributes to these Schemes which are administered by an Insurance

Company and has no further obligation beyond making the payment to the Insurance Company.

The Company contributes to State Plans namely Employees' State Insurance Fund and has no further obligation beyond making the payment to them.

The Company's contributions to the above funds are charged to revenue every year.

The company has recognized an expense of ₹ 426.61 lacs (Previous year ₹ 452.27 lacs) towards the defined contribution plans.

#### b. Defined Benefit Plans

In accordance with the payment of Gratuity Act, 1972, the Company has a Defined Benefit Plan namely "Gratuity Plan" covering its employees. The Gratuity scheme is funded through Group Gratuity-cum-Life Assurance Scheme and the liability for the Gratuity plan is provided based on an actuarial valuation at the year-end. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.



## Notes to Standalone Financial Statement for the year ended March 31, 2019

### I. Changes in the Present Value of Obligation

(₹ In lacs)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
<b>Present Value of Obligation as at the beginning</b>	<b>1104.49</b>	<b>1293.87</b>
Current Service Cost	103.22	131.66
Interest Expense or Cost	82.78	87.53
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	68.27	(249.40)
- experience variance (i.e. Actual experience vs assumptions)	3.24	166.65
Past Service Cost	-	42.06
Benefits Paid	(134.88)	(367.88)
<b>Present Value of Obligation as at the end</b>	<b>1227.12</b>	<b>1104.49</b>

### II. Changes in the fair value of plan assets

(₹ In lacs)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
<b>Fair Value of Plan Assets as at the beginning</b>	<b>1000.77</b>	<b>1101.95</b>
Investment Income	75.00	74.55
Employer's Contribution	103.72	192.13
Benefits Paid	(134.88)	(367.88)
Return on plan assets , excluding amount recognized in net interest expense	20.90	0.02
<b>Fair Value of Plan Assets as at the end</b>	<b>1065.51</b>	<b>1000.77</b>

The plan assets are managed by the Gratuity trust formed by the company. The management of 100% of the funds is entrusted with the Life Insurance Corporation of India and HDFC Life Insurance Company Limited whose pattern of investment is not available with the company.

### III. Assets and Liability (Balance Sheet Position)

(₹ In lacs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Present Value of Obligation	1227.12	1104.49
Fair Value of Plan Assets	1065.51	1000.77
<b>Surplus / (Deficit)</b>	<b>(161.61)</b>	<b>(103.72)</b>
Effects of Asset Ceiling, if any	-	-
<b>Net Asset / (Liability)</b>	<b>(161.61)</b>	<b>(103.72)</b>



## Notes to Standalone Financial Statement for the year ended March 31, 2019

### IV. Bifurcation of present value of obligation at the end of the year

(₹ In lacs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Current Liability (Short term)	398.13	377.97
Non-Current Liability (Long term)	828.99	726.52
<b>Present Value of Obligation</b>	<b>1227.12</b>	<b>1104.49</b>

### V. Expenses Recognized during the period

(₹ In lacs)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
In Income Statement	111.00	186.70
In Other Comprehensive Income	50.62	(82.77)
<b>Total Expenses Recognized during the period</b>	<b>161.62</b>	<b>103.93</b>

### VI. Actuarial Assumptions

(₹ In lacs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Discount rate (per annum)	7.10%	7.50%
Salary growth rate (per annum)	9.00%	8.00%
Mortality rate (% of IALM 06-08)	100.00%	100.00%
Attrition / Withdrawal rate (per annum)	15.00%	15.00%

### VII. Sensitivity Analysis

Significant actuarial assumptions for the determination of defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis given below:

(₹ In lacs)

Particulars	31-Mar-19	31-Mar-18		
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	1283.06 4.60%	1176.12 -4.20%	1151.98 4.30%	1061.00 -3.90%
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	1178.22 -4.00%	1279.75 4.30%	1062.47 -3.80%	1149.55 4.10%
Attrition Rate (- / + 50% of attrition rates) (% change compared to base due to sensitivity)	1282.42 4.50%	1194.77 -2.60%	1121.81 1.60%	1091.58 -1.20%
Mortality Rate (- / + 10% of mortality rates) (% change compared to base due to sensitivity)	1227.23 0.00%	1227.01 0.00%	1104.50 0.00%	1104.48 0.00%

## Notes to Standalone Financial Statement for the year ended March 31, 2019

### VIII. Expected Contribution during the next annual reporting period

(₹ In lacs)

The Company's best estimate of Contribution during the next year	266.20
--	--------

### XI. Maturity profile of defined Benefit obligation

(₹ In lacs)

Expected cash flows over the next (valued on undiscounted basis):	Amount
1 year	398.13
2 to 5 years	559.57
6 to 10 years	449.26
More than 10 years	363.69

### X. Method and assumption related terms

- 1) Discount Rate: - Discount rate is the rate which is used to discount future benefit cash flows to determine the present value of the defined benefit obligation at the valuation date. The rate is based on the prevailing market yields of high quality corporate bonds at the valuation date for the expected term of the obligation. In countries where there are no such bonds, the market yields at the valuation date on government bonds for the expected term is used.
- 2) Salary escalation Rate: - The rate at which salaries are expected to escalate in future. It is used to determine the benefit based on salary at the date of separation.
- 3) Attrition Rate: - The reduction in staff/employees of a company through normal means, such as retirement and resignation. This is natural in any business and industry.
- 4) Mortality Rate: - Mortality rate is a measure of the number of deaths (in general, or due to a specific cause) in a population, scaled to the size of that population, per unit of time.
- 5) Projected Unit credit method: - The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The Projected Unit Credit Method requires an enterprise to attribute benefit to the current period (in order to determine current service cost) and the current and prior periods (in order to determine the present value of defined benefit obligations).

### c. Other Long term employee benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in statement of profit and loss.

The company has recognized an expense of ₹ 236.30 lacs (Previous year ₹ 339.13 lacs) towards the compensated absences.



## Notes to Standalone Financial Statement for the year ended March 31, 2019

### 37. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In lacs)

S. No.	Particular	As at March 31, 2019	As at March 31, 2018
<b>I</b>	<b>Contingent Liabilities</b>		
a.	Claims against the company not acknowledged as debt*		
	-Income Tax	-	-
	-Excise Duty (Net of expenses recognized of Rs. 70.70 Lacs)	700.60	700.60
	-Service Tax (Net of expenses recognized of Rs. 65.20 Lacs)	111.05	111.05
	-Sales Tax	172.99	180.05
	-Litigation pending in consumer forum	60.70	53.95
b.	Guarantees excluding financial guarantees		
	-Bank Guarantees	-	8.25
c.	Other money for which the company is contingently liable		
	-'C' forms pending against central sales tax	0.10	0.62
d.	There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is evaluating and seeking legal inputs regarding various interpretative issues and its impact.		
<b>II</b>	<b>Commitments</b>		
	-Estimated amount of contracts remaining to be executed on capital account and not provided for {Net of advances ₹ 36.75 lacs (March 31, 2018: ₹ 19.09 lacs)}	70.03	25.63

\*Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of the cash outflows, if any, in respect of the above as it is determinable only on receipt of the judgements/ decisions pending with various forums/ authorities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The company also believes that the above issues, when finally settled are not likely to have any significant impact on the financial position of the Company.

### 38. LEASES

Lease rent paid for operating leases are recognized as an expense in the Statement of Profit and Loss in the year to which it relates.

The Company has taken certain office/Godown spaces and vehicles on operating lease basis. Future lease rents and escalation (to cover inflation) in rent have been determined on the basis of agreed terms. At the expiry of the initial lease term, generally the company has an option to extend the lease for a further pre-determined period.

Future rent payable for operating leases are as under:

(₹ In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
- Payable within one year	543.30	605.41
- Later than one year but not later than five years	473.73	764.24
- Later than five years	18.67	25.66
- Amount charged to statement of profit and loss	651.02	706.19

## Notes to Standalone Financial Statement for the year ended March 31, 2019

### 39. SEGMENT INFORMATION

The company has evaluated the applicability of segment reporting and has concluded that the company has only one primary business segment i.e. Agro Chemicals and one geographical reportable segment i.e. Operations mainly within India. The overall performance is reviewed by the Chairman, Managing Director, Executive directors and CFO, which has been identified as the CODM (Chief operating decision makers) by the Company.

Thus the segment revenue, expenses, results, assets and liabilities are same as reflected in the financial statements as at and for the year ended 31 March, 2019.

### 40. RELATED PARTY DISCLOSURES

#### a. Nature of Related Party Relationship

##### I. Subsidiaries

- |   |                         |
|---|-------------------------|
| a.) Dhanuka Agri-Solutions Pvt. Limited | Wholly owned Subsidiary |
|---|-------------------------|

##### II. Key Management personnel

- |   |  |
|---|--|
| a.) Sh. Ram Gopal Agarwal                           | Chairman                                 |
| b.) Sh. Mahendra Kumar Dhanuka                      | Managing Director                        |
| c.) Sh. Arun Kumar Dhanuka                          | Executive Director                       |
| d.) Sh. Rahul Dhanuka                               | Executive Director                       |
| e.) Sh. Mridul Dhanuka                              | Executive Director                       |
| f.) Sh. Ashish Saraf                                | Executive Director                       |
| g.) Sh. Priya Brat                                  | Independent Non-Executive Director       |
| h.) Sh. Vinod Kumar Jain                            | Independent Non-Executive Director       |
| i.) Sh. Indresh Narain                              | Independent Non-Executive Director       |
| j.) Sh. Sachin Kumar Bhartiya                       | Independent Non-Executive Director       |
| k.) Smt. Asha Mundra                                | Independent Non-Executive Director       |
| l.) Sh. Om Prakash Khetan                           | Independent Non-Executive Director       |
| m.) Sh. Balvinder Singh Kalsi (Till 14th Feb, 2018) | Independent Non-Executive Director       |
| n.) Sh. Sanjay Saxena (w.e.f. 22nd May, 2018)       | Independent Non-Executive Director       |
| o.) Sh. Vinod Kumar Bansal                          | Chief Financial Officer                  |
| p.) Smt. Jyoti Verma                                | Company Secretary (w.e.f 13th Nov, 2017) |
| q.) Sh. Kapil Garg                                  | Company Secretary (till 21st Aug, 2017)  |

##### III. Relatives of Key Management Personnel with whom transactions have taken place

- |                           |                                   |
|---------------------------|-----------------------------------|
| a.) Sh. Harsh Dhanuka     | Son of Sh. Mahendra Kumar Dhanuka |
| b.) Smt. Megha Dhanuka    | Wife of Sh. Mridul Dhanuka        |
| c.) Smt. Akangsha Dhanuka | Son's wife of Sh. MK Dhanuka      |
| d.) Smt. Madhuri Dhanuka  | Wife of Sh. Rahul Dhanuka         |

##### IV. Entities controlled by KMP/Relative of KMP, with whom transactions have taken place

- a.) Dhanuka Marketing Company
- b.) Mridul Dhanuka HUF
- c.) Dhanuka Private Limited
- d.) Dhanuka Laboratories Limited
- e.) Chiranji Lal Dhanuka Charitable Trust
- f.) Hindon Mercantile Limited
- g.) Exclusive Leasing and Finance Limited
- h.) Sikkim Agro Industries Limited
- i.) Golden Overseas Pvt. Limited
- j.) M.D. Buildtech Pvt. Limited
- k.) H.D. Realtors Pvt. Limited
- l.) Dhanuka Infotech Pvt. Limited
- m.) Otsuka Chemical (India) Pvt. Limited
- n.) IKO Overseas
- o.) Synmedic Laboratories





## Notes to Standalone Financial Statement for the year ended March 31, 2019

b. The following transactions were carried out with related parties in the ordinary course of business: (₹ In lacs)

Transaction type	Type of Relation	2018-19	2017-18				
		Transaction during the period	Transaction during the period				
		Pur./ Amt Recd.	Sales/ Amt Paid	Balance outstan ding Dr.(Cr.)	Pur./ Amt Recd.	Sales/ Amt Paid	Balance outstan ding Dr.(Cr.)
<b>Compensation to KMP</b>							
Short term employee benefits	a(II)	-	1718.02	-	-	1,866.97	-
Post-employment benefits*		-	68.14	-	-	60.29	-
Sitting Fee to Independent Non-Executive Directors.		-	11.60	-	-	14.12	-
<b>Total</b>		-	<b>1797.76</b>	<b>(616.20)</b>	-	<b>1941.38</b>	<b>(185.84)</b>
<b>Other Transactions</b>							
Purchase of Goods	a(IV)d	-	-	-	19.96	-	-
Sale of Goods	a(IV)d	-	-	-	-	0.45	0.47
Reimbursement of Expenses	a(IV)d	-	0.06	-			
Services Rendered-Rent	a(IV)	-	2.58	-	-	2.64	-
Services Received-Rent	a(III) & a(IV)	139.86	-	-	132.57	-	(0.38)
Loans Given to Subsidiary company#	a(I)a	-	-	11.56	-	6.46	11.56
Investment in Subsidiary co	a(I)a	-	-	0.09	-	-	0.09
Loans Given	a(IV)d	200.00	2700.00	2500.00	-	-	-
Interest on Loan	a(IV)d	-	3.70	-	-	-	-
Travel/Other expenses	a(IV)a	-	12.03	(8.33)	-	6.62	(1.53)
Salary paid	a(III)a	-	62.29	(3.48)	-	55.55	-
Contribution towards CSR	a(IV)e	-	150.00	-	-	150.00	-
Services Received-C&F Commission	a(IV)a	468.98	-	(582.35)	514.20	-	(573.55)

\*The above post-employment benefits exclude gratuity which cannot be separately identified from the composite amount advised by the actuary.

# The same is in the nature of advance.

### c. Terms and conditions of transactions with related parties

All the transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The company has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended March 31, 2019 and March 31, 2018.

## Notes to Standalone Financial Statement for the year ended March 31,2019

### 41. THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT,2006

The information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company:

(₹ In lacs)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1.)	Principal amount and Interest due thereon remaining unpaid to any supplier as on 31st March	109.61	662.61
2.)	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
3.)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	8.20	-
4.)	The amount of interest accrued and remaining unpaid	8.28	-
5.)	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 as a deductible expenditure under section 23 of this Act.	0.59	-

### 42. FINANCIAL INSTRUMENTS

#### I. Financial Assets-Fair values

(₹ In lacs)

Particulars	Fair Value Hierarchy	As at March 31,2019	As at March 31,2018
<b>1. Financial assets designated at fair value through profit and loss</b>			
a) Investment			
i) In Equity Instruments	Level-1	280.96	301.42
ii) In Equity Instruments	Level-2	361.29	1178.47
iii) In Preference Shares	Level-1	532.43	-
iv) In mutual funds	Level-1	5161.93	12039.42
v) In Debentures or Bond	Level-1	3297.95	2153.00
vi) In Debt Instruments	Level-2	243.47	126.04
<b>2. Financial assets designated at amortized cost</b>			
a) Investment			
i) In Debentures or Bond		2148.51	2400.87
b) Trade receivables		21867.60	20796.75
c) Cash & Cash Equivalents		45.49	1056.86
d) Other bank balances		87.60	83.34
e) Loans		3641.92	3672.78
f) Other Financial Assets		7523.26	603.65
<b>3. Investment in subsidiary companies at cost</b>		0.09	0.09



## Notes to Standalone Financial Statement for the year ended March 31,2019

### II. Financial Liabilities-Fair Value

(₹ In lacs)

Particulars	Fair Value Hierarchy	As at March 31,2019	As at March 31,2018
<b>1. Financial liability designated at amortized cost</b>			
a) Borrowings		2221.25	471.65
b) Trade Payables			
- Total Outstanding dues of Micro Enterprises and Small Enterprises		117.81	662.61
-Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		7635.36	7638.00
c) Other Financial Liability		5858.10	6432.32

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The carrying amounts of cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, Short term loans, trade payables, short term borrowings and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature. Fair value for security deposits (other than perpetual security deposits) has been presented in the above table. Fair value for all other non-current financial assets and liabilities is equivalent to the amortized cost, interest rate on them is equivalent to the market rate of interest.

#### I. Fair Value hierarchy

**Level 1** - This includes financial instruments measured using quoted prices (Unadjusted) in active markets for identical assets and liabilities.

**Level 2** - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize 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. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

#### II. Valuation techniques used to determine fair value

**Level 1** – Financial assets categorized in Level 1, are fair valued based on market data as at reporting date.

**Level 2** - The fair valuation of investments categorized in Level 2 has been determined on the basis of independent valuation done by respective funds.

### 43. FINANCIAL RISK MANAGEMENT

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The company's board of directors has the overall responsibility for the management of these risks. The company has the risk management policies and systems in place and are reviewed regularly to reflect changes in market conditions and the company's activities. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The

## Notes to Standalone Financial Statement for the year ended March 31,2019

company's audit committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of risk management framework in relation to the risks faced by the company.

### a.) Credit Risk

Credit Risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the company. Credit risk arises from the operating activities primarily from trade receivables and from its financing activities including cash and cash equivalents, deposits with banks, Investments and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure and is as follows:

#### Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. The company has established a credit policy under which each customer is analyzed individually for creditworthiness before the company's credit terms are offered. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. Credit limits are established for each customer and reviewed periodically. Any sales order exceeding those limits require approval from the appropriate authority. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience. These loss rates are adjusted by considering the available, reasonable and supportive forward looking information.

The ageing of Trade Receivables and allowances for doubtful debts are given below:

(₹ In lacs)

Ageing	As at March 31,2019	As at March 31,2018
<b>Ageing of Gross Carrying Amount</b>		
Not due	17195.57	15147.10
0-90	3199.81	3892.43
91-180	1088.74	1406.44
181-270	134.31	163.38
271-360	73.74	119.11
Above 360 Days	508.03	214.62
<b>Gross Carrying Amount</b>	<b>22200.20</b>	<b>20943.08</b>
Expected credit losses (Loss allowance provision)	332.60	146.33
<b>Net Carrying Amount</b>	<b>21867.60</b>	<b>20796.75</b>

Reconciliation of allowance for lifetime expected credit loss on customer balances:

(₹ In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	146.33	44.77
Changes in loss allowance	186.27	101.56
<b>Closing balance</b>	<b>332.60</b>	<b>146.33</b>



## Notes to Standalone Financial Statement for the year ended March 31, 2019

### Loans to Corporates and others

ECL for loans to corporates and others is measured considering 12 months ECL.

The company provides ECL based on following provision matrix:

(₹ In lacs)

Credit Risk Category	As at March 31, 2019	As at March 31, 2018		
	Gross	ECL	Gross	ECL
There is no risk of defaults	3050.00	-	3200.00	-
There is no reasonable expectation of recovery	195.71	195.71	-	-
<b>Closing Balance</b>	<b>3245.71</b>	<b>195.71</b>	<b>3200.00</b>	<b>-</b>

Following is the movements in provision for ECL on loans to corporates and others:

(₹ In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	-	-
Changes in loss allowance	195.71	-
<b>Closing balance</b>	<b>195.71</b>	<b>-</b>

### Financial assets other than Trade Receivables and Loans to corporate & others

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 credit rated banks and financial institutions. The company had no other financial instrument that represent a significant concentration of credit risk. So there is no impairment in these financial assets.

### b.) Liquidity Risk

Liquidity risks result from the possible inability of the company to meet current or future payment obligations due to lack of cash or cash equivalents. The liquidity risk is assessed and managed by the finance department as a part of day to day and medium term liquidity planning.

The company holds sufficient liquidity to ensure the fulfillment of all planned payment obligations at maturity. The company's liquidity risk policy is to maintain sufficient liquidity reserve at all times based on cash flow projections to meet payment obligation when it falls due. The primary source of liquidity is cash generated from operations.

Liquid assets are held mainly in the form of bank deposits and mutual fund investments. The company maintain flexibility in funding by maintaining availability under cash credit lines set up with banks.

The table below analyze the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities essential for an understanding of timing of cash flows.



## Notes to Standalone Financial Statement for the year ended March 31, 2019

(₹ In lacs)

Particulars	Total	Less than 1 year	1-5 years	More than 5 years
<b>As at March 31, 2019</b>				
Borrowings (Current)	2221.25	2221.25	-	-
Trade Payables				
-Total Outstanding dues of Micro Enterprises and Small Enterprises	117.81	117.81	-	-
-Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	7635.36	7635.36	-	-
Security Received from customers	1284.49	-	-	1284.49
Security Received from Vendor and staff	0.84	-	0.84	-
Unclaimed Dividend	87.60	87.60	-	-
Capital Creditors	327.98	82.54	245.44	-
Other payable	4157.19	4157.19	-	-
<b>As at March 31, 2018</b>				
Borrowings (Current)	471.65	471.65	-	-
Trade Payables				
-Total Outstanding dues of Micro Enterprises and Small Enterprises	662.61	662.61	-	-
-Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	7638.00	7638.00	-	-
Security Received from customers	1457.39	-	-	1457.39
Security Received from Vendor and staff	636.99	-	636.99	-
Unclaimed Dividend	83.34	83.34	-	-
Capital Creditors	361.22	114.00	247.22	-
Other payable	3893.38	3883.57	9.81	-

### c.) Market Risk

#### i. Currency Risk

Foreign currency risks for the company is from changes in exchange rates and the related changes in the value of financial instruments in the functional currency (INR). The company is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to US Dollar. The company's exposure to changes in foreign currency other than USD is not material.

To mitigate the currency fluctuation, receivables and payables in foreign currencies which arises from export and import of goods are hedged through forward exchange contracts.

The carrying amounts of the Company's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:



## Notes to Standalone Financial Statement for the year ended March 31, 2019

(₹ In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018		
	(₹ in lacs)	(FCY in lacs)	(₹ in lacs)	(FCY in lacs)
<b>Amount Receivable</b>				
USD	-	-	-	-
<b>Amount Payable</b>				
USD	1628.98	23.55	1315.45	20.22

Sensitivities were determined on the basis of a scenario in which the INR appreciated/depreciated by 5% against USD compared with the year-end exchange rates. In this scenario, the estimated hypothetical (loss)/gain of cash flows from financial instruments have been tabulated below:

(₹ In lacs)

Particulars (USD Impact on profit before tax and total equity)	As at March 31, 2019	As at March 31, 2018
Increase in exchange rate by 5%	(54.26)	(45.62)
Decrease in exchange rate by 5%	54.26	45.62

**Note:** This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Company at the end of the reporting period. The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

### ii. Interest Rate Risk

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 interest rates. The company has surplus cash position and does not have any major borrowings as on balance sheet date. So there is no material interest risk relating to the company's financial liabilities.

### iii. Price Risk

The company is mainly exposed to the price risk due to its 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.

There is no material equity risk relating to the company's equity investments which are detailed in note 7. The company's equity investments majorly comprise of strategic investments rather than trading purposes.

## 44. CAPITAL MANAGEMENT

The company manages its capital to ensure that the company will be able to continue as going concern while maximizing the return to stakeholders through optimization of debt and equity balance. Further its objective is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development.

The company manages capital using gearing ratio, which is total debt divided by total equity. The gearing at the end of the reporting period was as follows:

## Notes to Standalone Financial Statement for the year ended March 31,2019

(₹ In lacs)

Particulars	As at March 31,2019	As at March 31,2018
Borrowings (Non-Current)	-	-
Borrowings (Current)	2221.25	471.65
<b>Gross Debt</b>	<b>2221.25</b>	<b>471.65</b>
Less : Cash & Cash equivalents	45.49	1056.86
<b>Net Debt (a)</b>	<b>2175.76</b>	<b>(585.21)</b>
<b>Total Equity (b)</b>	<b>64222.02</b>	<b>63335.89</b>
<b>Debt to Equity Ratio (a/b)</b>	<b>0.03</b>	<b>(0.01)</b>

### 45. DISCLOSURE AS PER SECTION 186(4) OF THE COMPANIES ACT, 2013

The details of loans, guarantees and investments under Section 186(4) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

- Details of Investments made are given in Note 7.
- Details of loans given by the Company are as follows :

(₹ In lacs)

Name of Entity	Purpose	Amount As at March 31,2019	Amount As at March 31,2018
Dhanuka Laboratories Limited	Business	2500.00	-
Iworld Business Solutions Pvt. Ltd.	Business	400.00	400.00
Prayag Polytech Pvt. Ltd.	Business	195.71*	175.00
Tript Singh	Business	100.00	100.00
Sameer Kanwar	Business	50.00	50.00
Hind Securities & Credits Ltd	Business	-	1000.00
Royal Tech Engineers	Business	-	50.00
Harakh Chand Lalit Kumar (HUF)	Business	-	75.00
Payal Polyplast Private Limited	Business	-	1300.00
Posist Technologies Private Limited	Business	-	50.00

\*Including interest accrued thereon.

- There are no guarantees issued by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.



## Notes to Standalone Financial Statement for the year ended March 31, 2019

### 46. DISCLOSURE AS PER REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS

(₹ In lacs)

Particulars	Amount As at March 31, 2019	Amount As at March 31, 2018	Maximum balance outstanding during the year 31.03.2019	Maximum balance outstanding during the year 31.03.2018
Loan to company in which Directors are interested Dhanuka Laboratories Limited	2500.00	-	2500.00	-

### 47. STANDARDS ISSUED BUT NOT EFFECTIVE

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the Company from 1st April, 2019. The Company will be adopting the below stated new standards and applicable amendments from their respective effective date.

#### a. Ind AS 116- Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116

introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting

Policies, Changes in Accounting Estimates and Errors

- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods. The Company is in the process of evaluating the impact of standards on its lease agreements in which it is a lessee.

#### b. Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their

## Notes to Standalone Financial Statement for the year ended March 31, 2019

income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition -

- i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.

The Company is in the process of evaluating the impact of amendment to the Standard. However, it is expected that any impact will be insignificant in view of the current policy of recognizing current tax for uncertain tax treatments which is line with the amendment.

### c. Amendment to Ind AS 12, Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

### d. Amendment to Ind AS 19 - plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

## 48. EVENTS AFTER REPORTING DATE

Refer to note 16(b) for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

49. The MCA wide notification dated 11 October, 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Company has incorporated appropriate changes in the financial statements.
50. The company has reclassified certain items of financials of comparative year to confirm this year's classification, however, impact of these reclassifications are not material.

As per our report of even date attached.

For **S.S. KOTHARI MEHTA & COMPANY** For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration No:000756N

Sd/-

**YOGESH K GUPTA**

Partner

Membership No: 093214

Place: Gurugram

Dated: 21st May, 2019

Sd/-

**M.K.Dhanuka**

Managing Director

DIN : 00628039

Sd/-

**V.K.Bansal**

Chief Financial Officer

Sd/-

**Rahul Dhanuka**

Executive Director

DIN : 000150140

Sd/-

**Jyoti Verma**

Company Secretary

FCS-7210





## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
**Dhanuka Agritech Limited**

### Report on the Audit of the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying consolidated Ind AS financial statements of DHANUKA AGRITECH LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the 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 Ind AS 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 consolidated state of affairs of the Group as at March 31, 2019, of its consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated Ind AS 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 Consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	Auditor's Response
<p><b>Estimation of provision for sales returns, discounts, rebates, schemes and incentives on sales impacting revenue from sale of products</b></p> <p>Revenue from sale of products is presented net of returns, discounts, rebates, schemes and incentives in the consolidated Ind AS financial statements.</p> <p>The Holding Company's management determines provision for sales return, discounts, rebates, schemes and incentives on the basis of various factors such as the current and expected operating environment, sales return variability and expected achievement of targets against various ongoing schemes floated.</p> <p>We determined the estimates associated with sales returns, discounts, rebates, schemes and incentives on sale of products as a key audit matter in view of it having significant impact on the recognised revenue and the involvement of management judgement in estimating the amounts at which these are expected to be settled.</p>	<p><b>Our audit procedures included the following:</b></p> <ul style="list-style-type: none"> <li>• Understanding the policies and procedures applied to estimate the sales returns, discounts, rebates, schemes and incentives including evaluation and testing of the design and operating effectiveness of controls related to these estimates.</li> <li>• Obtained management's calculations for the respective estimates and assessed the reasonableness of assumptions used by the management in determining the amount of provisions based on understanding of the market conditions.</li> <li>• Assessed the reasonableness of estimates made by the management in the past by comparing the provisions recognised in the earlier financial year with their subsequent settlement, ratio analysis of sales returns, discounts, rebates, schemes and incentives as a percentage of sale of last few years.</li> <li>• Verified, if any credit notes were issued and/or adjustments made after the balance sheet date and their impact if any on the reported amounts.</li> </ul>

#### Information other than the Consolidated Ind AS financial statements and Auditor's Report thereon

The Holding Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Annual report 2018-19, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management for Consolidated Ind AS financial statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated statement of changes in equity and the consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 Ind AS 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 Ind AS 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls 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 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 Group'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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated Ind AS 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 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 Ind AS financial statements for the financial year ended March 31, 2019 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 the subsidiary, whose financial statements reflect total assets of Rs. 11.70 lacs at 31st March, 2019, total revenues of Rs. Nil, total comprehensive income (comprising of profit and other comprehensive income) of Rs. Nil and net cash outflows amounting to Rs.1.61 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the unaudited financial statements certified by the management. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the financial statements certified by the Management.

- (b) The consolidated Ind AS financial statements of the Group for the year ended March 31, 2018, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 22, 2018, expressed an unmodified opinion on those consolidated Ind AS financial statements. Our opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law has been maintained by the Holding Company, including relevant records relating to preparation of the aforesaid

consolidated Ind AS Financial statements, so far as it appears from our examination of those books and records of the Holding Company, and certificate received from the management as referred in sub-paragraph (a) of the 'Other Matters' paragraph;

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) 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 Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in Annexure "A"; and
- (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 and based on consideration of the unaudited Financial statements as certified by the management referred to in sub-paragraph (a) of the Other Matters paragraph:
- I The consolidated Ind AS financial statements disclose impact of pending litigations as at March 31, 2019 on the financial position of the Group- Refer Note 37 to the

Consolidated Ind AS financial statements;

- ii. The Group did not have any material foreseeable losses on its long-term contracts, the Group did not have any long-term derivative contracts; and
- iii. Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company:

Period to which amount relates	Nature of Dues	Amount (Rs. In lacs)	Due Date	Date of Payment
FY 2010-11	Unclaimed/Unpaid Dividend	6.47	03.09.2018	12.09.2018

#### For S.S. KOTHARI MEHTA & COMPANY

Chartered Accountants  
Firm Reg. No. : 000756N

Sd-

**Yogesh K. Gupta**

Partner  
Membership No.:093214  
Place: Gurugram  
Date: May 21, 2019

#### **"Annexure A" to the Independent Auditor's Report of even date on the Consolidated Ind AS financial statements of DHANUKA AGRITECH LIMITED**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph (g) of 'Report on Other Legal and Regulatory Requirements'**

We have audited the internal financial controls over financial reporting of **DHANUKA AGRITECH LIMITED** ("the Holding Company") as of March 31st, 2019 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

The audit of the internal financial controls over financial reporting is applicable only to the Holding Company.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Holding 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 components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Holding 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of

financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company has, 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, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.S. KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm Registration No. 000756N

**Sd/-**

**Yogesh K. Gupta**

Partner

Membership No.:093214

Place: Gurugram

Date: May 21, 2019



## Consolidated Balance Sheet As At March 31, 2019

(₹ In lacs)

	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>I</b>	<b>Assets</b>			
<b>1</b>	<b>Non-current assets</b>			
a	Property, Plant and Equipment	4	11,434.37	12,795.80
b	Capital work in progress	5	98.91	7.68
c	Other Intangible assets	6	254.63	297.63
d	Financial Assets			
	i) Investments	7	8,977.50	8,948.57
	ii) Loans	8	341.94	380.58
	iii) Other financial assets	9	984.44	134.19
e	Other non-current assets	14	2,006.11	1,979.41
	<b>Total Non-Current assets</b>		<b>24,097.90</b>	<b>24,543.86</b>
<b>2</b>	<b>Current assets</b>			
a	Inventories	10	20,683.01	20,498.57
b	Financial Assets			
	i) Investments	7	3,049.04	9,250.65
	ii) Trade receivables	11	21,867.60	20,796.75
	iii) Cash and cash equivalents	12	47.77	1,060.75
	iv) Bank balances other than (iii) above	12	87.60	83.34
	v) Loans	8	3,288.42	3,280.63
	vi) Other financial assets	9	6,538.82	469.46
c	Current Tax Assets (Net)	13	1,426.94	257.43
d	Other current assets	14	2,445.31	2,025.27
	<b>Total Current assets</b>		<b>59,434.51</b>	<b>57,722.85</b>
	<b>Total Assets</b>		<b>83,532.41</b>	<b>82,266.71</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
a	Equity Share Capital	15	951.57	981.57
b	Other Equity	16	63,270.45	62,354.32
	<b>Total equity</b>		<b>64,222.02</b>	<b>63,335.89</b>
	<b>LIABILITIES</b>			
<b>2</b>	<b>Non-current liabilities</b>			
a	Financial Liabilities			
	i) Other financial liabilities	19	1,530.77	2,351.41
b	Provisions	20	242.97	178.32
c	Deferred tax liabilities (Net)	21	1,220.67	1,333.49
d	Other non-current liabilities	22	-	7.93
	<b>Total non-current liabilities</b>		<b>2,994.41</b>	<b>3,871.15</b>
<b>3</b>	<b>Current liabilities</b>			
a	Financial Liabilities			
	i) Borrowings	17	2,221.25	471.65
	ii) Trade payables	18		
	-Total Outstanding dues of Micro Enterprises and Small Enterprises		117.81	662.61
	-Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		7,635.36	7,638.00
	iii) Other financial liabilities	19	4,327.38	4,080.98
b	Other current liabilities	22	1,986.63	2,181.65
c	Provisions	20	27.55	24.78
	<b>Total current liabilities</b>		<b>16,315.98</b>	<b>15,059.67</b>
	<b>Total Equity and Liabilities</b>		<b>83,532.41</b>	<b>82,266.71</b>

Accompanying notes form an integral part of the financial statements

As per our report of even date attached  
For **S.S. KOTHARI MEHTA & COMPANY**  
Chartered Accountants  
Firm Registration No: 000756N

For and on behalf of the Board of Directors

Sd/-  
**YOGESH K GUPTA**  
Partner  
Membership No : 093214  
Place : Gurugram  
Dated : 21<sup>st</sup> May, 2019

Sd/-  
**M.K. DHANUKA**  
Managing Director  
DIN : 00628039

Sd/-  
**RAHUL DHANUKA**  
Executive Director  
DIN : 00150140

Sd/-  
**V.K. BANSAL**  
C.F.O.

Sd/-  
**JYOTI VERMA**  
Company Secretary  
FCS-7210



## Consolidated Statement of Profit & Loss For The Year Ended March 31, 2019

(₹ In lacs)

	Particulars	Note No.	For the period ended March 31, 2019	For the period ended March 31, 2018
I	Revenue from Operations	23	100,583.80	97,624.42
II	Other Income	24	2,120.45	1,603.06
III	<b>Total Revenue (I+II)</b>		<b>102,704.25</b>	<b>99,227.48</b>
IV	<b>EXPENSES</b>			
	Cost of materials consumed	25	54,630.15	38,736.28
	Purchase of Stock In Trade	26	9,250.76	11,070.33
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	27	(2,214.19)	6,416.79
	Excise Duty		-	1,360.93
	Employee Benefit Expenses	28	10,465.79	10,646.38
	Finance Costs	29	89.29	87.34
	Depreciation and Amortization Expense	30	1,234.85	1,420.62
	Other Expenses	31	13,852.08	12,788.02
	<b>Total Expenses</b>		<b>87,308.73</b>	<b>82,526.69</b>
V	<b>Profit Before Exceptional Items and Tax (III-IV)</b>		<b>15,395.52</b>	<b>16,700.79</b>
VI	<b>Exceptional items</b>	32	-	-
VII	<b>Profit before Tax (V-VI)</b>		<b>15,395.52</b>	<b>16,700.79</b>
VIII	<b>Tax Expenses</b>	33		
	Current Tax		5,283.03	4,458.67
	Tax of earlier year provided / (written back)		(1,032.27)	(449.87)
	Deferred Tax		(112.82)	74.22
IX	<b>Profit for the year</b>		<b>11,257.58</b>	<b>12,617.77</b>
X	<b>Other Comprehensive Income</b>	34		
A	(i) Items that will not be reclassified to profit or loss		(50.62)	82.77
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI	<b>Total Comprehensive Income (IX+X)</b>		<b>11,206.96</b>	<b>12,700.54</b>
XII	<b>Earnings per Equity Share</b>			
	1) Basic (in ₹)	35	23.02	25.71
	2) Diluted (in ₹)	35	23.02	25.71

Accompanying notes form an integral part of the financial statements

As per our report of even date attached  
For **S.S. KOTHARI MEHTA & COMPANY**  
Chartered Accountants  
Firm Registration No: 000756N

For and on behalf of the Board of Directors

Sd/-  
**YOGESH K GUPTA**  
Partner  
Membership No : 093214  
Place : Gurugram  
Dated : 21<sup>st</sup> May, 2019

Sd/-  
**M.K. DHANUKA**  
Managing Director  
DIN : 00628039

Sd/-  
**RAHUL DHANUKA**  
Executive Director  
DIN : 00150140

Sd/-  
**V.K. BANSAL**  
C.F.O.

Sd/-  
**JYOTI VERMA**  
Company Secretary  
FCS-7210

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(₹ In lacs)

a.	EQUITY SHARE CAPITAL	As at March 31, 2019		As at March 31, 2018	
		No of shares	Amount	No of shares	Amount
	Particulars				
	Balance at the beginning of the reporting period	49,078,324.00	981.57	49,078,324.00	981.57
	Changes in equity share capital during the year (Refer Note-15)	(1,500,000.00)	(30.00)	-	-
	<b>Balance at the end of the reporting period</b>	<b>47,578,324.00</b>	<b>951.57</b>	<b>49,078,324.00</b>	<b>981.57</b>
b.	OTHER EQUITY	Reserves & Surplus			
		Capital Reserve	General Reserve	Capital Redemption Reserve	Retained earnings
	Particulars				
	Balance as at April 1, 2018	95.47	2,455.03	18.82	59,784.99
	Total comprehensive income for the year ended 31 March, 2019				
	-Profit for the year	-	-	-	11,257.58
	-Other comprehensive income for the year	-	-	-	(50.62)
	<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,206.96</b>
	-Dividend paid during the year	-	-	-	(1,717.74)
	-Dividend Distribution Tax (DDT)	-	-	-	(353.08)
	-Buy back of Shares (Refer Note-15)	-	(2,455.03)	30.00	(5,794.97)
	<b>Balance as at March 31, 2019</b>	<b>95.47</b>	<b>-</b>	<b>48.82</b>	<b>63,126.16</b>

As per our report of even date attached  
For **S.S. KOTHARI MEHTA & COMPANY**  
Chartered Accountants  
Firm Registration No: 000756N

For and on behalf of the Board of Directors

Sd/-  
**YOGESH K GUPTA**  
Partner  
Membership No : 093214  
Place : Gurugram  
Dated : 21<sup>st</sup> May, 2019

Sd/-  
**M.K. DHANUKA**  
Managing Director  
DIN : 00628039

Sd/-  
**RAHUL DHANUKA**  
Executive Director  
DIN : 00150140

Sd/-  
**V.K. BANSAL**  
C.F.O.

Sd/-  
**JYOTI VERMA**  
Company Secretary  
FCS-7210



## Consolidated Statement of Cash Flow for the year ended 31<sup>st</sup> March, 2019

(₹ In lacs)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Profit / (Loss) Before Tax</b>	<b>15,395.52</b>	<b>16,700.79</b>
	Adjustments for:		
	Depreciation, amortization and impairment expenses	1,234.85	1,420.62
	Net (Gain)/Loss on Sale of Property, Plant and Equipment	(13.11)	(4.46)
	Property, Plant and Equipment Written off	15.05	-
	Finance Costs	89.29	87.34
	Interest Income	(714.40)	(366.22)
	Dividend Income from Investments	(159.94)	(338.87)
	Net (Gain)/Loss on Sale of Investments	(280.11)	(46.56)
	Net (Gain)/Loss on Investments measured at fair value through profit or loss	(352.79)	(314.49)
	Allowance for Bad and Doubtful debts & Advances	381.98	101.55
	Forex Fluctuation on Translation of Assets & Liabilities	(55.13)	59.73
	<b>Operating Profit/(loss) before Working Capital changes</b>	<b>15,541.21</b>	<b>17,299.43</b>
	(Increase) / Decrease in Trade Receivables	(1,257.12)	(2,513.92)
	(Increase) / Decrease in Current financial assets - Loans	(203.50)	(2,593.22)
	(Increase) / Decrease in Non Current financial assets - Loans	38.64	(18.66)
	(Increase) / Decrease in Other Current financial assets*	(1,193.33)	53.88
	(Increase) / Decrease in Other Non Current financial assets	(850.24)	(6.28)
	(Increase) / Decrease in Other Current assets	(420.05)	(160.56)
	(Increase) / Decrease in Other Non Current assets	(18.12)	(75.76)
	(Increase)/Decrease in Inventories*	(4,559.74)	5,948.54
	Increase / (Decrease) in Trade Payables	(492.30)	2,560.64
	Increase / (Decrease) in Other Current Financial Liabilities	273.60	(280.57)
	Increase / (Decrease) in Other Non Current Financial Liabilities	(818.86)	(297.65)
	Increase / (Decrease) in Other Current Provisions	2.77	(123.63)
	Increase / (Decrease) in Other Non Current Provisions	14.04	(376.63)
	Increase / (Decrease) in Other Current Liabilities	(195.02)	(1,606.44)
	Increase / (Decrease) in Other Non Current Liabilities	(7.93)	(7.11)
	<b>Cash generated (used) in /from Operations before tax</b>	<b>5,854.05</b>	<b>17,802.06</b>
	Net Direct Taxes paid	(5,420.28)	(4,032.40)
	<b>Net cash flow (used) in/ from Operating Activities</b>	<b>433.77</b>	<b>13,769.66</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Acquisition of Property, Plant and Equipment, Intangible Assets & Capital work in Progress	(607.52)	(648.45)
	Proceeds from sale of Property, Plant and Equipment*	134.55	13.84
	Purchase and sale of Investments (Net)	6,805.58	(11,198.08)
	Interest Received	721.22	391.91
	Dividend Income from Investments	159.94	338.87
	<b>Net cash flow (used) in/ from Investing Activities</b>	<b>7,213.77</b>	<b>(11,101.91)</b>
	<b>Net cash (used) in/ from Operating and Investing Activities</b>	<b>7,647.54</b>	<b>2,667.75</b>

## Consolidated Statement of Cash Flow for the year ended 31<sup>st</sup> March, 2019

(₹ In lacs)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Short Term Borrowings (Net)	1,749.59	(336.37)
	Payment of Dividend	(1,717.74)	(1,276.04)
	Taxes on Dividend	(353.08)	(259.78)
	Buy Back of Shares	(8,250.00)	-
	Interest Paid	(89.29)	(87.34)
	<b>Net cash (used) in/ from Financing Activities</b>	<b>(8,660.52)</b>	<b>(1,959.53)</b>
	<b>Net cash (used) in/ from Operating, Investing &amp; Financing Activities</b>	<b>(1,012.98)</b>	<b>708.22</b>
	<b>Opening balance of Cash and Cash equivalent</b>	<b>1,060.75</b>	<b>352.53</b>
	<b>Closing balance of Cash &amp; Cash equivalent</b>	<b>47.77</b>	<b>1,060.75</b>

Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following (refer note no.12):-

	<b>i) Cash Balance on Hand</b>	40.25	46.43
	<b>ii) Balance with Banks :</b>		
	-In Current Accounts	7.52	11.67
	-In Fixed Deposits	-	1,000.15
	- Cheques in hand	-	2.50
	<b>Total</b>	<b>47.77</b>	<b>1,060.75</b>

\* Adjustments has been made on account of non cash items. Refer Note-32

### Change in liability arising from financing activities

Particulars	As at April 1, 2018	Cash flows	Foreign exchange movement	As at March 31, 2019
Borrowing Current (Refer Note 17)	471.65	1,749.59	-	2,221.25
Particulars	As at April 1, 2017	Cash flows	Foreign exchange movement	As at March 31, 2018
Borrowing Current (Refer Note 17)	789.25	(336.37)	18.77	471.65

As per our report of even date attached  
For **S.S. KOTHARI MEHTA & COMPANY**  
Chartered Accountants  
Firm Registration No: 000756N

For and on behalf of the Board of Directors

**Sd/-**  
**YOGESH K GUPTA**  
Partner  
Membership No : 093214  
Place : Gurugram  
Dated : 21<sup>st</sup> May, 2019

**Sd/-**  
**M.K. DHANUKA**  
Managing Director  
DIN : 00628039

**Sd/-**  
**RAHUL DHANUKA**  
Executive Director  
DIN : 00150140

**Sd/-**  
**V.K. BANSAL**  
C.F.O.

**Sd/-**  
**JYOTI VERMA**  
Company Secretary  
FCS-7210





## Notes to Consolidated Financial Statement for the year ended March 31, 2019

### 1. CORPORATE INFORMATION

Dhanuka Agritech Limited ("DAL" or "the Company") is a public limited company incorporated under The Companies Act, 1956, domiciled in India and has its registered office at New Delhi. The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange.

The consolidated financial statements comprise the company and its Wholly owned subsidiary (referred to collectively as "The group"). DAL manufactures a wide range of agro-chemicals like herbicides, insecticides, fungicides, plant growth regulators in various forms - liquid, dust, powder and granules. The Group has a Pan-India presence through its Branch offices/Depots in all major states in India.

The Registered office of the Company situated at 82, Abhinash Mansion, 1st Floor, Joshi Road, Karol Bagh, New Delhi-110005 and the corporate office is situated at 14th Floor, Building 5A, Cyber City, DLF Phase-III, Gurugram-122002.

### 2. BASIS OF PREPARATION

#### a. Basis of consolidation

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the parent and its subsidiary are prepared by line by line adding together like items of assets, liabilities, equity, income and expenses. Inter -Company balances and transactions, and any unrealized gains arising from inter-company transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

#### b. Statement of Compliance

The financial statements are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') as amended through rules and other relevant provisions of the Act to the extent applicable.

These financial statements were authorized for issue by the Board of Directors on May 21, 2019.

#### c. Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following:

- Certain financial assets and liabilities that is measured at fair value;
- Defined benefit plans - plan assets measured at fair value.

#### d. Functional and presentation currency

Items included in the financial statements of the group are measured using the currency of the primary economic environment in which the group operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('INR'), which is the group's functional and presentation currency. All amounts have been rounded to the nearest lacs, unless otherwise indicated.

#### e. New and amended standards adopted by the group

##### I. Ind AS 115, Revenue from Contracts with Customers

The Group has adopted Ind AS 115, Revenue from Contracts with Customers, effective April 1, 2018, on a modified retrospective basis, applying the standard to all contracts that are not completed as such date. The adoption of Ind AS 115 did not have any significant financial impact and accordingly, no adjustments are made to the amounts recognized in the financial statements. The adoption has resulted in changes to accounting policies and mandated certain disclosures. Refer note number 3(h) below for accounting policies and note number 23 for related disclosures.

##### II. Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or

Non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the group's financial statements.

## Notes to Consolidated Financial Statement for the year ended March 31, 2019

### f. Current or Non-current classification

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

### g. Critical accounting judgements and key source of estimation uncertainty

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

The estimates and judgments used in the preparation of the 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.

Application of accounting policies that require critical accounting estimates and assumption judgements having the most significant effect on the amounts recognized in the financial statements are:

- Measurement of defined benefit obligations;
- Recognition of deferred tax assets & minimum alternative tax credit entitlement;
- Useful life and residual value of Property, plant and equipment and intangible assets;
- Impairment test of financial and non-financial assets;
- Measurement of fair value of financial instrument; and
- Recognition and measurement of provisions and contingencies.

- Recognition and measurement of provision for discounts and rebates.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in the financial statements.

#### a. Property, plant and equipment

##### 1. Recognition and measurement

On transition to Ind AS, the group had elected to continue with the carrying value of all its property, plant and equipment recognized as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Freehold land is carried at cost. All other items of Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, after deducting trade discount and rebates, and including import duties, non-refundable purchase taxes, any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in cost to the extent they relate to the period till such assets are ready for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment or major inspections performed, are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The costs of all other repairs and maintenance are recognized in the Statement of Profit & Loss as incurred.



## Notes to Consolidated Financial Statement for the year ended March 31, 2019

Capital work-in-progress includes cost of property, plant and equipment under installation / under construction as at the balance sheet date.

An item of property, plant and equipment is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal is recognized in statement of profit & loss.

### II. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values, recognized in the statement of profit and loss. Depreciation on property, plant and equipment is provided on Written Down Value Method (WDV) at the rate and in the manner based on the useful life of the assets as estimated by the management which coincide with the useful life specified under Schedule II of the Companies Act, 2013, which are as follows:

• Building including factory building-	30-60 years
• General plant and machinery-	15 years
• Plant and Machinery-Vessel/Storage tank-	20 years
• Furniture and Fittings-	10 years
• Motor Vehicles-	8-10 years
• Office Equipment-	5 years
• Computers and data processing units-	3-6 years
• Wind Mill-	22 years
• *Solar Plant-	5 years

\*The useful life considered above is on the basis of the agreement with third party regarding sale of electricity generated from this plant.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (upto) the date on which the property, plant and equipment is available for use (disposed off).

Assets having cost upto ₹5000/- have been fully depreciated in the year of acquisition by leaving Re.1 as a nominal value for its identity in fixed assets register.

### b. Intangible assets

On transition to Ind AS, group has elected to continue with the carrying value of all of its intangible assets recognized as

at 1st April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Intangible assets are measured at cost less any accumulated amortization and impairment losses, if any.

Cost of an item of intangible asset comprises its purchase price, after deducting trade discount and rebates, and including import duties, non-refundable purchase taxes, any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Amortization is recognized on a straight line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The estimated useful lives are as follows:

Computer Software	10 years
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An intangible asset is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal is recognized in statement of profit & loss.

### c. Impairment of non-financial assets

At each reporting date, the group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs').

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in

## Notes to Consolidated Financial Statement for the year ended March 31, 2019

use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

In respect of assets for which impairment loss has been recognized in prior periods, the group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. After impairment, depreciation or amortization is provided on the revised carrying amount of the assets over its remaining useful life.

### d. Financial instruments

#### I. Initial recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recognized at fair value plus transaction costs directly attributable to its acquisition. The transaction costs incurred for the purchase of financial assets held at fair value through profit and loss are expensed in the statement of profit and loss immediately.

#### II. Subsequent measurement

##### 1) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognized or impaired, the gain or loss is recognized in the statement of profit and loss.

##### 2) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss.

Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognized in OCI are not reclassified to the statement of profit and loss.

##### 3) Financial assets at fair value through profit and loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

##### 4) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the

Balance Sheet date, the carrying amounts is approximate to the fair value due to the short maturity of these instruments.

##### 5) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any, in the separate financial statements.

### III. Impairment of financial assets

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. Except trade receivables, expected credit losses are measured at an amount equal to



## Notes to Consolidated Financial Statement for the year ended March 31, 2019

the twelve month expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

In case of trade receivables, the group follows the simplified approach which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

### IV. Derecognition

#### 1) Financial Assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

#### 2) Financial Liabilities

**The group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.**

### V. Reclassification of Financial Assets and Financial liabilities

The group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the group reclassifies financial assets, it applies prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

### VI. Derivative financial instruments

The group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognized immediately in the statement of profit and loss.

### VII. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

#### e. Fair Value measurement

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, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/ or disclosure purposes are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

**Level 1** - This includes financial instruments measured using quoted prices (Unadjusted) in active markets for identical assets and liabilities.

**Level 2** - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize 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. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either



## Notes to Consolidated Financial Statement for the year ended March 31, 2019

directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

### f. Inventories

Inventories (including Stock-in-transit) of Finished Goods, Stock in Trade, Work in progress, Raw materials, packing materials and Stores & Spares are stated at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cost of Raw Materials, Packing Materials, Stores and Spares, Stock in Trade and other products are determined on First in first out (FIFO) basis and are net of GST.

Cost of Work in progress and Finished Goods is determined on First in first out (FIFO) basis considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.

Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and wherever necessary, the same are written off or provision is made for such inventories. Finished goods and work in progress are written down if anticipated net realizable value declines below the carrying amount of the inventories and such write down to inventories are recognized in statement of profit & loss. When reason for such write down ceases to exist, then write down is reversed through statement of profit and loss account.

### g. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions

are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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 recognized but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

### h. Revenue Recognition

#### i. Sale of goods

Revenue is generated primarily from sale of agrochemicals.

Revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration which the group expects to receive in exchange for those goods.

Revenue from the sale of goods is recognized at the point in time when control is transferred to the customer which is usually on delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

### Contract balances

#### Trade receivables

A receivable represents the group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section



## Notes to Consolidated Financial Statement for the year ended March 31, 2019

3(d) Financial instruments - initial recognition and subsequent measurement.

### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which

the group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the group performs under the contract.

### II. Interest Income

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 through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

### III. Dividends

Dividend income is recognized when the group's right to receive dividend is established, and is included in other income in the statement of profit and loss.

### IV. Revenue from electricity generation

Revenue from electricity generation is recognized on the basis of electricity units generated and invoice raised on monthly basis.

#### i. Employee Benefits

##### 1. Short Term Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### II. Defined contribution plans

Employees benefits in the form of the group's contribution to Provident Fund, Pension scheme, Superannuation Fund, National Pension scheme and Employees State Insurance are defined contribution schemes. The group recognizes

contribution payable to these schemes as an expense, when an employee renders the related service.

If the contribution payable exceeds contribution already paid, the deficit payable is recognized as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the group recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to reduction in future payments or a cash refund.

### III. Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Group provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The Group contributes to the gratuity fund, which are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

When the calculation results in a potential asset for the group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit & loss.

When the benefits of a plan are changed or when a plan is

## Notes to Consolidated Financial Statement for the year ended March 31, 2019

curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit & loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### IV. Other long term employee benefits

Other long term Employee benefits includes earned leaves and sick leaves. The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognized in statement of profit & loss in the period in which they arise.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

#### j. Foreign currency transactions

The financial statements are presented in Indian rupee, which is the group's functional and presentation currency, unless stated otherwise. 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 recognized in the statement of profit and loss.

#### k. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### I. Income Tax

Income tax expense comprises current and deferred tax. It is recognized in statement of profit & loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

##### I. Current Tax

Current tax comprises the expected tax payable on the taxable income for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the group:

- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

##### II. Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax assets/liabilities are generally recognized for all taxable temporary differences, the carry forward balance of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, the carry forward balance of unused tax credits and unused tax losses can be utilized.

The carrying value 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 all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.



## Notes to Consolidated Financial Statement for the year ended March 31, 2019

Deferred tax assets and liabilities are offset only if:

- i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

### m. Segment Reporting

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the group's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

The Chairman, Managing Director, Executive directors and CFO have been identified as CODM by the group. Refer Note 39 for segment information.

### n. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### o. Statement of cash flows

Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Ind AS on Statement of Cash Flows (Ind AS - 7). The cash flows from operating, financing and investing activity of the group are segregated.

### p. Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### Group as a lessor

##### I. Operating Lease

Leases in which the group does not transfer substantially all

the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

##### II. Finance Lease

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the group's net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

#### Group as a lessee

##### I. Operating Lease

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Payments under operating lease are recorded in the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

##### II. Finance Lease

Finance Lease that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the group will obtain ownership by the end of the lease term, the asset

## Notes to Consolidated Financial Statement for the year ended March 31, 2019

is depreciated over the shorter of the estimated useful life of the asset and the lease term.

### q. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period 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 net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### r. Dividend to Equity Shareholders

Dividend to equity shareholders is recognized as a liability and deducted from shareholders' Equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

### s. Research and Development Expenses

Research and Development Expenses of revenue nature are charged to the Statement of Profit and Loss.

## 36. EMPLOYEE BENEFITS

The Group participates in defined contribution and benefit schemes, the funded assets of which are held in separately administered funds. For defined contribution schemes the amount charged to the statements of profit & loss is the total of contributions payable in the year.

### a. Defined Contribution Plans

The Group has Defined Contribution Plans for post-employment benefits namely Provident Fund, Superannuation Fund and National Pension Scheme, which are administered by appropriate Authorities.

The Group contributes to a Government administered Provident Fund, Employees' Deposit Linked Insurance Scheme and Employee Pension Scheme, on behalf of its employees and has no further obligation beyond making its contribution.

The Superannuation Fund and National Pension Scheme applicable to certain employees is a Defined Contribution Plan as the group contributes to these Schemes which are administered by an Insurance Company and has no further obligation beyond making the payment to the Insurance Company.

The Group contributes to State Plans namely Employees' State Insurance Fund and has no further obligation beyond making the payment to them.

The Group's contributions to the above funds are charged to revenue every year.

The Group has recognized an expense of ₹ 426.61 lacs (Previous year ₹ 452.27 lacs) towards the defined contribution plans.

### b. Defined Benefit Plans

In accordance with the payment of Gratuity Act, 1972, the group has a Defined Benefit Plan namely "Gratuity Plan" covering its employees. The Gratuity scheme is funded through Group Gratuity-cum-Life Assurance Scheme and the liability for the Gratuity plan is provided based on an actuarial valuation at the year-end. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.





## Notes To Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

### 4. PROPERTY, PLANT AND EQUIPMENT

(₹ In lacs)

Particulars	Land-Freehold	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Power Gen. Plant	Total
<b>Gross Carrying Amount</b>								
As at April 01, 2017	2,867.40	7,221.95	3,276.43	148.91	152.99	330.95	950.74	14,949.37
Additions	149.63	58.20	332.13	21.69	19.60	101.09	-	682.34
Disposals/Adjustments	-	-	(1.33)	(0.02)	(7.61)	(1.18)	-	(10.14)
<b>Balance as at March 31, 2018</b>	<b>3,017.03</b>	<b>7,280.16</b>	<b>3,607.22</b>	<b>170.58</b>	<b>164.98</b>	<b>430.86</b>	<b>950.74</b>	<b>15,621.57</b>
<b>Balance as at April 1, 2018</b>	<b>3,017.03</b>	<b>7,280.16</b>	<b>3,607.22</b>	<b>170.58</b>	<b>164.98</b>	<b>430.86</b>	<b>950.74</b>	<b>15,621.57</b>
Additions	89.49	15.18	112.18	4.14	196.73	56.37	-	474.09
Disposals/Adjustments	(96.01)	(5.33)	(806.14)	(2.81)	(8.86)	(11.84)	-	(930.99)
<b>Balance as at March 31, 2019</b>	<b>3,010.51</b>	<b>7,290.01</b>	<b>2,913.26</b>	<b>171.91</b>	<b>352.85</b>	<b>475.39</b>	<b>950.74</b>	<b>15,164.67</b>
<b>Accumulated Depreciation</b>								
As at April 01, 2017	-	621.82	547.83	35.90	36.36	128.79	75.77	1,446.47
Depreciation for the year	-	575.93	518.51	34.56	35.33	114.51	101.22	1,380.06
Disposals/Adjustments	-	-	(0.28)	(0.01)	(0.44)	(0.04)	-	(0.77)
<b>Balance as at March 31, 2018</b>	<b>-</b>	<b>1,197.75</b>	<b>1,066.06</b>	<b>70.46</b>	<b>71.25</b>	<b>243.26</b>	<b>176.98</b>	<b>2,825.76</b>
Depreciation for the year	-	527.41	410.01	27.42	46.84	90.30	89.50	1,191.48
Disposals/Adjustments	-	(0.59)	(272.48)	(1.26)	(6.68)	(5.93)	-	(286.94)
<b>Balance as at March 31, 2019</b>	<b>-</b>	<b>1,724.57</b>	<b>1,203.59</b>	<b>96.62</b>	<b>111.41</b>	<b>327.63</b>	<b>266.48</b>	<b>3,730.30</b>
<b>Net carrying amount</b>								
<b>Balance as at March 31, 2018</b>	<b>3,017.03</b>	<b>6,082.41</b>	<b>2,541.16</b>	<b>100.12</b>	<b>93.73</b>	<b>187.60</b>	<b>773.76</b>	<b>12,795.80</b>
<b>Balance as at March 31, 2019</b>	<b>3,010.51</b>	<b>5,565.44</b>	<b>1,709.67</b>	<b>75.29</b>	<b>241.44</b>	<b>147.76</b>	<b>684.26</b>	<b>11,434.37</b>

#### Notes:

a. Refer note 17(a) for information on movable assets which are pledged as security by the company to banks

## Notes To Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

(₹ In lacs)

<b>5.</b>	<b>CAPITAL WORK IN PROGRESS</b>	
	<b>Particulars</b>	<b>Amount</b>
	<b>As at April 01, 2017</b>	<b>44.17</b>
	Additions	173.47
	Less: Amount capitalized in Property, Plant and Equipment	(209.96)
	<b>Balance as at March 31, 2018</b>	<b>7.68</b>
	<b>As at April 01, 2018</b>	<b>7.68</b>
	Additions	119.58
	Less: Amount capitalized in Property, Plant and Equipment	(28.35)
	<b>Balance as at March 31, 2019</b>	<b>98.91</b>
<b>6.</b>	<b>OTHER INTANGIBLE ASSETS</b>	
	<b>Particulars</b>	<b>Amount (Computer Software)</b>
	<b>Gross Carrying Amount</b>	
	<b>As at April 01, 2017</b>	<b>315.12</b>
	Additions	57.45
	<b>Balance as at March 31, 2018</b>	<b>372.57</b>
	Additions	0.37
	<b>Balance as at March 31, 2019</b>	<b>372.94</b>
	<b>Accumulated Amortization</b>	
	<b>As at April 1, 2017</b>	<b>34.38</b>
	Charge for the year	40.56
	<b>Balance as at March 31, 2018</b>	<b>74.94</b>
	Charge for the year	43.37
	<b>Balance as at March 31, 2019</b>	<b>118.31</b>
	<b>Net Carrying Amount</b>	
	<b>Balance as at March 31, 2019</b>	<b>254.63</b>
	<b>Balance as at March 31, 2018</b>	<b>297.63</b>



## Notes To Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

### 7. INVESTMENTS

(₹ In lacs)

		As at March 31, 2019		As at March 31, 2018	
		No. of Shares/ Units	Amount	No. of Shares/ Units	Amount
	<b>NON CURRENT</b>				
	<b>Investment in Equity Instruments</b>				
a.	<b>Quoted- At Fair Value through Profit &amp; Loss</b>				
	Equity PMS-Shares of Listed Companies	PMS	280.96	PMS	301.42
	PMS Advisor-Accuracap Consultancy Services Private Limited				
b.	<b>Unquoted- At Fair Value through Profit &amp; Loss</b>				
	Units of India Build Out Fund-Venture Capital Fund	1,177.16	17.39	1,177.16	17.39
	Units of Edelweiss Alternative Equity Scheme	644,379.62	135.32	645,412.39	132.59
	<b>Investment in Preference Shares</b>				
a.	<b>Quoted- At Fair Value through Profit &amp; Loss</b>				
	Preference shares of Tata Motors Finance Ltd.	250,000.00	532.43	-	-
	<b>Investment in debentures or bonds</b>				
a.	<b>Quoted- At Fair Value through Profit &amp; Loss</b>				
	NCD - Face Value of ₹ 100000/- each in Edelweiss Asset Reconstruction company Ltd	-	-	500.00	595.80
	NCD - Face Value of ₹ 100000/- each in IIFL Wealth Finance Limited	-	-	483.00	509.18
	NCD - Face Value of ₹ 100000/- each in ECAP Equities Limited	-	-	978.00	1,048.02
	NCD - Face Value of ₹ 100000/- each in Edelweiss Finvest Pvt. Limited	294.00	288.23	-	-
	NCD - Face Value of ₹ 100000/- each in IIFL Wealth Finance Limited	300.00	327.00	-	-
	NCD - Face Value of ₹ 100000/- each in Edelweiss Finvest Pvt. Limited	1,000.00	995.55	-	-
b.	<b>Quoted- At Amortised Cost</b>				
	7.35% Bonds - Face Value of ₹ 1000/- each in Indian Railway Finance Corporation Limited	5,878.00	58.78	5,878.00	58.78
	7.28% Bonds - Face Value of ₹ 1000/- each in Indian Railway Finance Corporation Limited	30,200.00	302.00	30,200.00	302.00
	7.35% Bonds - Face Value of ₹ 1000/- each in National Highway Authority of India	14,285.00	142.85	14,285.00	142.85
	7.39% Bonds - Face Value of ₹ 1000/- each in National Highway Authority of India	7,709.00	77.09	7,709.00	77.09
	7.49% Bonds - Face Value of ₹ 1000/- each in Indian Renewable Energy Development Agency Ltd	34,060.00	340.60	34,060.00	340.60
	7.39% Bonds - Face Value of ₹ 1000/- each in Housing and Urban Development Corp Ltd	7,007.00	70.07	7,007.00	70.07
	7.35% Bonds - Face Value of ₹ 1000/- each in National Bank for Agriculture and Rural Development	5,010.00	50.10	5,010.00	50.10
	7.11% Bonds - Face Value of ₹ 1000/- each in Power Finance Corporation Limited	2,567.00	25.67	2,567.00	25.67
	18.50% NCD - Face Value of ₹ 1000000/- each of Manyata Developers Private Limited	20.00	127.37	20.00	128.85
c.	<b>Unquoted- At Amortised Cost</b>				
	Units of Annuities In Senior Secured Estate Fund	338,233.58	338.23	491,792.54	491.79
	Units of IIFL Real Estate Fund-Series 2	47,09,658.52	358.98	47,09,658.52	386.63
	Units of Religare Credit Investment Trust	22.73	41.75	38.31	67.46
	Units of ICICI Prudential Real Estate	122,953.24	130.44	146,799.80	148.86
	Units of IIFL Real Estate Fund-Series 3	1,850,000.00	84.58	1,850,000.00	110.12
d.	<b>Unquoted- At Fair Value through Profit &amp; Loss</b>				
	Units of UTI Structured Debt Opportunities Fund	13,449,205.63	243.47	12,587,261.04	126.04

## Notes To Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

(₹ In lacs)

		As at March 31, 2019		As at March 31, 2018	
		No. of Shares/ Units	Amount	No. of Shares/ Unit	Amount
	<b>INVESTMENT IN MUTUAL FUNDS</b>				
<b>a.</b>	<b>Quoted- At Fair Value through Profit &amp; Loss</b>				
	Units of Reliance Fixed Horizon Fund-XXX-Series 13	-	-	2,500,000.00	295.23
	Units of Reliance Fixed Horizon Fund-XXX-Series 17	-	-	1,500,000.00	176.42
	Units of UTI Fixed Term Income Fund Series-1182 Days	-	-	3,000,000.00	355.08
	Units of HDFC FMP 1161 Days Series 35	-	-	2,000,000.00	245.51
	Units of Reliance Fixed Horizon Fund-XXXV-Series 13	3,000,000.00	327.77	3,000,000.00	304.79
	Units of UTI Fixed Term Income Fund Series-1113 Days	3,000,000.00	331.68	3,000,000.00	310.04
	Units of UTI Fixed Term Income Fund Series-1204 Days	3,000,000.00	327.51	3,000,000.00	305.07
	Units of ICICI Prudential Fixed Maturity Plan Series 82-1203 Days	3,000,000.00	327.37	3,000,000.00	303.84
	Units of ICICI Prudential Fixed Maturity Plan Series 82-1215 Days	3,000,000.00	327.84	3,000,000.00	304.37
	Units of Aditya Birla Sun life Fixed Term Plan Series PB-1190 Days	3,000,000.00	327.08	3,000,000.00	304.46
	Units of Aditya Birla Sun life Fixed Term Plan Series PC-1169 Days	3,000,000.00	326.99	3,000,000.00	304.45
	Units of DSP FMP Series 219-40M	3,000,000.00	327.30	3,000,000.00	304.48
	Units of DSP FMP Series 220-40M	3,000,000.00	326.32	3,000,000.00	303.52
	Units of Aditya Birla Sun life Fixed Term Plan Series QX-1103 Days	3,000,000.00	318.05	-	-
	Units of Aditya Birla Sun life Fixed Term Plan Series RA-1100 Days	2,000,000.00	212.13	-	-
	Units of DSP FMP Series 243-36M	1,500,000.00	157.32	-	-
	Units of Reliance Fixed Horizon Fund-XXXIX-Series 2	2,000,000.00	214.83	-	-
	Units of UTI Fixed Term Income Fund Series XXX-I-1104 Days	1,500,000.00	156.45	-	-
	<b>Total Non Current Investment</b>		<b>8,977.50</b>		<b>8,948.57</b>
	<b>Aggregate amount of quoted investments and Market Value thereof</b>		7,627.35		7,467.68
	<b>Aggregate amount of quoted investments and Book Value thereof</b>		7,627.35		7,467.68
	<b>Aggregate amount of unquoted investments</b>		1,350.15		1,480.89
	<b>Aggregate amount of impairment in value of investments</b>		-		-
	<b>CURRENT</b>				
	<b>Investment in Equity Instruments</b>				



## Notes To Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

(₹ In lacs)

### 8. LOANS

Unsecured, Considered good unless otherwise stated		As at March 31, 2019	As at March 31, 2018
	<b>Non Current</b>		
	Loans to employees	16.54	5.62
	Security Deposits	325.40	374.96
		<b>341.94</b>	<b>380.58</b>
	<b>Break up of Security Details</b>		
	Loans considered good-Secured	-	-
	Loans considered good-Unsecured	341.94	380.58
	Loans which have significant increase in Credit Risk	-	-
	Loans-Credit impaired	-	-
	<b>Total</b>	<b>341.94</b>	<b>380.58</b>
	Less : Allowance	-	-
	<b>Total</b>	<b>341.94</b>	<b>380.58</b>
	<b>Current</b>		
	Loans to employees	70.13	71.91
	Security Deposits	168.29	8.72
	Loans to corporates and others		
	Unsecured, Considered good*	3,050.00	3,200.00
	Doubtful	195.71	-
	Less: Allowance for doubtful debts	(195.71)	-
		<b>3,288.42</b>	<b>3,280.63</b>
	<b>Break up of Security Details</b>		
	Loans considered good-Secured	-	-
	Loans considered good-Unsecured	3,288.42	3,280.63
	Loans which have significant increase in Credit Risk	-	-
	Loans-Credit impaired	195.71	-
	<b>Total</b>	<b>3,484.13</b>	<b>3,280.63</b>
	Less : Allowance	(195.71)	-
	<b>Total</b>	<b>3,288.42</b>	<b>3,280.63</b>
	<b>Footnotes :</b>		
a.	*Includes amount due to related parties amounting to ₹ 2500.00 Lacs (March 31, 2018 ₹ Nil). Refer Note-40.		
b.	There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.		

### 9. OTHER FINANCIAL ASSETS

Unsecured, Considered good unless otherwise stated		As at March 31, 2019	As at March 31, 2018
	<b>Non Current</b>		
	Fixed Deposits With Banks*	951.56	101.31
	Claim Receivable	32.88	32.88
		<b>984.44</b>	<b>134.19</b>



## Notes To Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

(₹ In lacs)

		As at March 31, 2019	As at March 31, 2018
	<b>Current</b>		
	Interest Accrued On Loans and Investment	46.40	53.22
	Claim Receivable	6,492.42	416.24
		<b>6,538.82</b>	<b>469.46</b>
	<b>Footnotes :</b>		
a.	*Includes interest accrued thereon		
b.	There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.		

### 10. INVENTORIES

		As at March 31, 2019	As at March 31, 2018
	Raw materials*	4,479.71	6,570.93
	Packing materials**	1,742.59	1,674.87
	Work in Progress	810.11	674.50
	Finished Goods***	11,063.87	9,144.17
	Stock in Trade****	2,480.58	2,321.70
	Store and spares	106.15	112.40
	<b>TOTAL</b>	<b>20,683.01</b>	<b>20,498.57</b>
	<b>Footnotes :</b>		
a.	The mode of valuation of inventories has been stated in note no 3(f)		
b.	Refer note 17(a) for information on Inventories pledged as security by the company to banks		
c.	*: Stock of Raw Materials includes value of goods in transit of ₹ 228.13 lacs [March 31,2018 : ₹ 530.86 lacs]		
d.	** : Stock of Packing Materials includes value of goods in transit of ₹ 38.83 lacs [March 31,2018 : ₹ 46.47 lacs]		
e.	***: Stock of Finished Goods includes value of goods in transit of ₹ 158.60 lacs [March 31,2018 : ₹ 22.30 lacs]		
f.	****: Stock in Trade includes value of goods in transit of ₹ 7.01 lacs [March 31,2018 : ₹ Nil]		
g.	Cost of Inventories recognized as an expense during the year amount to ₹ 64,756.23 lacs [P.Y. ₹ 58,054.75 lacs]		
h.	The cost of inventories recognised as an expense includes ₹ Nil in respect of inventories written down to net realizable value [P.Y. ₹ 230.39 lacs] . Previous write-downs have been reversed as a result of increased net realizable value.		

### 11. TRADE RECEIVABLES

		As at March 31, 2019	As at March 31, 2018
	Unsecured, Considered good*	22,200.20	20,943.08
	Less: Allowance for doubtful debts (expected credit loss allowance) (Refer Note-43)	(332.60)	(146.33)
	<b>TOTAL</b>	<b>21,867.60</b>	<b>20,796.75</b>
	<b>Break up for Security Details</b>		
	Trade Receivables considered good-Secured	-	-
	Trade Receivables considered good-Unsecured	22,200.20	20,943.08
	Trade Receivables which have significant increase in Credit Risk	-	-
	Trade Receivables-Credit impaired	-	-
	<b>TOTAL</b>	<b>22,200.20</b>	<b>20,943.08</b>



## Notes To Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

(₹ In lacs)

		As at March 31, 2019	As at March 31, 2018
	<b>Footnotes :</b>		
a.	*Of the above, trade receivable from related parties are given below : Unsecured, considered good (Refer note-40)	-	0.47
b.	Refer note 17(a) for information on Trade Receivable pledged as security by the company to banks		
c.	There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.		

### 12. CASH & CASH EQUIVALENTS

		As at March 31, 2019	As at March 31, 2018
	<b>Cash &amp; Cash Equivalents</b>		
	Balance With Banks In Current Account	7.52	11.67
	Cash on Hand	40.25	46.43
	Cheques / Drafts In Hand	-	2.50
	Fixed Deposits With Banks*	-	1,000.15
		<b>47.77</b>	<b>1,060.75</b>
	<b>Bank Balance other than Cash and Cash Equivalents</b>		
	Balance With Banks In Unpaid Equity Dividend Account**	87.60	83.34
		<b>87.60</b>	<b>83.34</b>
	<b>Footnotes :</b>		
a.	*Includes interest accrued thereon		
b.	**Earmarked against the corresponding unclaimed dividend liabilities as shown under the head "Other financial liabilities"		

### 13. CURRENT TAX ASSETS

		As at March 31, 2019	As at March 31, 2018
	Advance Income Tax (Net of Provision for Income Tax)	1,426.94	257.43
		<b>1,426.94</b>	<b>257.43</b>

### 14. OTHER ASSETS

	Unsecured, Considered good unless otherwise stated	As at March 31, 2019	As at March 31, 2018
	<b>Non Current</b>		
	Capital Advance	1,801.16	1,792.57
	Receivables from Govt. Authorities	88.53	72.85
	Deposits with Public Authorities	57.29	59.25
	Prepaid expenses	32.17	15.13
	Prepaid Lease Rental	7.00	18.31
	Advances To Vendor	-	0.20
	Other Advances	19.96	21.10
		<b>2,006.11</b>	<b>1,979.41</b>

## Notes To Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

(₹ In lacs)

		As at March 31, 2019	As at March 31, 2018
	<b>Current</b>		
	Prepaid expenses	307.59	158.35
	Prepaid Lease Rental	15.46	16.02
	Advances To Vendor	1,221.36	953.47
	Receivables from Govt. Authorities	822.97	835.45
	DEPB Licence In Stock	20.31	-
	Other Advances*	57.62	61.98
		<b>2,445.31</b>	<b>2,025.27</b>
	<b>Footnotes :</b>		
a.	*Includes advances given to employees		

### 15. EQUITY SHARE CAPITAL

(₹ In lacs)

		As at March 31, 2019	As at March 31, 2018
	<b>Authorized Share capital</b>		
	14,21,00,000 equity shares of ₹2/- each	2,842.00	2,842.00
	<b>Issued, subscribed and fully paid up</b>		
	4,75,78,324 equity shares of ₹2/- each	951.57	981.57
	[Last Year 4,90,78,324 equity shares of ₹2/- each]	<b>951.57</b>	<b>981.57</b>
	<b>Notes:</b>		
a.	Reconciliation of the shares outstanding at the beginning and at the end of the year		

(₹ In lacs)

		As at March 31, 2019		As at March 31, 2018	
		No of shares	Amount	No of shares	Amount
	Opening	49,078,324	981.57	49,078,324	981.57
	Issued during the period	-	-	-	-
	Shares Extinguished on buy back*	1,500,000	30.00	-	-
	<b>Closing at the end of the year</b>	<b>47,578,324</b>	<b>951.57</b>	<b>49,078,324</b>	<b>981.57</b>

\*The Board of Directors of the Company in its meeting held on 14th November, 2018, have approved the proposal for buyback of 15,00,000 Equity shares of the Company for an amount not exceeding ₹ 82.50 crores (Rupees Eighty-Two Crore Fifty Lakh only) at a maximum price not exceeding ₹ 550/- (Rupees Five Hundred Fifty only) per Equity Share, which was further approved by the shareholders of the Company by way of special resolution through postal ballot, result of which was declared on 20th December, 2018.

Pursuant to above, Offer for Buy back of equity shares of Company was open from 25th January, 2019 to 7th February, 2019. The settlement of shares was completed on 14th February, 2019 and 15,00,000 shares were extinguished on 16th February, 2019 in terms of SEBI (Buy Back of Securities) Regulations, 2018. Consequent to above Buy Back, paid up share capital of the Company have been reduced by ₹ 30,00,000/-.

b.	<b>Terms/Rights attached to Issued Equity Shares</b>
1	The Company has only one class of Equity Shares having at par value of ₹2/- per share. Each Equity share is entitled to one vote.
2	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.
3	The distribution will be in proportion to the number of Equity Shares held by the shareholders.
c.	<b>Details of shareholders holding more than 5% shares in the company</b>



## Notes To Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

(₹ In lacs)

		As at March 31, 2019		As at March 31, 2018	
	Name of Shareholder	No. of Shares (In Lacs)	% holding	No. of Shares (In Lacs)	% holding
	M/s Triveni Trust	290.35	61.03%	298.46	60.81%
	M/s Pushpa Dhanuka Trust	51.84	10.90%	53.29	10.86%
	M/s DSP Blackrock Trustee Co. Pvt Ltd	34.84	7.32%	35.89	7.31%
	As per the records of the Company, including its Register of Shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.				
d.	The Company does not have any holding / ultimate holding company				

### 16. OTHER EQUITY

(₹ In lacs)

	Reserves and Surplus	As at March 31, 2019	As at March 31, 2018
	<b>Capital Reserve</b>		
	Balance at the beginning of the Financial year	95.47	95.47
	Addition during the Financial year	-	-
	Deduction during the Financial year	-	-
		<b>95.47</b>	<b>95.47</b>
	Capital Reserve includes profit on merger of entities		
	<b>Capital Redemption Reserve</b>		
	Balance at the beginning of the Financial year	18.82	18.82
	Addition during the Financial year	30.00	-
	Deduction during the Financial year	-	-
		<b>48.82</b>	<b>18.82</b>
	Capital Redemption Reserve created on redemption of Equity shares		
	<b>General Reserve</b>		
	Balance at the beginning of the Financial year	2,455.03	2,455.03
	Add: Transferred during the year	-	-
	Less: Buy back of shares	(2,455.03)	-
		<b>-</b>	<b>2,455.03</b>

General Reserve is created out of the profits earned by the company by way of transfer from surplus in the statement of profit & loss. The same is to be utilized as per provisions of the Companies Act, 2013.

	<b>Retained Earnings</b>		
	Balance at the beginning of the Financial year	59,784.99	48,620.27
	Addition during the Financial year	11,257.58	12,617.77
	Less: Buy back of shares	(5,794.97)	-
	Add/ (Less):		

## Notes To Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

(₹ In lacs)

		As at March 31, 2019	As at March 31, 2018
	Remeasurements of the defined benefit plans through OCI	(50.62)	82.77
	Dividend paid including Dividend Distribution Tax (DDT)	(2,070.82)	(1,535.82)
		<b>63,126.16</b>	<b>59,784.99</b>
	<b>Total</b>	<b>63,270.45</b>	<b>62,354.32</b>

Retained Earnings represents undistributed profits of the company which can be distributed to it's Equity Shareholders in accordance with the requirements of Companies Act, 2013.

Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

		As at March 31, 2019	As at March 31, 2018
	<b>Detail of Dividend Proposed and Paid</b>		
<b>a.)</b>	<b>Dividend Paid</b>		
	Final Dividend Declared for F.Y. 2016-17 [Dividend Paid ₹ 0.60/- per share]	-	294.47
	Dividend Distribution Tax	-	59.96
	Interim Dividend Declared for F.Y. 2017-18 [Dividend Paid ₹ 2.00/- per share]	-	981.57
	Dividend Distribution Tax	-	199.82
	Final Dividend Declared for F.Y. 2017-18 [Dividend Paid ₹ 3.50/- per share]	1,717.74	-
	Dividend Distribution Tax	353.08	-
		<b>2,070.82</b>	<b>1,535.82</b>

### **b.) Proposed Dividend**

After the reporting date, the Board of Directors of the Company has recommended a final dividend of ₹ 0.60 per Equity share amounting to ₹ 285.47 Lacs excluding applicable taxes for the financial year 2018-19.

The dividend proposed by the Directors are subject to approval at the annual general meeting. The dividend including tax has not been recognised as liability. The same will be recognised as a liability and deducted from shareholder's equity in the period in which the dividends are approved by the equity shareholders in the general meeting.

## 17. BORROWINGS (CURRENT)

(₹ In lacs)

		As at March 31, 2019	As at March 31, 2018
	<b>Secured</b>		
	<b>From Banks-Loan Repayable on Demand</b>		
	Cash Credit limits from Banks	1,396.71	465.51
	Over Draft Against Pledge of FDR	824.54	6.14
		<b>2,221.25</b>	<b>471.65</b>
	<b>Footnotes :</b>		

- a. Loan from Banks are secured by hypothecation of stocks of raw materials, work in process, finished goods, book debts and other movable assets on pari-passu basis and by joint and several guarantee of the Directors of the Company. Loan from Banks are repayable on demand and carried interest @ 8.90% to 10.15% p.a.





## Notes To Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

(₹ In lacs)

### 18. TRADE PAYABLES

	As at March 31, 2019	As at March 31, 2018
<b>Trade Payables</b>		
Total outstanding dues of micro enterprises and small enterprises	117.81	662.61
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises*	7,635.36	7,638.00
	<b>7,753.17</b>	<b>8,300.61</b>
<b>Footnotes :</b>		
a.	*Includes amount due to related parties amounting to ₹ 590.68 Lacs (March 31, 2018 ₹ 575.46 Lacs)-Refer Note-40	
b.	Refer note 41 for information on total outstanding dues of micro enterprises and small enterprises	

### 19. OTHER FINANCIAL LIABILITIES

	As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>		
Security Received from Customers*	1,284.49	1,457.39
Security Received from Vendor	-	633.48
Security received from Staff	0.84	3.51
Capital Creditors	245.44	247.22
Other Payable	-	9.81
	<b>1,530.77</b>	<b>2,351.41</b>
<b>Current</b>		
Unclaimed Dividend**	87.60	83.34
Capital Creditors	82.54	114.00
Other Payable***	4,157.24	3,883.64
	<b>4,327.38</b>	<b>4,080.98</b>
<b>Footnotes :</b>		
a.	*Security Received from Customers includes Security Received from C&F Agents	
b.	**There are no outstanding dues to be paid to Investor Education & Protection Fund.	
c.	***Other payables includes Employee related costs and provision of Expenses and discounts and rebates on sale.	

### 20. PROVISIONS

	As at March 31, 2019	As at March 31, 2018
<b>Provision For Employee Benefits</b>		
<b>Non Current</b>		
Provision for Gratuity	161.61	103.72
Provision for Compensated absences	81.36	74.60
	<b>242.97</b>	<b>178.32</b>
<b>Current</b>		
Provision for Compensated absences	27.55	24.78
	<b>27.55</b>	<b>24.78</b>
<b>Footnotes :</b>		
a.	Refer note 36(b) for information on Defined benefit plans-Gratuity	

## Notes To Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

(₹ In lacs)

			For the year ended March 31, 2019	For the year ended March 31, 2018
	<b>Other operating revenues</b>			
	Income From Power Generation Plant		178.94	168.30
	Scrap Sales		308.99	109.28
	Tax Incentive from Govt.		666.52	744.19
		(B)	<b>1,154.45</b>	<b>1,021.77</b>
	<b>Total Revenue</b>	(A) + (B)	<b>100,583.80</b>	<b>97,624.42</b>
<b>b.</b>	<b>Reconciliation of Revenue from contract with customers :</b>			
	Revenue as per contracted price		113,575.53	112,263.15
	Less : Discounts & Rebates		12,991.73	14,638.73
	<b>Revenue from contract with customers</b>		<b>100,583.80</b>	<b>97,624.42</b>
<b>c.</b>	Goods and Service Tax (GST) has been effective from July 01, 2017. Consequently, excise duty, value added tax (VAT), Service tax etc. have been replaced with GST. Until June 30, 2017, 'Sale of products' included the amount of excise duty recovered on sales. With effect from July 01, 2017, 'Sale of products' excludes the amount of GST recovered. Accordingly, revenue from 'Sale of Products' and 'Revenue from operations' for the current year are not comparable with those of year ended March 31, 2018.			
<b>d.</b>	<b>Contract balances :</b>			
	The following table provides information about receivables, contract assets and contract liabilities from contracts with customers :			
			As at March 31, 2019	As at March 31, 2018
	Trade Receivables*		21,867.60	20,796.75
			<b>21,867.60</b>	<b>20,796.75</b>
	Contract Liabilities			
	Advances from Customers		942.80	1,139.82
			<b>942.80</b>	<b>1,139.82</b>
	* Trade receivables are non-interest bearing and are generally on terms of 90 to 120 days.			
<b>e.</b>	<b>The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) is as follows :</b>			
			As at March 31, 2019	As at March 31, 2018
	Advances from customers		942.80	1,139.82
			<b>942.80</b>	<b>1,139.82</b>
<b>f.</b>	Refer note-40 for transactions with Related Party			

### 24. OTHER INCOME

(₹ In lacs)

		For the year ended March 31, 2019	For the year ended March 31, 2018
	<b>Interest Income on Financial Assets at amortised cost</b>	714.40	366.22
	<b>Dividend Income</b>	159.94	338.87
	<b>Net Gain on sale of investments</b>	280.11	46.56
	<b>Net Gain on Investments measured at fair value through profit or loss</b>	352.79	314.49
	<b>Other Non-Operating Income</b>		



## Notes To Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

(₹ In lacs)

		For the year ended March 31, 2019	For the year ended March 31, 2018
	Rent Received	5.82	2.64
	Miscellaneous Receipts	538.54	400.43
	Net Gain On Foreign Currency Transactions	38.18	98.69
	Net Profit on disposal of property, plant and equipment	13.11	4.46
	Liabilities No Longer Required, Written Back	17.56	30.70
		<b>2,120.45</b>	<b>1,603.06</b>

### 25. COST OF MATERIALS CONSUMED

		For the year ended March 31, 2019	For the year ended March 31, 2018
	<b>Raw Materials</b>		
	Inventories at the beginning of the financial year	6,570.93	6,076.57
	Add : Purchases*	46,147.38	33,925.10
	Less : Inventories at the end of the financial year	(4,479.71)	(6,570.93)
	<b>Cost of Raw Material Consumed</b>	<b>(A) 48,238.60</b>	<b>33,430.74</b>
	<b>Packing Materials</b>		
	Inventories at the beginning of the financial year	1,674.87	1,754.72
	Add : Purchases	6,459.27	5,225.69
	Less : Inventories at the end of the financial year	(1,742.59)	(1,674.87)
	<b>Cost of Packing Materials Consumed</b>	<b>(B) 6,391.55</b>	<b>5,305.54</b>
		<b>(A) + (B) 54,630.15</b>	<b>38,736.28</b>
	<b>Footnote :</b>		
a.	*Refer note-40 for transactions with Related Party		

### 26. PURCHASE OF STOCK IN TRADE

		For the year ended March 31, 2019	For the year ended March 31, 2018
	Agrochemical	9,250.76	11,070.33
		<b>9,250.76</b>	<b>11,070.33</b>

### 27. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN -TRADE AND WORK-IN-PROGRESS

		For the year ended March 31, 2019	For the year ended March 31, 2018
	<b>Inventories at the end of the period</b>		
	Stock in Trade	2,480.58	2,321.70
	Work in Progress	810.11	674.50
	Finished Goods	11,063.87	9,144.17
		<b>14,354.56</b>	<b>12,140.37</b>
	<b>Inventories at the beginning of the period</b>		
	Stock in Trade	2,321.70	3,555.41
	Work in Progress	674.50	613.89
	Finished Goods	9,144.17	14,387.86
		<b>12,140.37</b>	<b>18,557.16</b>
	<b>(Increase)/Decrease in Inventories</b>	<b>(2,214.19)</b>	<b>6,416.79</b>

## Notes To Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

(₹ In lacs)

### 28. EMPLOYEE BENEFIT EXPENSES

		For the year ended March 31, 2019	For the year ended March 31, 2018
	Salaries, wages and bonus	9,453.37	9,410.34
	Contribution to Provident & Other funds	427.16	453.16
	Gratuity	111.00	186.70
	Compensated absences	236.30	339.13
	Staff Welfare Expenses	237.96	257.05
		<b>10,465.79</b>	<b>10,646.38</b>
	<b>Footnotes :</b>		
a.	Refer note 36(a) for information on Defined Contribution plan		
b.	Refer note 36(b) for information on Defined benefit plan-Gratuity		
c.	Refer note 36(c) for information on Other employee benefits-Compensated absences		
d.	Refer note-40 for transactions with Related Party		

### 29. FINANCE COSTS

		For the year ended March 31, 2019	For the year ended March 31, 2018
	Interest on bank overdraft & working capital limits	15.65	9.59
	Interest on Security Deposits & others	73.64	77.75
		<b>89.29</b>	<b>87.34</b>

### 30. DEPRECIATION AND AMORTIZATION EXPENSES

		For the year ended March 31, 2019	For the year ended March 31, 2018
	Depreciation on Property, Plant & Equipment (Refer Note-4)	1,191.48	1,380.06
	Amortization of Intangible Assets (Refer Note-6)	43.37	40.56
		<b>1,234.85</b>	<b>1,420.62</b>

### 31. OTHER EXPENSES

		For the year ended March 31, 2019	For the year ended March 31, 2018
	Power, fuel, electricity & water charges	190.15	202.49
	Consumable Stores	110.62	74.62
	Packing Charges	188.88	143.25
	Repair & Maintenance, Machinery	106.86	107.10
	Repair & Maintenance, Factory Building	73.58	74.10
	Incineration Charges	2.53	7.44
	Security Charges	69.55	72.28
	Laboratory expenses	29.58	24.06
	ISI Marking Fees	6.87	7.94
	R&D expenses	223.20	180.13
	Travelling and conveyance	1,377.35	1,239.98
	Communication Expenses	137.56	141.68
	Postage and Telegram	36.77	43.12



## Notes To Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

(₹ In lacs)

		For the year ended March 31, 2019	For the year ended March 31, 2018
	Printing and Stationery	56.45	57.78
	Office and Godown Rent	558.50	551.51
	Rates and Taxes	152.95	65.54
	Insurance Charges	180.78	63.66
	Legal and Professional Charges	337.21	293.71
	Repair & Maintenance-Building	193.11	199.16
	Repair & maintenance-Other	175.01	143.55
	Security Charges-Offices	25.07	23.21
	Electricity & Water Charges	62.48	67.34
	Books and Periodicals	2.71	2.50
	Recruitment Expenses	33.49	51.85
	Fees and Subscription	35.69	40.89
	Charity and Donation	9.57	6.48
	Bank Charges	14.26	18.07
	Miscellaneous Expenses	9.56	12.46
	Directors' Sitting Fee*	11.60	14.38
	Payment To Auditors (Refer Note 31.1)	15.52	7.00
	Vehicles Hiring & Maintenance	1,400.75	1,288.88
	Property, Plant and Equipment Written off	15.05	-
	CSR Expenses (Refer Note 31.2)	333.09	294.21
	Education and Seminar	717.87	643.49
	Advertisement and Publicity	596.36	1,011.04
	Business Promotion Expenses	123.03	100.01
	Allowance for Bad and Doubtful Debts & Loans (Net)	348.41	127.64
	Freight & Cartage on STV & Sales	3,120.39	2,996.91
	Field Assistant Expenses	1,529.29	1,311.87
	C&F Commission	1,240.38	1,076.69
		<b>13,852.08</b>	<b>12,788.02</b>

\* Expenses amounting to Rs. 0.20 lacs recognized as expense in last year. Thus Current year expense is lower by the same amount

		For the year ended March 31, 2019	For the year ended March 31, 2018
<b>31.1</b>	<b>Payment to Auditors</b>		
	<b>Statutory Auditors</b>		
	Audit Fees	9.00	7.00
	Limited Review Fees	3.00	-
	Tax Audit Fees	2.00	-
	Certification & Other Matters	1.00	-
	Reimbursement of expenses	0.52	-
	<b>TOTAL</b>	<b>15.52</b>	<b>7.00</b>



## Notes To Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

(₹ In lacs)

		For the year ended March 31, 2019	For the year ended March 31, 2018
<b>31.2</b>	<b>Amount Spent on CSR Activities</b>		
	Gross amount required to be spent by the company during the year	315.72	292.77
	Amount spent during the year		
	Promotion of Education	192.09	194.51
	Preventive Healthcare	51.42	61.54
	Eradicating Hunger	9.00	36.00
	Safe Drinking Water	3.13	-
	Livelihood Enhancement Projects	9.96	1.15
	Facilities for Senior Citizens	0.50	1.00
	Environmental Sustainability	66.99	-
		<b>333.09</b>	<b>294.20</b>

### 32. EXCEPTIONAL ITEMS

		For the year ended March 31, 2019	For the year ended March 31, 2018
	Insurance Claim Receivable	5,661.59	-
	Loss Due to Fire	(5,661.59)	-
		-	-
	<b>Footnotes :</b>		
	There was a fire incident in our manufacturing unit situated at Keshwana, Rajasthan on 30th September, 2018. Due to fire, Loss of Inventory and other tangible assets worth ₹ 5661.59 lacs has been recognized in book of accounts and similar increase has been recorded under claim receivable head, as the management is fully confident of recovering the said amount from the Insurance Company.		

### 33. INCOME TAX EXPENSE

<b>a.</b>	<b>Income tax recognized in profit or loss</b>		
		For the year ended March 31, 2019	For the year ended March 31, 2018
	<b>Current tax expense</b>		
	Current Tax	5,283.03	4,458.67
	Tax of earlier year provided / written back	(1,032.27)	(449.87)
	<b>Deferred tax expense</b>		
	Origination and reversal of temporary differences	(112.82)	74.22
		<b>4,137.94</b>	<b>4,083.02</b>
<b>b.</b>	<b>Reconciliation of effective tax rate</b>		
		For the year ended March 31, 2019	For the year ended March 31, 2018
	Profit before tax	15,395.52	16,700.79
	Tax using the Company's domestic tax rate i.e. 34.944% (Last Year- 34.608%)	5,379.81	5,779.81
	Effect of Expenses not deductible for tax purpose	82.28	86.85
	Effect of Income Exempt from tax	(118.98)	(151.28)
	Effect of Concessions and Tax incentives	(135.54)	(1,305.62)
	Effect of Lower tax Rate for the capital gains	(30.32)	-



## Notes To Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

(₹ In lacs)

		For the year ended March 31, 2019	For the year ended March 31, 2018
	Other	(17.69)	28.64
	Adjustment in respect of current tax related to earlier years	(1,032.27)	(449.87)
	Adjustment in respect of Deferred tax related to earlier years	10.65	94.49
	<b>Income tax Expenses recognised in the statement of profit and loss</b>	<b>4,137.94</b>	<b>4,083.02</b>

### 34. OTHER COMPREHENSIVE INCOME

		For the year ended March 31, 2019	For the year ended March 31, 2018
	<b>(i) Items that will not be reclassified to profit or loss</b>		
	Remeasurements of the defined benefit plans	(50.62)	82.77
	<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>	-	-
	<b>(i) Items that will be reclassified to profit or loss</b>	-	-
	<b>(ii) Income tax relating to items that will be reclassified to profit or loss</b>	-	-
		<b>(50.62)</b>	<b>82.77</b>

### 35. Earnings per share (EPS)

		For the year ended March 31, 2019	For the year ended March 31, 2018
	Net Profit for Basic & diluted EPS (₹ In Lacs)	11,257.58	12,617.77
	Number of Equity Shares at the beginning of the year	49,078,324.00	49,078,324.00
	<b>Add:</b> Shares issued during the year	-	-
	<b>Less :</b> Shares bought back during the year	1,500,000.00	-
	Total Number of Shares outstanding at the end of the year	47,578,324.00	49,078,324.00
	Weighted Average number of Equity Shares outstanding during the year	48,901,611.67	49,078,324.00
	<b>Earnings Per Share - Basic (₹)</b>	<b>23.02</b>	<b>25.71</b>
	<b>Earnings per share - Diluted (₹)</b>	<b>23.02</b>	<b>25.71</b>
	<b>Face value per share (₹)</b>	<b>2.00</b>	<b>2.00</b>

## Notes to Consolidated Financial Statement for the year ended March 31, 2019

### I. Changes in the Present Value of Obligation

(₹ In lacs)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
<b>Present Value of Obligation as at the beginning</b>	<b>1104.49</b>	<b>1293.87</b>
Current Service Cost	103.22	131.66
Interest Expense or Cost	82.78	87.53
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	68.27	(249.40)
- experience variance (i.e. Actual experience vs assumptions)	3.24	166.65
Past Service Cost	-	42.06
Benefits Paid	(134.88)	(367.88)
<b>Present Value of Obligation as at the end</b>	<b>1227.12</b>	<b>1104.49</b>

### II. Changes in the fair value of plan assets

(₹ In lacs)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
<b>Fair Value of Plan Assets as at the beginning</b>	<b>1000.77</b>	<b>1101.95</b>
Investment Income	75.00	74.55
Employer's Contribution	103.72	192.13
Benefits Paid	(134.88)	(367.88)
Return on plan assets , excluding amount recognized in net interest expense	20.90	0.02
<b>Fair Value of Plan Assets as at the end</b>	<b>1065.51</b>	<b>1000.77</b>

The plan assets are managed by the Gratuity trust formed by the group. The management of 100% of the funds is entrusted with the Life Insurance Corporation of India and HDFC Life Insurance Company Limited whose pattern of investment is not available with the group.

### III. Assets and Liability (Balance Sheet Position)

(₹ In lacs)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Present Value of Obligation	1227.12	1104.49
Fair Value of Plan Assets	1065.51	1000.77
<b>Surplus / (Deficit)</b>	<b>(161.61)</b>	<b>(103.72)</b>
Effects of Asset Ceiling, if any	-	-
<b>Net Asset / (Liability)</b>	<b>(161.61)</b>	<b>(103.72)</b>



## Notes to Consolidated Financial Statement for the year ended March 31, 2019

### IV. Bifurcation of present value of obligation at the end of the year

(₹ In lacs)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Current Liability (Short term)	398.13	377.97
Non-Current Liability (Long term)	828.99	726.52
<b>Present Value of Obligation</b>	<b>1227.12</b>	<b>1104.49</b>

### V. Expenses Recognized during the period

(₹ In lacs)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
In Income Statement	111.00	186.70
In Other Comprehensive Income	50.62	(82.77)
<b>Total Expenses Recognized during the period</b>	<b>161.62</b>	<b>103.93</b>

### VI. Actuarial Assumptions

(₹ In lacs)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Discount rate (per annum)	7.10%	7.50%
Salary growth rate (per annum)	9.00%	8.00%
Mortality rate (% of IALM 06-08)	100.00%	100.00%
Attrition / Withdrawal rate (per annum)	15.00%	15.00%

### VII. Sensitivity Analysis

Significant actuarial assumptions for the determination of defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis given below:

(₹ In lacs)

Particulars	31-Mar-19		31-Mar-18	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	1283.06 4.60%	1176.12 -4.20%	1151.98 4.30%	1061.00 -3.90%
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	1178.22 -4.00%	1279.75 4.30%	1062.47 -3.80%	1149.55 4.10%
Attrition Rate (- / + 50% of attrition rates) (% change compared to base due to sensitivity)	1282.42 4.50%	1194.77 -2.60%	1121.81 1.60%	1091.58 -1.20%
Mortality Rate (- / + 10% of mortality rates) (% change compared to base due to sensitivity)	1227.23 0.00%	1227.01 0.00%	1104.50 0.00%	1104.48 0.00%

## Notes to Consolidated Financial Statement for the year ended March 31, 2019

### VIII. Expected Contribution during the next annual reporting period

(₹ In lacs)

The Group's best estimate of Contribution during the next year	266.20
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### IX. Maturity profile of defined Benefit obligation

(₹ In lacs)

Expected cash flows over the next (valued on undiscounted basis):	Amount
1 year	398.13
2 to 5 years	559.57
6 to 10 years	449.26
More than 10 years	363.69

### X. Method and assumption related terms

- 1) Discount Rate:** - Discount rate is the rate which is used to discount future benefit cash flows to determine the present value of the defined benefit obligation at the valuation date. The rate is based on the prevailing market yields of high quality corporate bonds at the valuation date for the expected term of the obligation. In countries where there are no such bonds, the market yields at the valuation date on government bonds for the expected term is used.
- 2) Salary escalation Rate:** - The rate at which salaries are expected to escalate in future. It is used to determine the benefit based on salary at the date of separation.
- 3) Attrition Rate:** - The reduction in staff/employees of a group through normal means, such as retirement and resignation. This is natural in any business and industry.
- 4) Mortality Rate:** - Mortality rate is a measure of the number of deaths (in general, or due to a specific cause) in a population, scaled to the size of that population, per unit of time.
- 5) Projected Unit credit method:** - The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The Projected Unit Credit Method requires an enterprise to attribute benefit to the current period (in order to determine current service cost) and the current and prior periods (in order to determine the present value of defined benefit obligations).

### c. Other Long term employee benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in statement of profit and loss.

The Group has recognized an expense of ₹ 236.30 lacs (Previous year ₹ 339.13 lacs) towards the compensated absences.





## Notes to Consolidated Financial Statement for the year ended March 31, 2019

### IV. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In lacs)

S.No.	Particular	As at March 31, 2019	As at March 31, 2018
<b>I</b>	<b>Contingent Liabilities</b>		
a.	Claims against the group not acknowledged as debt*		
	-Income Tax	-	-
	-Excise Duty (Net of expenses recognized of Rs. 70.70 Lacs)	700.60	700.60
	-Service Tax (Net of expenses recognized of Rs. 65.20 Lacs)	111.05	111.05
	-Sales Tax	172.99	180.05
	-Litigation pending in consumer forum	60.70	53.95
b.	Guarantees excluding financial guarantees		
	-Bank Guarantees	-	8.25
c.	Other money for which the group is contingently liable		
	-'C' forms pending against central sales tax	0.10	0.62
d.	There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Group is evaluating and seeking legal inputs regarding various interpretative issues and its impact.		
<b>II</b>	<b>Commitments</b>		
	-Estimated amount of contracts remaining to be executed on capital account and not provided for {Net of advances ₹ 36.75 lacs (March 31, 2018: ₹ 19.09 lacs)}	70.03	25.63

\*Pending resolution of the respective proceedings, it is not practicable for the group to estimate the timings of the cash outflows, if any, in respect of the above as it is determinable only on receipt of the judgements/ decisions pending with various forums / authorities.

The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group also believes that the above issues, when finally settled are not likely to have any significant impact on the financial position of the group.

### 38. LEASES

Lease rent paid for operating leases are recognized as an expense in the Statement of Profit and Loss in the year to which it relates.

The Group has taken certain office/Godown spaces and vehicles on operating lease basis. Future lease rents and escalation (to cover inflation) in rent have been determined on the basis of agreed terms. At the expiry of the initial lease term, generally the group has an option to extend the lease for a further pre-determined period.

Future rent payable for operating leases are as under:

Particulars	As at March 31, 2019	As at March 31, 2018
-Payable within one year	543.30	605.41
-Later than one year but not later than five years	473.73	764.24
-Later than five years	18.67	25.66
-Amount charged to statement of profit and loss	651.02	706.19

## Notes to Consolidated Financial Statement for the year ended March 31, 2019

\*Pending resolution of the respective proceedings, it is not practicable for the group to estimate the timings of the cash outflows, if any, in respect of the above as it is determinable only on receipt of the judgements/ decisions pending with various forums / authorities.

The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group also believes that the above issues, when finally settled are not likely to have any significant impact on the financial position of the group.

### 38. LEASES

Lease rent paid for operating leases are recognized as an expense in the Statement of Profit and Loss in the year to which it relates.

The Group has taken certain office/Godown spaces and vehicles on operating lease basis. Future lease rents and escalation (to cover inflation) in rent have been determined on the basis of agreed terms. At the expiry of the initial lease term, generally the group has an option to extend the lease for a further pre-determined period.

### 39. SEGMENT INFORMATION

The Group has evaluated the applicability of segment reporting and has concluded that the group has only one primary business segment i.e. Agro Chemicals and one geographical reportable segment i.e. Operations mainly within India. The overall performance is reviewed by the Chairman, Managing Director, Executive directors and CFO, which has been identified as the CODM (Chief operating decision makers) by the group.

Thus the segment revenue, expenses, results, assets and liabilities are same as reflected in the financial statements as at and for the year ended 31 March, 2019.

### 40. RELATED PARTY DISCLOSURES

#### a. Nature of Related Party Relationship

#### I. Key Management personnel

a.) Sh. Ram Gopal Agarwal	Chairman
b.) Sh. Mahendra Kumar Dhanuka	Managing Director
c.) Sh. Arun Kumar Dhanuka	Executive Director
d.) Sh. Rahul Dhanuka	Executive Director
e.) Sh. Mridul Dhanuka	Executive Director
f.) Sh. Ashish Saraf	Executive Director
g.) Sh. Priya Brat	Independent Non-Executive Director
h.) Sh. Vinod Kumar Jain	Independent Non-Executive Director
I.) Sh. Indresh Narain	Independent Non-Executive Director
j.) Sh. Sachin Kumar Bhartiya	Independent Non-Executive Director
k.) Smt. Asha Mundra	Independent Non-Executive Director
l.) Sh. Om Prakash Khetan	Independent Non-Executive Director
m.) Sh. Balvinder Singh Kalsi	Independent Non-Executive Director (Till 14th Feb, 2018)
n.) Sh. Sanjay Saxena	Independent Non-Executive Director (w.e.f. 22nd May, 2018)
o.) Sh. Vinod Kumar Bansal	Chief Financial Officer
p.) Smt. Jyoti Verma	Company Secretary (w.e.f 13th Nov, 2017)
q.) Sh. Kapil Garg	Company Secretary (till 21st Aug, 2017)



## Notes to Consolidated Financial Statement for the year ended March 31, 2019

- II. Relatives of Key Management Personnel with whom transactions have taken place
- |                           |                                   |
|---------------------------|-----------------------------------|
| a.) Sh. Harsh Dhanuka     | Son of Sh. Mahendra Kumar Dhanuka |
| b.) Smt. Megha Dhanuka    | Wife of Sh. Mridul Dhanuka        |
| c.) Smt. Akangsha Dhanuka | Son's wife of Sh. MK Dhanuka      |
| d.) Smt. Madhuri Dhanuka  | Wife of Sh. Rahul Dhanuka         |
- III. Entities controlled by KMP/Relative of KMP, with whom transactions have taken place
- a.) Dhanuka Marketing Company
  - b.) Mridul Dhanuka HUF
  - c.) Dhanuka Private Limited
  - d.) Dhanuka Laboratories Limited
  - e.) Chiranji Lal Dhanuka Charitable Trust
  - f.) Hindon Mercantile Limited
  - g.) Exclusive Leasing and Finance Limited
  - h.) Sikkim Agro Industries Limited
  - i.) Golden Overseas Pvt. Limited
  - j.) M.D. Buildtech Pvt. Limited
  - k.) H.D. Realtors Pvt. Limited
  - l.) Dhanuka Infotech Pvt. Limited
  - m.) Otsuka Chemical (India) Pvt. Limited
  - n.) IKO Overseas
  - o.) Synmedic Laboratories

## Notes to Consolidated Financial Statement for the year ended March 31, 2019

b. The following transactions were carried out with related parties in the ordinary course of business: (₹ In lacs)

Transaction type	Type of Relation	2018-19	2017-18				
		Transaction during the period	Transaction during the period				
		Pur./ Amt Recd	Sales/ Amt Paid	Balance outstanding Dr.(Cr.)	Pur./ Amt Recd.	Sales/ Amt Paid	Balance outstanding Dr.(Cr.)
<b>Compensation to KMP</b>							
Short term employee benefits	a(I)	-	1718.02	-	-	1,866.97	-
Post-employment benefits*		-	68.14	-	-	60.29	-
Sitting Fee to Independent Non-Executive Directors.		-	11.60	-	-	14.12	-
<b>Total</b>		-	<b>1797.76</b>	<b>(616.20)</b>	-	<b>1941.38</b>	<b>(185.84)</b>
<b>Other Transactions</b>							
Purchase of Goods	a(III)d	-	-	-	19.96	-	-
Sale of Goods	a(III)d	-	-	-	-	0.45	0.47
Reimbursement of Expenses	a(III)d	-	0.06	-	-	-	-
Services Rendered-Rent	a(III)	-	2.58	-	-	2.64	-
Services Received-Rent	a(II) & a(III)	139.86	-	-	132.57	-	(0.38)
Loans Given	a(III)d	200.00	2700.00	2500.00	-	-	-
Interest on Loan	a(III)d	-	3.70	-	-	-	-
Travel/Other expenses	a(III)a	-	12.03	(8.33)	-	6.62	(1.53)
Salary paid	a(II)a	-	62.29	(3.48)	-	55.55	-
Contribution towards CSR	a(III)e	-	150.00	-	-	150.00	-
Services Received-C&F Commission	a(III)a	468.98	-	(582.35)	514.20	-	(573.55)

\* The above post-employment benefits exclude gratuity which cannot be separately identified from the composite amount advised by the actuary.

### c. Terms and conditions of transactions with related parties

All the transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended March 31, 2019 and March 31, 2018.



## Notes to Consolidated Financial Statement for the year ended March 31, 2019

### 41. THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

The information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the group:

(₹ In lacs)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1.)	Principal amount and Interest due thereon remaining unpaid to any supplier as on 31st March	109.61	662.61
2.)	Interest paid by the group in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
3.)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	8.20	-
4.)	The amount of interest accrued and remaining unpaid	8.28	-
5.)	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 as a deductible expenditure under section 23 of this Act.	0.59	-

### 42. FINANCIAL INSTRUMENTS

#### I. Financial Assets-Fair values

(₹ In lacs)

Particulars	Fair Value Hierarchy	As at March 31, 2019	As at March 31, 2018
<b>1. Financial assets designated at fair value through profit and loss</b>			
a) Investment			
i) In Equity Instruments	Level-1	280.96	301.42
ii) In Equity Instruments	Level-2	361.29	1178.47
iii) In Preference Shares	Level-1	532.43	-
iv) In mutual funds	Level-1	5161.93	12039.42
v) In Debentures or Bond	Level-1	3297.95	2153.00
vi) In Debt Instruments	Level-2	243.47	126.04



## Notes to Consolidated Financial Statement for the year ended March 31, 2019

(₹ In lacs)

<b>2. Financial assets designated at amortized cost</b>			
a) Investment			
I) In Debentures or Bond		2148.51	2400.87
b) Trade receivables		21867.60	20796.75
c) Cash & Cash Equivalents		47.77	1060.75
d) Other bank balances		87.60	83.34
e) Loans		3630.36	3661.21
f) Other Financial Assets		7523.26	603.65

### II. Financial Liabilities-Fair Value

(₹ In lacs)

Particulars	Fair Value Hierarchy	As at March 31, 2019	As at March 31, 2018
<b>1. Financial liability designated at amortized cost</b>			
a) Borrowings		2221.25	471.65
b) Trade Payables			
- Total Outstanding dues of Micro Enterprises and Small Enterprises		117.81	662.61
- Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		7635.36	7638.00
c) Other Financial Liability		5858.15	6432.39

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The carrying amounts of cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, Short term loans, trade payables, short term borrowings and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature. Fair value for security deposits (other than perpetual security deposits) has been presented in the above table. Fair value for all other non-current financial assets and liabilities is equivalent to the amortized cost, interest rate on them is equivalent to the market rate of interest.

### III. Fair Value hierarchy

**Level 1** - This includes financial instruments measured using quoted prices (Unadjusted) in active markets for identical assets and liabilities.

**Level 2** - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize 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. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

### IV. Valuation techniques used to determine fair value

**Level 1** - Financial assets categorized in Level 1, are fair valued based on market data as at reporting date.

**Level 2** - The fair valuation of investments categorized in Level 2 has been determined on the basis of independent valuation done by respective funds.



## Notes to Consolidated Financial Statement for the year ended March 31,2019

### 43. FINANCIAL RISK MANAGEMENT

The Group's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Group realizes that risks are inherent and integral aspect of any business. The Group's board of directors has the overall responsibility for the management of these risks. The Group has the risk management policies and systems in place and are reviewed regularly to reflect changes in market conditions and the group's activities. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's audit committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of risk management framework in relation to the risks faced by the group.

#### a.) Credit Risk

Credit Risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the group. Credit risk arises from the operating activities primarily from trade receivables and from its financing activities including cash and cash equivalents, deposits with banks, Investments and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure and is as follows:

##### Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. The group has established a credit policy under which each customer is analyzed individually for creditworthiness before the group's credit terms are offered. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. Credit limits are established for each customer and reviewed periodically. Any sales order exceeding those limits require approval from the appropriate authority. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

In case of trade receivables, the group follows the simplified approach permitted by Ind AS 109 - Financial Instruments for recognition of impairment loss allowance. The group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience. These loss rates are adjusted by considering the available, reasonable and supportive forward looking information.

The ageing of Trade Receivables and allowances for doubtful debts are given below:

(₹ In lacs)

Ageing	As at March 31,2019	As at March 31,2018
<b>Ageing of Gross Carrying Amount</b>		
Not due	17195.57	15147.10
0-90	3199.81	3892.43
91-180	1088.74	1406.44
181-270	134.31	163.38
271-360	73.74	119.11
Above 360 Days	508.03	214.62
<b>Gross Carrying Amount</b>	<b>22200.20</b>	<b>20943.08</b>
Expected credit losses (Loss allowance provision)	332.60	146.33
<b>Net Carrying Amount</b>	<b>21867.60</b>	<b>20796.75</b>

## Notes to Consolidated Financial Statement for the year ended March 31, 2019

Reconciliation of allowance for lifetime expected credit loss on customer balances:

(₹ In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	146.33	44.77
Changes in loss allowance	186.27	101.56
<b>Closing balance</b>	<b>332.60</b>	<b>146.33</b>

### Loans to Corporates and others

ECL for loans to corporates and others is measured considering 12 months ECL.

The group provides ECL based on following provision matrix:

(₹ In lacs)

Credit Risk Category	As at March 31, 2019	As at March 31, 2018		
		Gross	ECL	Gross
There is no risk of defaults	3050.00	-	3200.00	-
There is no reasonable expectation of recovery	195.71	195.71	-	-
<b>Closing Balance</b>	<b>3245.71</b>	<b>195.71</b>	<b>3200.00</b>	<b>-</b>

Following is the movements in provision for ECL on loans to corporates and others:

(₹ In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	-	-
Changes in loss allowance	195.71	-
<b>Closing balance</b>	<b>195.71</b>	<b>-</b>

### Financial assets other than Trade Receivables and Loans to corporate & others

Credit risks from financial transactions are managed independently by finance department. For banks and financial institutions, the group has policies and operating guidelines in place to ensure that financial instrument transactions are only entered into with high credit rated banks and financial institutions. The group had no other financial instrument that represent a significant concentration of credit risk. So there is no impairment in these financial assets.

#### b.) Liquidity Risk

Liquidity risks result from the possible inability of the group to meet current or future payment obligations due to lack of cash or cash equivalents. The liquidity risk is assessed and managed by the finance department as a part of day to day and medium term liquidity planning.

The group holds sufficient liquidity to ensure the fulfillment of all planned payment obligations at maturity. The group's liquidity risk policy is to maintain sufficient liquidity reserve at all times based on cash flow projections to meet payment obligation when it falls due. The primary source of liquidity is cash generated from operations.

Liquid assets are held mainly in the form of bank deposits and mutual fund investments. The group maintain flexibility in funding by maintaining availability under cash credit lines set up with banks.

The table below analyze the group's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities essential for an understanding of timing of cash flows.



## Notes to Consolidated Financial Statement for the year ended March 31, 2019

(₹ In lacs)

Particulars	Total	Less than 1 year	1-5 years	More than 5 years
<b>As at March 31, 2019</b>				
Borrowings (Current)	2221.25	2221.25	-	-
Trade Payables				
-Total Outstanding dues of Micro Enterprises and Small Enterprises	117.81	117.81	-	-
-Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	7635.36	7635.36	-	-
Security Received from customers	1284.49	-	-	1284.49
Security Received from Vendor and staff	0.84	-	0.84	-
Unclaimed Dividend	87.60	87.60	-	-
Capital Creditors	327.98	82.54	245.44	-
Other payable	4157.24	4157.24	-	-
<b>As at March 31, 2018</b>				
Borrowings (Current)	471.65	471.65	-	-
Trade Payables				
-Total Outstanding dues of Micro Enterprises and Small Enterprises	662.61	662.61	-	-
-Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	7638.00	7638.00	-	-
Security Received from customers	1457.39	-	-	1457.39
Security Received from Vendor and staff	636.99	-	636.99	-
Unclaimed Dividend	83.34	83.34	-	-
Capital Creditors	361.22	114.00	247.22	-
Other payable	3893.45	3883.64	9.81	-

### c.) Market Risk

#### i. Currency Risk

Foreign currency risks for the group is from changes in exchange rates and the related changes in the value of financial instruments in the functional currency (INR). The group is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to US Dollar. The group's exposure to changes in foreign currency other than USD is not material.

To mitigate the currency fluctuation, receivables and payables in foreign currencies which arises from export and import of goods are hedged through forward exchange contracts.

The carrying amounts of the group's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

## Notes to Consolidated Financial Statement for the year ended March 31, 2019

(₹ In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	
	(₹ in lacs)	(FCY in lacs)	(₹ in lacs)
<b>Amount Receivable</b>			
USD	-	-	-
<b>Amount Payable</b>			
USD	1628.98	23.55	1315.45

Sensitivities were determined on the basis of a scenario in which the INR appreciated/depreciated by 5% against USD compared with the year-end exchange rates. In this scenario, the estimated hypothetical (loss)/gain of cash flows from financial instruments have been tabulated below:

(₹ In lacs)

Particulars (USD Impact on profit before tax and total equity)	As at March 31, 2019	As at March 31, 2018
Increase in exchange rate by 5%	(54.26)	(45.62)
Decrease in exchange rate by 5%	54.26	45.62

Note: This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the group at the end of the reporting period. The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

### ii. Interest Rate Risk

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 interest rates. The group has surplus cash position and does not have any major borrowings as on balance sheet date. So there is no material interest risk relating to the group's financial liabilities.

### iii. Price Risk

The group is mainly exposed to the price risk due to its 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.

There is no material equity risk relating to the group's equity investments which are detailed in note 7. The group's equity investments majorly comprise of strategic investments rather than trading purposes.

## 44. CAPITAL MANAGEMENT

The group manages its capital to ensure that the group will be able to continue as going concern while maximizing the return to stakeholders through optimization of debt and equity balance. Further its objective is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development.

The group manages capital using gearing ratio, which is total debt divided by total equity. The gearing at the end of the reporting period was as follows:





## Notes to Consolidated Financial Statement for the year ended March 31,2019

(₹ In lacs)

Particulars	As at March 31,2019	As at March 31,2018
Borrowings (Non-Current)	-	-
Borrowings (Current)	2221.25	471.65
<b>Gross Debt</b>	<b>2221.25</b>	<b>471.65</b>
Less : Cash & Cash equivalents	47.77	1060.75
<b>Net Debt (a)</b>	<b>2173.48</b>	<b>(589.10)</b>
<b>Total Equity (b)</b>	<b>64222.02</b>	<b>63335.89</b>
<b>Debt to Equity Ratio (a/b)</b>	<b>0.03</b>	<b>(0.01)</b>

### 45. DISCLOSURE AS PER SECTION 186(4) OF THE COMPANIES ACT, 2013

The details of loans, guarantees and investments under Section 186(4) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

- Details of Investments made are given in Note 7.
- Details of loans given by the group are as follows:

(₹ In lacs)

Name of Entity	Purpose	Amount As at March 31,2019	Amount As at March 31,2018
Dhanuka Laboratories Limited	Business	2500.00	-
Iworld Business Solutions Pvt. Ltd.	Business	400.00	400.00
Prayag Polytech Pvt. Ltd.	Business	195.71*	175.00
Tript Singh	Business	100.00	100.00
Sameer Kanwar	Business	50.00	50.00
Hind Securities & Credits Ltd	Business	-	1000.00
Royal Tech Engineers	Business	-	50.00
Harakh Chand Lalit Kumar (HUF)	Business	-	75.00
Payal Polyplast Private Limited	Business	-	1300.00
Posist Technologies Private Limited	Business	-	50.00

\*Including interest accrued thereon.

- There are no guarantees issued by the group in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

## Notes to Consolidated Financial Statement for the year ended March 31, 2019

### 46. DISCLOSURE AS PER REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS

Particulars	Amount As at March 31, 2019	Amount As at March 31, 2018	Maximum balance outstanding during the year 31.03.2019	Maximum balance outstanding during the year 31.03.2018
<b>Loan to company in which Directors are interested</b>	2500.00	-	2500.00	-
Dhanuka Laboratories Limited				

### 47. DISCLOSURE AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT 2013 WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS

#### a. As at and for the year ended March 31, 2019

Name of Entity	As at March 31, 2019	For the Year Ended March 31, 2019	For the Year Ended March 31, 2019	For the Year Ended March 31, 2019				
	Net Assets, i.e. total assets minus total liabilities	Share in profit and Loss	Share in other comprehensive income	Share in total comprehensive income				
	As % of consolidated net assets	Amount (Rs. In lacs)	As % of consolidated profit & loss	Amount (Rs. In lacs)	As % of consolidate d profit & loss	Amount (Rs. In lacs)	As % of consolid ated profit & loss	Amount (Rs. In lacs)
<b>Parent</b>								
Dhanuka Agritech Ltd.	100%	64222.02	100%	11257.58	100%	-50.62	100%	11206.96
<b>Wholly owned subsidiary</b>								
Dhanuka Agri Solutions Pvt. Ltd.	0.00%	0.09	0.00%	-	0.00%	-	0.00%	-
<b>Total</b>	<b>100%</b>	<b>64222.11</b>	<b>100%</b>	<b>11257.58</b>	<b>100%</b>	<b>-50.62</b>	<b>100%</b>	<b>11206.96</b>
Elimination	0.00%	(0.09)	0.00%	-	0.00%	-	0.00%	-
<b>Total</b>	<b>100%</b>	<b>64222.02</b>	<b>100%</b>	<b>11257.58</b>	<b>100%</b>	<b>-50.62</b>	<b>100%</b>	<b>11206.96</b>



## Notes to Consolidated Financial Statement for the year ended March 31, 2019

### b. As at and for the year ended March 31, 2019

Name of Entity	As at March 31, 2018	For the Year Ended March 31, 2018	For the Year Ended March 31, 2018	For the Year Ended March 31, 2018				
	Net Assets, i.e. total assets minus total liabilities	Share in profit and Loss	Share in other comprehensive income	Share in total comprehensive income				
	As % of consolidated net assets	Amount (Rs. In lacs)	As % of consolidated profit & loss	Amount (Rs. In lacs)	As % of consolidated profit & loss	Amount (Rs. In lacs)	As % of consolidated profit & loss	Amount (Rs. In lacs)
<b>Parent</b>								
Dhanuka Agri AgriTech Ltd.	100%	63,335.89	100%	12617.77	100%	82.77	100%	12700.54
<b>Wholly owned subsidiary</b>								
Dhanuka Agri Solution Pvt. Ltd.	0.00%	0.09	0.00%	-	0.00%	-	0.00%	-
<b>Total</b>	<b>100%</b>	<b>63,335.98</b>	<b>100%</b>	<b>12617.77</b>	<b>100%</b>	<b>82.77</b>	<b>100%</b>	<b>12700.54</b>
Elimination	0.00%	(0.09)	0.00%	-	0.00%	-	0.00%	-
<b>Total</b>	<b>100%</b>	<b>63,335.89</b>	<b>100%</b>	<b>12617.77</b>	<b>100%</b>	<b>82.77</b>	<b>100%</b>	<b>12700.54</b>

### 48. STANDARDS ISSUED BUT NOT EFFECTIVE

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the group from 1st April, 2019. The Group will be adopting the below stated new standards and applicable amendments from their respective effective date.

#### a. Ind AS 116- Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single

lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

#### The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under

## Notes to Consolidated Financial Statement for the year ended March 31, 2019

modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods. The Group is in the process of evaluating the impact of standards on its lease agreements in which it is a lessee.

### b. Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition -

- i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Group is in the process of evaluating the impact of

amendment to the Standard. However, it is expected that any impact will be insignificant in view of the current policy of recognizing current tax for uncertain tax treatments which is line with the amendment.

### c. Amendment to Ind AS 12, Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

### d. Amendment to Ind AS 19 - plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group does not have any impact on account of this amendment.

## 49. EVENTS AFTER REPORTING DATE

Refer to note 16(b) for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

50. The MCA wide notification dated 11 October, 2018 has amended Schedule III to the Companies Act, 2013 in



respect of certain disclosures. The Group has incorporated appropriate changes in the financial statements.

however, impact of these reclassifications are not material.

51. The group has reclassified certain items of financials of comparative year to confirm this year's classification,

For **S.S. KOTHARI MEHTA & COMPANY** For and on behalf of the Board of Directors  
Chartered Accountants  
Firm Registration No:000756N

Sd/-  
**YOGESH K GUPTA**  
Partner  
Membership No: 093214  
Place: Gurugram  
Dated: 21<sup>st</sup> May,2019

Sd/-  
**M.K.Dhanuka**  
Managing Director  
DIN : 00628039

Sd/-  
**V.K.Bansal**  
Chief Financial Officer

Sd/-  
**Rahul Dhanuka**  
Executive Director  
DIN : 000150140

Sd/-  
**Jyoti Verma**  
Company Secretary  
FCS-7210



## NOTICE TO THE MEMBERS

Notice is hereby given that the **34<sup>th</sup> Annual General Meeting (AGM)** of the Members of **M/s. Dhanuka Agritech Limited** will be held on Monday, the 12<sup>th</sup> day of August, 2019 at 10:30 A.M. at "D Imperia Hotel", 417, M.G. Road, Ghitorni, New Delhi-110 030 to transact the following Businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements for the Financial Year ended 31st March, 2019 together with the Reports of the Auditors and Directors thereon.
2. To declare Dividend @ 30% i.e. Rs. 0.60 per Equity Share for the Financial Year ended 31st March, 2019.
3. To appoint a Director in place of Mr. Arun Kumar Dhanuka (DIN: 00627425), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rahul Dhanuka (DIN: 00150140), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 5. Ratification of remuneration of Cost Auditors

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

**"RESOLVED THAT** pursuant to the provisions of Sections 141, 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the members of the Company hereby ratifies and approves the remuneration of Rs. 2,20,000/- plus applicable taxes payable to M/s. S. Chander & Associates, Cost Accountants (Firm Registration No. 100105), who have been appointed as Cost Auditors of the Company by the Board of Directors to conduct Cost Audit of the Company for the Financial Year ending 31st March, 2020."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary or expedient to give effect to this Resolution."

#### 6. Appointment of Mr. Bajrang Lal Bajaj (DIN: 00041909) as an Independent Director of the Company

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and Rules framed thereunder, read with Schedule IV to the Companies Act, 2013, as amended from time to time, Mr. Bajrang Lal Bajaj (DIN: 00041909), who has submitted a declaration stating that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who was appointed as an Additional Director by the Board of Directors, being eligible for appointment, be and is hereby appointed as a non-retiring Independent Director of the Company for a period of 5 (Five) consecutive years with effect from 21st May, 2019."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Director(s) to give effect to the aforesaid resolution."

#### 7. Appointment of Ms. Namrata Gupta (DIN: 08358673) as an Independent Director of the Company

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Ms. Namrata Gupta (DIN: 08358673), who has submitted a declaration stating that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who was appointed as an Additional Director by the Board of Directors, being eligible for appointment, be and is hereby appointed as a non-retiring Independent Director of the Company for a period of 5 (Five) consecutive years with effect from 21st May, 2019."



**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Director(s) to give effect to the aforesaid resolution."

**8. Re-appointment of Mr. Mahendra Kumar Dhanuka (DIN: 00628039) as Managing 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 the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, and pursuant to the recommendation of the Nomination and Remuneration Committee and consent of the Board of Directors, approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Mahendra Kumar Dhanuka, (DIN: 00628039) as Managing Director of the Company for a further period of 5 (Five) consecutive years from 14th August, 2019 to 13th August, 2024 (both days inclusive), who shall be liable to retire by rotation upon such terms and conditions as detailed in the explanatory statement attached hereto containing details of salary, commission and perquisites (hereinafter referred to as "remuneration"), with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/ or agreement in such manner as may be agreed between the Board of Directors and Mr. Mahendra Kumar Dhanuka subject to maximum limits of remuneration and terms approved herein."

**"RESOLVED FURTHER THAT** the remuneration payable to Mr. Mahendra Kumar Dhanuka will be as approved above even if the annual remuneration payable to Mr. Mahendra Kumar Dhanuka exceeds rupees 5 Crores or 2.5 per cent of the profits of the Company (whichever is higher) or the aggregate annual

remuneration to all Executive Directors exceeds 5 per cent of the Net Profits of the Company in any year during his appointment."

**"RESOLVED FURTHER THAT** the remuneration payable to Mr. Mahendra Kumar Dhanuka, Managing Director shall not exceed the overall ceiling of the total Managerial Remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Director(s) to give effect to the aforesaid resolution."

**9. Appointment of Mr. Harsh Dhanuka (DIN: 00199516) as Whole time 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 the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and pursuant to the recommendation of the Nomination and Remuneration Committee and consent of the Board of Directors, approval of the members of the Company be and is hereby accorded to appoint of Mr. Harsh Dhanuka (DIN: 00199516) as Whole time Director of the Company, for a period of 5 (Five) consecutive years from 21st May, 2019 to 20th May, 2024 (both days inclusive), upon such terms and conditions as detailed in the explanatory statement attached hereto, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and/ or agreement in such manner as may be agreed between the Board of Directors and Mr. Harsh Dhanuka subject to maximum limits of remuneration and terms approved herein."

**"RESOLVED FURTHER THAT** the remuneration payable to Mr. Harsh Dhanuka will be as approved above even if the annual remuneration payable to Mr. Harsh Dhanuka exceeds rupees 5 Crores or 2.5 per cent of the profits of the Company (whichever is higher) or the aggregate annual remuneration to all Executive Directors exceeds 5 per cent of the net profits of the Company in any year during his appointment."

**"RESOLVED FURTHER THAT** the remuneration payable to Mr. Harsh Dhanuka, Whole time Director shall not exceed the overall ceiling of the total Managerial Remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Director(s) to give effect to the aforesaid resolution."

#### **10. Revision in terms and conditions of Agreement with M/s. Dhanuka Marketing Company**

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

**"RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force) and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to such other approvals, as may be necessary, consent of the members be and is hereby accorded for revision in the terms and conditions of the Related Party Transactions that have been entered into or are proposed to be undertaken between the Company and M/s. Dhanuka Marketing Company ("DMC") for availing their services as Clearing & Forwarding Agents of the Company's products and caretaker of the Company's operations in South & East Zone(s) for a period of 3 (Three) Financial Years from Financial Year 2019-20 to Financial Year 2021-22, being in ordinary course of business on such terms and conditions as may be agreed upon between the Board of Directors of the Company and DMC."

**"RESOLVED FURTHER THAT** Dhanuka Marketing Company shall be paid commission @1% of net Sales of the Company in South & East Zone(s) along with all applicable taxes and out of pocket expenses for acting as Commission Agent and be also paid office maintenance expenses and travelling expenses or such other expenses as may be required for acting as Caretaker of Company's Operations in above Zone(s)."

**" RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds and things, including any amendments/ modifications in terms from time to time, as may be necessary in this regard."

#### **11. Borrowing limits of the Company**

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

**"RESOLVED THAT** in supersession of the earlier resolution passed and pursuant to the provisions of Sections 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) read with the rules made thereunder, as may be amended from time to time, the Board of Directors of the Company ("The Board" which term shall include a Committee thereof authorized for the purpose) be and are hereby authorized to borrow any sum or sums of money, from time to time, from any one or more persons, Bank(s), Firms, Bodies Corporate, Lender or Financial institution or from any other source on such terms and conditions as the Board of Directors may think fit notwithstanding that the monies already borrowed and the monies to be borrowed (apart from temporary loans obtained from Company's bankers in the ordinary course of business) may exceed the paid-up capital, free reserves and securities premium account of the Company, provided that the total principal amount upto which such monies may be raised or borrowed by the Board of Directors shall not exceed the aggregate of the paid up capital, free reserves and securities premium account of the Company by more than Rs. 200 Crores (Rupees Two Hundred Crores only) at any point of time."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or Committee thereof be and is hereby authorized to arrange or settle the terms and conditions on which all such monies are to



be borrowed from time to time as to interest, repayment, security or otherwise, as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution."

## 12. Creation of Security(ies) for Borrowings

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

**"RESOLVED THAT** in supersession of the earlier resolution passed in this regard and pursuant to the provisions of Sections 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) read with the rules made thereunder, as may be amended from time to time, consent of the members of the Company be and is hereby accorded to the Board of Directors ("the Board" which term shall include a Committee thereof) of the Company, to mortgage, hypothecate, pledge and/or charge all or any of the movable and/or immovable properties of the Company (both present and future) and/or any other assets including tangible and intangible assets or properties of the Company in favour of the Bank(s), Financial Institution(s), any other Lender(s), Agent(s) and

Trustee(s), for securing the borrowing availed or to be availed by the Company or subsidiary of Company or by any Related Party of the Company, by way of loans, debentures or any other securities or otherwise, from time to time, up to the Borrowing limits as approved or as may be approved by the shareholders, from time to time under Section 180(1)(c) of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company in respect of such borrowings."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or Committee thereof be and is hereby authorized to finalize, settle and execute such documents/ deeds/ writings/ papers/ agreements/ undertakings as may be required and to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage/ charge/ pledge/ hypothecation as mentioned aforesaid."

Place: Gurugram  
Date: 21<sup>st</sup> May, 2019

**By Order of the Board of Directors  
For Dhanuka Agritech Limited**

**CIN: L24219DL1985PLC020126**  
**Registered Office:**  
82, Abhinash Mansion,  
1<sup>st</sup> Floor, Joshi Road,  
Karol Bagh, New Delhi – 110 005 (India)  
Telephone No.: (011) 23534551-52  
Website : [www.dhanuka.com](http://www.dhanuka.com)  
Email ID : [investors@dhanuka.com](mailto:investors@dhanuka.com)

**Sd/-**  
**Jyoti Verma**  
Company Secretary and  
Compliance Officer  
FCS-7210

## NOTES :

1. A Member entitled to attend and vote at the Meeting is also entitled to appoint a Proxy to attend and vote on a Poll instead of himself/herself and such Proxy need not be a member of the Company. Proxy form duly stamped and executed, in order to be effective, must be received by the Company at its Registered Office at least 48 hours before the time when the Meeting is scheduled to begin.
  2. Pursuant to Section 105(1) of the Companies Act, 2013, read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as Proxy on behalf of not more than Fifty (50) Members and holding in aggregate not more than ten percent of the total Share Capital of the Company carrying voting rights. A person acting as Proxy for a member holding more than ten percent of the total Share Capital of the Company carrying voting rights, will not act as Proxy for any other member. Proxy holder shall be presenting their identity at the time of attendance at the AGM.
  3. The Register of Members and the Share Transfer Books will remain closed from **(Thursday, 1st August, 2019 to Monday, 12th August, 2019 (both days inclusive))**.
  4. Payment of Dividend @30% i.e. Rs. 0.60 per Equity Share for each Equity Share having Face Value of Rs. 2.00 each for the Financial Year ended 31st March, 2019, as recommended by the Board, if approved at this Annual General Meeting, will be made to those Members whose names appear in the Register of Members of the Company as on **Wednesday, 31st July, 2019**, being the date prior to the Book Closure date. In respect of Equity Shares held in electronic form, the Dividend will be paid on the basis of beneficial ownership as on **Wednesday, 31st July, 2019**, as per details furnished by the National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) for this purpose.
  5. Members holding shares in physical form are requested to inform about any change in their address or bank particulars to the Company's Registrar and Share Transfer Agent, M/s. Abhipra Capital Limited, quoting their folio number. Members holding shares in electronic form must inform about any change in their address or bank particulars to their respective Depository Participants and not to the Company. These particulars will be used by the Company for payment of Dividend to be declared in future.
  6. Shareholders/ Proxies are requested to produce at the entrance the attached Admission Slip, duly completed and signed in accordance with the specimen signatures registered with the Company, for admission to the Annual General Meeting hall.
  7. Documents referred to in this Notice will be available for inspection by the members at the Registered Office of the Company from 11:00 A.M. to 1:00 P.M. on all working days prior to the date of the Annual General Meeting and will also be available for inspection at the venue of the Annual General Meeting.
  8. Corporate Members intending to send their Authorized Representatives are requested to send a duly Certified Copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting together with specimen signature of Authorized Representative.
  9. Members should desirous of getting any information about the Accounts under reference and operations of the Company should address their query to the Company Secretary and same reach her at least 7 (Seven) days before the date of the Meeting to enable the Management to keep the information ready.
  10. Unpaid and Unclaimed Dividend and Shares Transfer to IEPF
    - ❖ In view of the provisions of Section 125 of the Companies Act, 2013, unclaimed/ unpaid Dividend for the Financial Year 2011-12 and Interim Dividend for Financial Year 2012-13 shall be transferred to Investor Education and Protection Fund (IEPF) in the month of September, 2019 and March, 2020 respectively. Members, who have not yet encashed their Dividend warrant for above dates or any subsequent Financial Year(s), are requested to lodge their claims with the Company.
    - ❖ In view of the provisions of Section 124(6) of the Companies Act, 2013, read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund Rules), 2016, Shares on which Dividend has not been paid/ claimed for consecutive 7 (Seven) years need to be transferred to IEPF Authority.
- In Financial Year 2019-20 following unclaimed shares are due to be transferred to IEPF Authority:





**14000 Equity Shares- Tentative Date for Transfer- September, 2019**  
**20 Equity Shares- Tentative Date for Transfer- March, 2020**

Complete detail of such shares is available on the website of the Company and Company has also sent individual notices to concerned Shareholders in advance.

- ❖ Members, who have not yet encashed their Dividend warrant for above dates or any subsequent Financial Year(s), are requested to lodge their claims with the Company in order to avoid transferring of such Dividend and shares to IEPF.

11. Pursuant to Sections 20, 101 and 136 of the Companies Act, 2013 and Rules made thereunder, Companies are allowed to send notices/ documents in electronic form to their members. To enable the Company to send its Annual Report, Notice of Annual General Meeting and other documents electronically, members are requested to update their email IDs with their Depository Participants in case the Shares are held in the demat form or the Registrar & Share Transfer Agent of the Company, in case the Shares are held in the physical form and accord their consent for receiving documents through electronic mode.
12. The Company is pleased to provide the Remote E-voting facility to the members to enable them to exercise their right to vote through electronic means, in pursuance of Section 108 of the Companies Act, 2013 and the Rules made thereunder.
13. The Company has appointed M/s. R&D, Company Secretaries, to act as the Scrutinizer, for conducting the scrutiny of the votes casted at AGM (by Ballot as well as by Remote E-voting).
14. The Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating Remote E-voting for Annual General Meeting. The Members desiring to vote through electronic mode may refer to the detailed procedure on Remote E-voting given hereinafter.

**Remote E-voting Instructions:**

- (i) Remote E-voting period will commence on **Thursday, 8th August, 2019** (IST 9:00 A.M.) and will end on **Sunday, 11th August, 2019** (IST 5:00 P.M.). During this period Shareholders of the Company, holding Shares either in physical form or in dematerialized form, as on Cut-off date

for Remote E-voting i.e. **Monday, 5th August, 2019** are entitled to vote on the resolutions set forth in this Notice. The Remote E-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The Shareholders should log on to the E-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders/ Members.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding Shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding Shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a First Time User follow the steps given below:

	For Members holding Shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat Shareholders as well as physical Shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. For example: If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or Company please enter the Member ID/ Folio Number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding Shares in physical form will then directly reach the Company selection screen. However, Members holding Shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for Remote E-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding Shares in physical form, the details can be used only for Remote E-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of Dhanuka Agritech Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
- (xvii) If a demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (i) In case you have any queries or issues regarding Remote E-voting, you may refer the Frequently Asked Questions ("FAQs") and Remote E-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact official designated to address the grievances in this regard: Mr. Rakesh Dalvi, Manager at Phone no. 1800225533.
- (ii) Any person, who acquires Shares of the Company and become Member of the Company after dispatch of the Notice and holding Shares as on the cut-off date for Remote E-voting i.e. **Monday, 5th August, 2019**, may follow the same instructions as mentioned above for Remote E-voting.
15. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding Shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding Shares in physical form can submit their PAN details to the Company's Registrar & Share Transfer Agent, M/s. Abhipra Capital Limited, quoting their folio number.
16. Explanatory Statement pursuant to Section 102 of the



Companies Act, 2013 in respect of Item No. 5 to 12 of the Notice (in respect of Special Business to be transacted at the Meeting) is annexed hereto.

17. The Scrutinizer shall after the conclusion of E-voting at the Annual General Meeting, 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 Annual General Meeting, 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 countersign the same and declare the result of the voting forthwith.
18. The results of E-voting will be declared and the same along with the Scrutinizers' Report will be published on the website of the Company ([www.dhanuka.com](http://www.dhanuka.com)) and the website of CDSL ([www.cdslindia.co.in](http://www.cdslindia.co.in)) immediately after the declaration of result by the Chairman and the same will also be communicated to BSE Ltd. and the National Stock Exchange of India Limited (NSE) within 48 hours from the conclusion of the Annual General Meeting.

## Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013 and other applicable provision)

The following Explanatory Statement sets out all the material facts, relevant to the item(s) of the Special Business(s) contained in the Notice of 34th Annual General Meeting.

### **Item No. 5**

#### **Ratification of Remuneration of Cost Auditors of the Company**

In accordance with the provisions of Section 148 of the Companies Act, 2013 and Rules framed thereunder, the Board of Directors, on the recommendation of the Audit Committee, in their meeting held on 21st May, 2019 had considered and approved appointment of M/s. S. Chander & Associates, Cost Accountants as Cost Auditors of the Company for the Financial Year 2019-20 to carry out Audit of Cost Accounts of the Company relating to Agro-Chemical Manufacturing Activities, at a remuneration of Rs. 2,20,000/- (Rupees Two Lac Twenty Thousand Only) (Plus out of pocket expenses and applicable taxes) subject to confirmation of members at the ensuing Annual General Meeting.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item no. 5 of the Notice to fix the remuneration payable to the Cost Auditors for the Financial Year 2019-20.

None of the Directors and Key Managerial Personnel of the Company or their relatives are in any way interested or concerned in this Resolution.

The Board recommends the Resolution set out at Item No. 5 of the Notice for approval of the members by way of Ordinary Resolution.

### **Item No. 6**

#### **Appointment of Mr. Bajrang Lal Bajaj (DIN: 00041909) as an Independent Director of the Company**

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors have appointed Mr. Bajrang Lal Bajaj as non-retiring Additional Director (Independent Category) in its meeting held on 21st May, 2019. He shall hold office upto the date of 34th Annual General Meeting and is eligible for appointment as an Independent Director. Subject to approval of members, his appointment as Independent Director for a term of 5 (Five) consecutive years w.e.f. 21st May, 2019 has also been approved by the Board of Directors in the same meeting on recommendation of Nomination and Remuneration Committee and same has also been recommended by Board for members' approval.

Mr. Bajrang Lal Bajaj, holds Fellow Membership of Institute of Chartered Accountants of India (ICAI) as well as Institute of Company Secretaries of India (ICSI) and Indian Management Association.

He is having rich experience in Corporate Finance, Cross Border Business Development, M&A & General Management. He also offers advisory services as MD of Dynamic Orbits Consultancy to Indian as well as global corporates looking for mergers/acquisitions/ JVs and cross boarder business development. Further, he is also having Industry Experience such as Automobiles, Chemicals, Power, Textile, IT Services, International Business and Investment Banking. Handled functions like-Strategy, Business Development, Operations and CEO position.

The Board of Directors is of the opinion that Mr. Bajrang Lal Bajaj meets the criteria of Independence and fulfills the conditions for appointment as Independent Director in terms of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013. He has also submitted his willingness to act as Director of Company. Considering his rich experience, members are requested to consider his candidature for Independent Director for first term of 5 (Five) consecutive years.

Mr. Bajaj shall hold office for a period of 5 (Five) consecutive years with effect from 21st May, 2019.

The Company has received following documents from Mr. Bajrang Lal Bajaj proposed to be appointed as an Independent Director:

- i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014.
- ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013.
- iii) A declaration to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A copy of appointment letter of Mr. Bajaj as an Independent Director, setting out his terms and conditions would be open for inspection by any member without any fee, at the Registered Office of the Company during normal business hours on any



working day and shall also be available for inspection throughout the continuance of 34th Annual General Meeting.

The Board hereby recommends the Resolution as set out at Item No. 6 for consideration and approval of Shareholders of the Company by way of Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives except Mr. Bajrang Lal Bajaj are in any way interested or concerned with this Resolution.

#### **Item No. 7**

#### **Appointment of Ms. Namrata Gupta (DIN: 08358673) as an Independent Director of the Company**

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors have appointed Ms. Namrata Gupta as non-retiring Additional Director (Independent Category) in its meeting held on 21st May, 2019. She shall hold the office upto the date of 34th Annual General Meeting and is eligible for appointment as an Independent Director. Subject to approval of members, her appointment as Independent Director for a term of 5 (Five) consecutive years w.e.f. 21st May, 2019 has also been approved by the Board of Directors in the same meeting on recommendation of Nomination and Remuneration Committee and same has also been recommended by Board for members' approval.

Ms. Namrata Gupta has done Masters of Commerce, M.A. - Psychology, PGD-Psychological Counselling from Institute of Psychotherapy and Management Sciences and M. phil. in Organizational Behaviour. She is also a member of International Association for Counselling (IAC).

She is having over 10 years of experience in Relationship Counselling, Master practitioner of Neuro Linguistic programme and also worked with people individually and in groups and helped them to develop a strong positive self-image, improve communication and resolve conflicts.

The Board of Directors is of the opinion that Ms. Namrata Gupta meets the criteria of Independence and fulfills the conditions for appointment as Independent Director in terms of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013. She has also submitted her willingness to act as Director of Company. Considering her qualification and experience, members are requested to consider her candidature for an Independent Director.

Ms. Namrata Gupta shall hold office for a period of 5 (Five) consecutive years with effect from 21st May, 2019.

The Company has received following documents from Ms. Namrata Gupta proposed to be appointed as an Independent Director:

- i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014.
- ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that she is not disqualified under Section 164(2) of the Companies Act, 2013.
- iii) A declaration to the effect that she meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A copy of appointment letter of Ms. Namrata Gupta as an Independent Director, setting out her terms and conditions would be open for inspection by any Member without any fee, at the Registered Office of the Company during normal business hours on any working day and shall also be available for inspection throughout the continuance of 34th Annual General Meeting.

The Board hereby recommends the Resolution as set out at Item No.7 for consideration and approval of Shareholders of the Company by way of Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives except Ms. Namrata Gupta are in any way interested or concerned with this Resolution.

#### **Item No. 8**

#### **Re-appointment of Mr. Mahendra Kumar Dhanuka (DIN: 00628039) as Managing Director of the Company**

Term of appointment of Mr. Mahendra Kumar Dhanuka as Managing Director shall be expiring with effect from 13th August, 2019. As per the provisions of Sections 196, 197, 198 read with Schedule-V of the Companies Act, 2013, Mr. Mahendra Kumar Dhanuka is eligible for re-appointment as Managing Director of the Company. Since his term as Managing Director shall expire on 13th August, 2019, the members may consider re-appointing him as Managing Director of the Company for a further period of 5 (Five) consecutive years from 14th August, 2019 to 13th August, 2024 (both days inclusive).

The Board of Directors, based on the recommendations of the Nomination and Remuneration Committee (NRC) in their meeting held on 21st May, 2019, subject to Shareholders' approval has re-appointed Mr. Mahendra Kumar Dhanuka as Managing Director of the Company for a period of 5 (Five) consecutive years from 14th August, 2019 to 13th August, 2024 (both days inclusive) as per the terms and conditions set out in the draft Agreement as placed before the Board for their approval.



The Company has received following documents from Mr. Mahendra Kumar Dhanuka proposed to be re-appointed as Managing Director of the Company:

- i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014.
- ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013.

The material terms and conditions proposed in the said Agreement are mentioned herein below for consideration of Members:

- A. Salary: Rs.10,50,000/- (Rupees Ten Lakhs Fifty Thousand only) per month only
- B. Commission: Upto 1.25 % of the net profits of the Company computed under Section 198 of the Companies Act, 2013.
- C. Perquisites:

#### **Category 'A':**

- i) Reimbursement of medical expenses for self and family, actually incurred, subject to the limit that the total cost to the Company will not exceed one month's salary in a year or three months' salary in a block of three years excluding perquisites;
- ii) Leave travel concession for self and family not exceeding 15 days salary, once in a year. The perquisite will be taxed in accordance with the provisions of the Income-Tax Rules;
- iii) Membership fee of not more than two clubs provided no life Membership fee or admission fee will be paid by the Company;
- iv) Personal accident insurance, subject to the condition that sum insured will not exceed Rs. 7,50,000/- under GPA policy;

#### **Category 'B':**

- i) Company's contribution towards Provident Fund, subject to the ceiling of 12% of the salary;
- ii) Gratuity payable to an approved Gratuity Fund, which will not exceed half month's salary for each completed year of service or part thereof in excess of six months, subject to a ceiling as laid down under the Income Tax Rules, 1962.

#### **Category 'C':**

- i) Provision of fully-furnished rent-free accommodation for self and family;
- ii) Provision of one car for official and personal use; and
- iii) Provision of mobile phones, telephones at residence, etc. for official and personal use; subject to maximum limit of Rs.10,000/- p.m. in aggregate.

Notwithstanding anything to the contrary contained herein, where in any Financial Year, during the currency of tenure of Mr. Mahendra Kumar Dhanuka as Managing Director, the Company has no profits or its profits are inadequate, Mr. Mahendra Kumar Dhanuka shall be paid remuneration in terms of schedule V of the Companies Act and any amount excess paid to him shall be reimbursed back to the Company.

The copy of the Draft Agreement referred to in the Resolution shall be available for inspection of the Members at the Corporate Office of the Company on any working day during business hours and will also be available for inspection throughout the continuance of the 34th Annual General Meeting.

This shall also be treated as an abstract of the terms of the Contract/ Agreement as to the nature of concern or interest of the Directors pursuant to Section 190 of the Companies Act, 2013.

The aforesaid terms & conditions governing remuneration of Mr. Mahendra Kumar Dhanuka fall within the parameters as prescribed in Schedule-V to the Companies Act, 2013 as amended upto date hence only Shareholders' approval is required and no approval of the Central Government is necessary in this case.

The Board hereby recommends the Resolution as set out at Item No. 8 for consideration and approval of Shareholders of the Company by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Ram Gopal Agarwal, Chairman, Mr. Mahendra Kumar Dhanuka, Managing Director (himself), Mr. Mridul Dhanuka and Mr. Harsh Dhanuka, Whole time Directors are interested or concerned in this Resolution.

#### **Item No. 9**

#### **Appointment of Mr. Harsh Dhanuka (DIN: 00199516) as Whole time Director of the Company**

On the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors have appointed Mr. Harsh Dhanuka as Additional Director (Non-Independent Category) in its meeting held on 21st May, 2019. He shall hold the office upto the date of 34th Annual General Meeting and is eligible for appointment as Director. Subject to approval of members, his appointment as Whole time Director for a term of



5 (Five) consecutive years w.e.f. 21st May, 2019 has also been approved by the Board of Directors in the same meeting, on recommendation of NRC and same has also been recommended by Board for member's approval.

Mr. Harsh Dhanuka has been associated with Dhanuka for the last 11 years and before appointment as Director was acting as Vice President-Marketing. He is instrumental in driving many key initiatives under various facets of the Company directly impacting its Sales. He has a BBA degree specialising in Marketing and HR and a Masters Degree in International Business from Monash University, Melbourne, Australia. He undertook training in various departments like Accounts, Finance, HR and R&D, before moving to Sales Division where he spent 7+ years. He handled various roles in sales division such as Sales Manager, Regional Manager and Zonal Manager, before moving into his current role.

Mr. Harsh is responsible for all International Relationships of Dhanuka and working for getting new patented products and technologies for the benefit of Indian farmers. He initiated and pioneered the Sales Excellence department which is now key function for performance management of Sales department and supports in Farmer outreach. He is also working to expand Dhanuka's business by tying up with Indian Corporates and other Institutional Customers to add a new Revenue stream for the Company.

The Company has received following documents from Mr. Harsh Dhanuka proposed to be appointed as Whole time Director of the Company:

- i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014.
- ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013.

The material terms and conditions proposed in the said Agreement are mentioned herein below for consideration of Members:

- A. Salary: Rs. 5,00,000/- (Rupees Five Lakhs only) per month in the salary range of Rs. 5,00,000-50,000-7,00,000 p.m. with the authority granted to the Board of Directors, on the recommendations of the Nomination and Remuneration Committee, to revise the salary every year by Rs. 50,000/- p.m., subject to the ceiling of Rs. 7,00,000 p.m.
- B. Commission: Upto 0.50 % of the net profits of the Company computed under Section 198 of the Companies Act, 2013.
- C. Perquisites:

#### Category 'A':

- i) Reimbursement of medical expenses for self and family, actually incurred, subject to the limit that the total cost to the Company will not exceed one month's salary in a year or three months' salary in a block of three years excluding perquisites;
- ii) Leave travel concession for self and family not exceeding 15 days salary, once in a year. The perquisite will be taxed in accordance with the provisions of the Income-Tax Rules;
- iii) Membership fee of not more than two clubs provided no life Membership fee or admission fee will be paid by the Company;
- iv) Personal accident insurance, subject to the condition that sum insured will not exceed Rs. 7,50,000/- under GPA policy;

#### Category 'B':

- i) Company's contribution towards Provident Fund, subject to the ceiling of 12% of the salary;
- ii) Gratuity payable to an approved Gratuity Fund, which will not exceed half month's salary for each completed year of service or part thereof in excess of six months, subject to a ceiling as laid down in the Income Tax Rules, 1962.

#### Category 'C':

- i) Provision of fully-furnished rent-free accommodation for self and family;
- ii) Provision of one car for official and personal use; and
- iii) Provision of mobile phones, telephones at residence, etc. for official and personal use; subject to maximum limit of Rs.10,000/- p.m. in aggregate.

Notwithstanding anything to the contrary contained herein, where in any Financial Year, during the currency of tenure of Mr. Harsh Dhanuka as Whole time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration to Mr. Harsh Dhanuka in terms of Schedule V of the Companies Act, 2013 and any excess amount paid shall be reimbursed back by Mr. Harsh Dhanuka to the Company.

The copy of the Draft Agreement referred to in the Resolution is available for inspection of the Members at the Corporate Office of the Company on any working day during business hours and will also be available for inspection throughout the continuance of the 34th Annual General Meeting.

This shall also be treated as an abstract of the terms of the Contract/Agreement as to the nature of concern or interest of the Directors pursuant to Section 190 of the Companies Act, 2013.

The aforesaid terms & conditions governing remuneration of Mr. Harsh Dhanuka fall within the parameters as prescribed in Schedule-V to the Companies Act, 2013 as amended upto date, hence only Shareholders' approval is required and no approval of the Central Government is necessary in this case.

The Board hereby recommends the Resolution as set out at Item No. 9 for consideration and approval of Shareholders of the Company by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Mahendra Kumar Dhanuka, Managing Director, Mr. Mridul Dhanuka and Mr. Harsh Dhanuka (himself), Whole time Directors are in any way interested or concerned in this Resolution.

#### **Item No. 10**

##### **Revision in terms and conditions of agreement with M/s. Dhanuka Marketing Company**

M/s. Dhanuka Marketing Company ("DMC") is a related party within the definition of Section 2(76) of the Companies Act, 2013, as Mr. Ram Gopal Agarwal, Chairman and Mr. Mahendra Kumar Dhanuka, Managing Director are brothers of Mr. S.N. Agarwal, partner of DMC. DMC has been working as C&F Agent in Andhra Pradesh since 1974. DMC has been providing Clearing & Forwarding Agent services to M/s. Northern Minerals Limited (presently "Dhanuka Agritech Limited") since 1980. DMC has strong network of dealers/distributors in South specifically in Andhra Pradesh and Telangana and in addition, provides various value added services to the Company in relation to marketing & promotional activities. The members have already given approval for DMC to continue to act as C&F Agent and caretaker of the Company's operations in the States of Andhra Pradesh and Telangana for a period of 5 (Five) Financial Years from FY 2019- 20 to FY 2023-24 in their 33rd Annual General Meeting held on 10th August, 2018.

Now, there is revision in terms and conditions of Agreement with DMC in following manner:

1. DMC shall act as C & F Agent and Caretaker of Company's Operations in South and East Zone(s)
2. DMC shall receive Commission @1% of Net Sales of South and East Zone(s), which was earlier @ 2.50%.
3. DMC shall also be reimbursed travelling, office maintenance and other miscellaneous expenses which it shall incur with regard to its operations as caretaker of the operations of the Company.
4. Contract with DMC shall be valid for a period of three years from Financial Year 2019-20 to FY 2021-22.

Hence, approval of the Members is being sought for revision in

terms of Agreement with Dhanuka Marketing Company. All other terms and conditions as approved earlier shall remain the same.

The aforesaid matter has been approved by the Board of Directors of the Company, on the recommendation of the Audit Committee, in its Meeting held on 21st May, 2019.

The following information may be considered by the Members for the purpose:

- a) The name of the Related Party and nature of relationship- M/s. Dhanuka Marketing Company.

Mr. Ram Gopal Agarwal, Chairman and Mr. Mahendra Kumar Dhanuka, Managing Director are brothers of Mr. S.N. Agarwal, partner of DMC.

- b) The nature, duration of the contract and particulars of the contract or arrangement.

It is proposed that DMC continue to act as C&F agent and care-taker of the Company's operations in South and East Zone(s) for a period of 3 (Three) Financial Years from FY 2019-20 to FY 2021-22.

- c) The material terms of the contract or arrangement including the value, if any.

The Company will pay commission to DMC @ 1% on net sales of South and East Zone along with Taxes and out of pocket expenses, as approved by the Audit Committee and the Board of Directors. The payments will be made through banking channel.

None of the other Directors, Key Managerial Personnel or their relatives except Mr. Ram Gopal Agarwal, Chairman and Mr. Mahendra Kumar Dhanuka, Managing Director, are concerned or interested in this resolution.

The Board hereby recommends the resolution as set out at Item No. 10 for consideration and approval of Members of the Company by way of Special Resolution.

#### **Item No. 11**

##### **Borrowing limits of the Company**

In terms of Section 180(1) (c) of the Companies Act, 2013, the Board of Directors of a company shall exercise the following powers only with the consent of the company by a special resolution, to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business:

Accordingly, the Board of Directors at its meeting held on 21st May, 2019, proposed to obtain fresh approval of shareholders



by way of a Special Resolution under Section 180(1) (c) of the Companies Act, 2013 to borrow funds in excess of above limit upto an amount of Rs. 200 Crore at any given point of time

Accordingly, the Board of Directors recommends the Special Resolution at Item no. 11 of the accompanying Annual General Meeting Notice for the approval of members.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, in this resolution.

#### **Item No. 12**

##### **Creation of Security(ies) for Borrowings**

The members of the Company had vide earlier resolution authorized the Board of Directors to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for holders of debentures, to secure the repayment of monies borrowed by the Company. Under the provisions of Section 180(1)(a) of the Companies Act, 2013 the above powers can be exercised by the Board only with the consent of the shareholders obtained by way of a Special Resolution. Accordingly, the Board of Directors at its

meeting held on 21st May, 2019, proposed to obtain fresh approval of shareholders by way of a Special Resolution under Section 180(1)(a) of the Companies Act, 2013, to create charge/ mortgage/ hypothecation /pledge on the Company's assets including tangible and intangible, both present and future, in favour of the Banks, Financial Institutions, any other Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company or subsidiary(ies) of Company or by Related Parties of the Company, by way of loans, debentures or otherwise, from time to time up to the limits approved or as may be approved by the shareholders from time to time under Section 180(1)(c) of the Companies Act, 2013.

Accordingly, the Board of Directors recommends the Special Resolution at Item no. 12 of the accompanying Notice for the approval of members.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, Financial or otherwise, in this resolution except to the extent of their shareholding in the Company, if any.

**Annexure to 34<sup>th</sup> Annual General Meeting Notice dated 21<sup>st</sup> May, 2019**

**Details of the Directors Retiring by Rotation/ Seeking Appointment/ Re-Appointment at the 34<sup>th</sup> Annual General Meeting of M/s. Dhanuka Agritech Limited**

Particulars	Mr. Arun Kumar Dhanuka	Mr. Rahul Dhanuka	Mr. Bajrang Lal Bajaj
<b>Age</b>	62 years	44 years	53 years
<b>Qualification</b>	He holds a Bachelor's Degree in Commerce from Delhi University in 1978.	He holds a Master's Degree in Business Administration from S.P. Jain Institute of Management & Research.	He holds Fellow membership of Institute of Chartered Accountants of India (ICAI) as well as Institute of Company Secretaries of India (ICSI) and also holds Fellow Membership of Indian Management Association.
<b>Experience (Including expertise in specific functional area)/ Brief Resume</b>	He has a distinguished corporate career of 41 years. He was responsible for overall operations of Gurgaon Factory. After shifting of manufacturing operations of Gurgaon Factory w.e.f. 9 <sup>th</sup> January, 2018, he is taking care of Sanand Factory Operations. With his innovative ideas, able leadership and utmost sincerity, he has raised the Company to new heights of success.	He has a distinguished corporate career of more than 21 years. He is Marketing Director of the Company and is responsible for national sales and marketing. Due to his excellent marketing management skills, the Company has been able to penetrate the interiors of rural India. He has been instrumental in bringing new systems and policies in the organization, implementation of ERP and for strategic business relationships with all the collaborators.	He is having rich experience in Corporate Finance, Cross Border Business Development, M&A & General Management. He offers advisory services as MD of Dynamic Orbits Consultancy to Indian as well as global corporate looking for mergers/ acquisitions/ JVs and cross border business development. Further, he is also having Industry Experience such as- Automobiles, Chemicals, Power, Textile, IT Services, International Business and Investment Banking. He handled functions like-Strategy, Business Development, Operations and CEO position.
<b>Terms and Conditions of appointment/ Re-appointment</b>	As per the resolution passed by Shareholders in Annual General Meeting held on 10 <sup>th</sup> August, 2018.	As per the resolution passed by Shareholders in Annual General Meeting held on 11 <sup>th</sup> August, 2016.	On the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on 21 <sup>st</sup> May, 2019 has appointed Mr. Bajrang Lal Bajaj as an Additional Director under the category of Independent Director for a term of 5 (Five) consecutive years effective from 21 <sup>st</sup> May, 2019, subject to approval of the Shareholders at the ensuing Annual General Meeting going to be held on 12 <sup>th</sup> August, 2019.
<b>Remuneration last drawn (including sitting fees, if any)</b>	Rs. 306.28 Lacs	Rs. 289.00 Lacs	Not Applicable





<b>Remuneration proposed to be paid</b>	As per existing terms and conditions.	As per existing terms and conditions.	Not Applicable
<b>Date of First Appointment on the Board</b>	23.05.2007	28.01.2002	21.05.2019
<b>Shareholding in the Company as on 31<sup>st</sup> March, 2019</b>	37,906	3,16,958	Not Applicable
<b>Relationship with other Directors/ Key managerial Personnel</b>	Cousin of Mr. Mahendra Kumar Dhanuka, Managing Director and Mr. Ram Gopal Agarwal, Chairman of the Company.	Son of Mr. Ram Gopal Agarwal, Chairman of the Company.	None of the Director is related to Mr. Bajrang Lal Bajaj.
<b>Number of Meetings of Board attended during the year</b>	4	4	Not Applicable
<b>Directorship of other Boards as on 31<sup>st</sup> March, 2019</b>	<ul style="list-style-type: none"> <li>• <b>M/s Dhanuka Laboratories Limited</b></li> </ul>	<ul style="list-style-type: none"> <li>• M/s. Exclusive Leasing and Finance Limited</li> <li>• M/s. H D Realtors Private Limited</li> <li>• M/s. Dhanuka Laboratories Limited</li> <li>• M/s. Golden Overseas Private Limited</li> <li>• Dhanuka Agri-Solution Private Limited-incorporated at Bangladesh</li> <li>• M/s. Sikkim Agro industries Limited-incorporated at Sikkim</li> </ul>	<ul style="list-style-type: none"> <li>• M/s. Om Logistics Limited</li> <li>• M/s. Dynamic Orbits Consultants Private Limited</li> </ul>
<b>Membership/ Chairmanship of Committees of the Boards as on 31<sup>st</sup> March, 2019</b>	<b>Dhanuka Laboratories Limited Audit Committee- Member</b>	<b>Dhanuka Agritech Limited- Stakeholders' Relationship Committee- Member</b>	Nil

**Annexure to 34th Annual General Meeting Notice dated 21st May, 2019**

**Details of the Directors Retiring by Rotation/ Seeking Appointment/ Re-Appointment at the 34th Annual General Meeting of Dhanuka Agritech Limited**

Particulars	Ms. Namrata Gupta	Mr. Mahendra Kumar Dhanuka	Mr. Harsh Dhanuka
<b>Age</b>	48 years	65 years	36 years
<b>Qualification</b>	Ms. Namrata Gupta has done Bachelors & Masters in Commerce. She has also done M.A. in Psychology, PGD in Psychological Counselling from Institute of Psychotherapy and Management Sciences and M. phil. in Organizational Behaviour. She is also a member of International Association for Counselling (IAC).	He holds Bachelor's Degree in Commerce from Sri Ram College of Commerce, Delhi University.	He has a BBA degree specialising in Marketing and HR and a Masters Degree in International Business from Monash University, Melbourne, Australia.
<b>Experience (Including expertise in specific functional area)/ Brief Resume</b>	She is having over 10 years of experience in Relationship Counselling, Master practitioner of Neuro Linguistic programme and also worked with people individually and in groups and helped them develop a strong positive self-image, improve communication and resolve conflicts.	He is a promoter shareholder and has been working as Managing Director of the Company since its incorporation. He has an eminent personality and has a vast and rich experience of 45 years in the Agrochemicals Industry. He is proficient in the Corporate Affairs and his keen insight and judgment bring excellence in the functioning of the Company, its Board and Committees. He has deep commitments towards achievement of organizational goals and has also played a key role in instilling principles of Corporate Governance in the functioning of the Company. His foresight and business acumen have resulted in achievement of goals by the Company.	<p>He was working as Vice President- Marketing with Company before appointment as Director and has been associated with Dhanuka since for the last 11 years. He is instrumental in driving many key initiatives under various facets of the Company directly impacting its Sales.</p> <p>He undertook training in various departments like Accounts, Finance, HR and R&amp;D, before moving to Sales Division where he spent 7+ years. He handled various roles in sales division such as Sales Manager, Regional Manager and Zonal Manager, before moving into his current role.</p> <p>Mr. Harsh is now responsible for all International Relationships of Dhanuka and working for getting new patented products and technologies for the benefit of Indian farmers. He initiated and pioneered the Sales Excellence department which is now key function for performance management of Sales department and supports in Farmer outreach. He is also working to expand Dhanuka's business by tying up with Indian Corporates and other Institutional Customers to add a new Revenue stream for the Company.</p>



<b>Terms and Conditions of appointment/ Re-appointment</b>	On the recommendation of the Nomination and Remuneration Committee, the Board in its meeting held on 21 <sup>st</sup> May, 2019 has appointed Ms. Namrata Gupta as an Additional Director under the category of Independent Director for a term of 5 (Five) consecutive years effective from 21 <sup>st</sup> May, 2019, subject to the approval of Shareholders at the ensuing Annual General Meeting going to be held on 12 <sup>th</sup> August, 2019.	As per the resolution passed by the Shareholders in Annual General Meeting held on 17 <sup>th</sup> September, 2014.	As mentioned above in Explanatory Statement.
<b>Remuneration last drawn (including sitting fees, if any)</b>	Not Applicable	Rs. 424.33 Lacs	Not Applicable
<b>Remuneration proposed to be paid</b>	Not Applicable	As mentioned above in Explanatory Statement.	As mentioned above in Explanatory Statement.
<b>Date of First Appointment on the Board</b>	21.05.2019	13.02.1985	21.05.2019
<b>Shareholding in the Company as on 31<sup>st</sup> March, 2019</b>	Nil	28,665	28,665
<b>Relationship with other Directors/ Key managerial Personnel</b>	None of the Directors is related to Ms. Namrata Gupta	Brother of Mr. Ram Gopal Agarwal, Chairman of the Company and Father of Mr. Mridul Dhanuka and Mr. Harsh Dhanuka, Whole time Directors of the Company.	Son of Mr. Mahendra Kumar Dhanuka, Managing Director of the Company and Brother of Mr. Mridul Dhanuka, Whole time Director of the Company.
<b>Number of Meetings of Board attended during the year</b>	Not Applicable	4	Not Applicable
<b>Directorship of other Boards as on 31<sup>st</sup> March, 2019</b>	<ul style="list-style-type: none"> <li>• M/s. RKG Laminates Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• M/s Dhanuka Laboratories Limited</li> <li>• M/s Golden Overseas Private Limited</li> <li>• M/s Dhanuka Infotech Private Limited</li> <li>• M/s M D Buildtech Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• M/s. H D Realtors Private Limited</li> <li>• M/s. Synmedic Laboratories Private Limited</li> </ul>
<b>Membership/ Chairmanship of Committees of the Boards as on 31<sup>st</sup> March, 2019</b>	Nil	<b>Dhanuka Agritech Limited</b> Audit Committee – Member	Nil





# Dhanuka Agritech Limited

**CIN:** L24219DL1985PLC020126

**Registered Office:** 82, Abhinash Mansion, 1<sup>st</sup> Floor, Joshi Road, Karol Bagh, New Delhi-110005

**Tel. No. :** 011-23534551-52

**Website :** www.dhanuka.com

## 34<sup>th</sup> Annual General Meeting ATTENDANCE SLIP

Registered Folio no. / DP ID no. / Client ID no. :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number of shares held

--	--	--	--	--	--	--	--

I certify that I am a Member / Proxy / Authorized Representative for the Member of the Company. I hereby record my presence at the 34<sup>th</sup> Annual General Meeting of Dhanuka Agritech Limited held ' D Imperia Hotel, 417, M.G. Road, Ghitorni, New Delhi - 110030 on Monday, The 12<sup>th</sup> day of August 2019

\_\_\_\_\_  
Name of the member / proxy  
(in BLOCK letters)

\_\_\_\_\_  
Signature of the member / proxy

**Note :** Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

### E-voting Facility Particulars

For Remote e-voting	For user Id / Password
<b>EVSN No. 190706011</b>	Please refer point No 14 (iv) of Notes to the Notice of AGM





## ECS Mandate Form

Dear Shareholder,

You are hereby requested to update the particulars of your Bank Account, to enable us to electronically transfer Dividend, if any, directly into your Bank Account. In terms of SEBI Circular No. SEBI/HO/MIRSD/DOPI/CIR/P/2018/73 dated 20<sup>th</sup> April, 2018, you are requested to get your Bank Account details updated at the earliest so as to enable the Company to transfer all your Unpaid Dividend and all future Dividends directly into your Account. It will ensure speedy payment of Dividend directly into your Bank Account. Further, an intimation of credit of Dividend amount into your Bank Account will be provided by us. You are requested to submit the following.

**1. For Shares held in electronic form:** Submit duly filled and signed ECS Mandate form along with a photocopy of cancelled cheque of the Bank Account, in which you want Dividend to be transferred; to your Depository Participant (where you hold your Demat Account).

**2. For Shares held in physical form:** Submit duly filled and signed ECS Mandate form along with a photocopy of cancelled cheque of the Bank Account, in which you want Dividend to be transferred and a self-attested copy of PAN to the Company's Registrar and Transfer Agent (RTA), M/s Abhipra Capital Limited.

**Unit: Dhanuka Agritech Limited**  
**Abhipra Capital Limited**  
**Abhipra Complex,**  
**A-387, Dilkush Industrial Area,**  
**G.T. Karnal Road, Azadpur,**  
**Delhi – 110 033**

Dear Sir/Madam,

### Change in Mode of Payment to ECS

I hereby consent to have the amount of Dividend on my Equity Share(s) credited through the Electronic Clearing Service [ECS] facility. The particulars are:

1. Folio No. / DPID-Client ID No.: .....  
(Folio No. given in Equity Share Certificate(s)/ Client ID No. given by your DPs)
2. Shareholder's Name: Mr./ Ms./ M/s.: .....
3. Shareholder's Address: .....
4. Particulars of the Bank:
  - Bank & Branch Name and Address: .....
  - Telephone Number of Bank: .....
  - The nine-digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank: .....
  - IFSC Code: .....  
(Please attach a photocopy of a cheque or a cancelled bank cheque issued by your Bank for verification) Account Type  
(please ✓) Savings Current Cash Credit
  - Account Number (as appearing on the cheque book): .....
5. Date from which the Mandate should be effective: .....

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information being furnished by me, I would not hold the Company/Registrar & Transfer Agent of the Company responsible. I also undertake to inform the DP/Company/Registrar & Transfer Agent in writing, of any further change in the particulars of my Bank Account to facilitate updation of records for the purpose of credit of the Dividend amount through ECS.

Signature of the first/sole Shareholder

Encl: Cancelled Cheque and PAN (Self Attested)

If Shares held in PHYSICAL mode: Please fill and sign this form and send it to the Registrar (RTA) of the Company

If Shares held in ELECTRONIC mode: Please fill and sign this form and send it to your Depository Participant (DP)



**Form No. MGT-11****PROXY FORM**

*[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN	:	L24219DL1985PLC020126
Name of the Company	:	Dhanuka Agritech Limited
Registered Office	:	Dhanuka Agritech Limited 82, Abhinash Mansion, 1 <sup>st</sup> Floor, Joshi Road, Karol Bagh, New Delhi-110005 Tel No.: 011-23534551-52 E-mail ID : investors@dhanuka.com; Website : www.dhanuka.com
Name of the member(s)	:	
Registered address	:	
E-mail ID	:	
Folio No./ Client ID	:	DP ID:

I/We, being the member(s) of the ..... Equity shares of the above named Company, hereby appoint:

1. Name : .....  
 Address : .....  
 E-mail Id : ..... of failing him  
 Signature : .....
2. Name : .....  
 Address : .....  
 E-mail Id : ..... of failing him  
 Signature : .....
3. Name : .....  
 Address : .....  
 E-mail Id : ..... of failing him  
 Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company to be held on Monday, the 12th day of August, 2019 at 10.30 a.m. at "D Imperia Hotel", 417, M.G. Road, Ghitorni, New Delhi-110030 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional	
		For	Against
1.	To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements for the Financial Year ended 31st March, 2019 together with the Reports of the Auditors and Directors thereon.		
2.	To declare Dividend @ 30% i.e. Rs. 0.60 per Equity Share for the Financial Year ended 31st March, 2019.		
3.	To appoint a Director in place of Mr. Arun Kumar Dhanuka (DIN: 00627425), who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To appoint a Director in place of Mr. Rahul Dhanuka (DIN: 00150140), who retires by rotation and being eligible, offers himself for re-appointment.		
5.	Ratification of remuneration of Cost Auditors.		
6.	Appointment of Mr. Bajrang Lal Bajaj (DIN: 00041909) as an Independent Director of the Company.		
7.	Appointment of Ms. Namrata Gupta (DIN: 08358673) as an Independent Director of the Company.		
8.	Re-appointment of Mr. Mahendra Kumar Dhanuka (DIN: 00628039) as Managing Director of the Company.		
9.	Appointment of Mr. Harsh Dhanuka (DIN: 00199516) as Whole time Director of the Company.		
10.	Revision in terms and conditions of Agreement with M/s. Dhanuka Marketing Company.		
11.	Borrowing limits of the Company.		
12.	Creation of Security(ies) for Borrowings.		

Signed this .....day of .....2019

Signature of Shareholder: ..... Signature of Proxy holder(s): .....

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

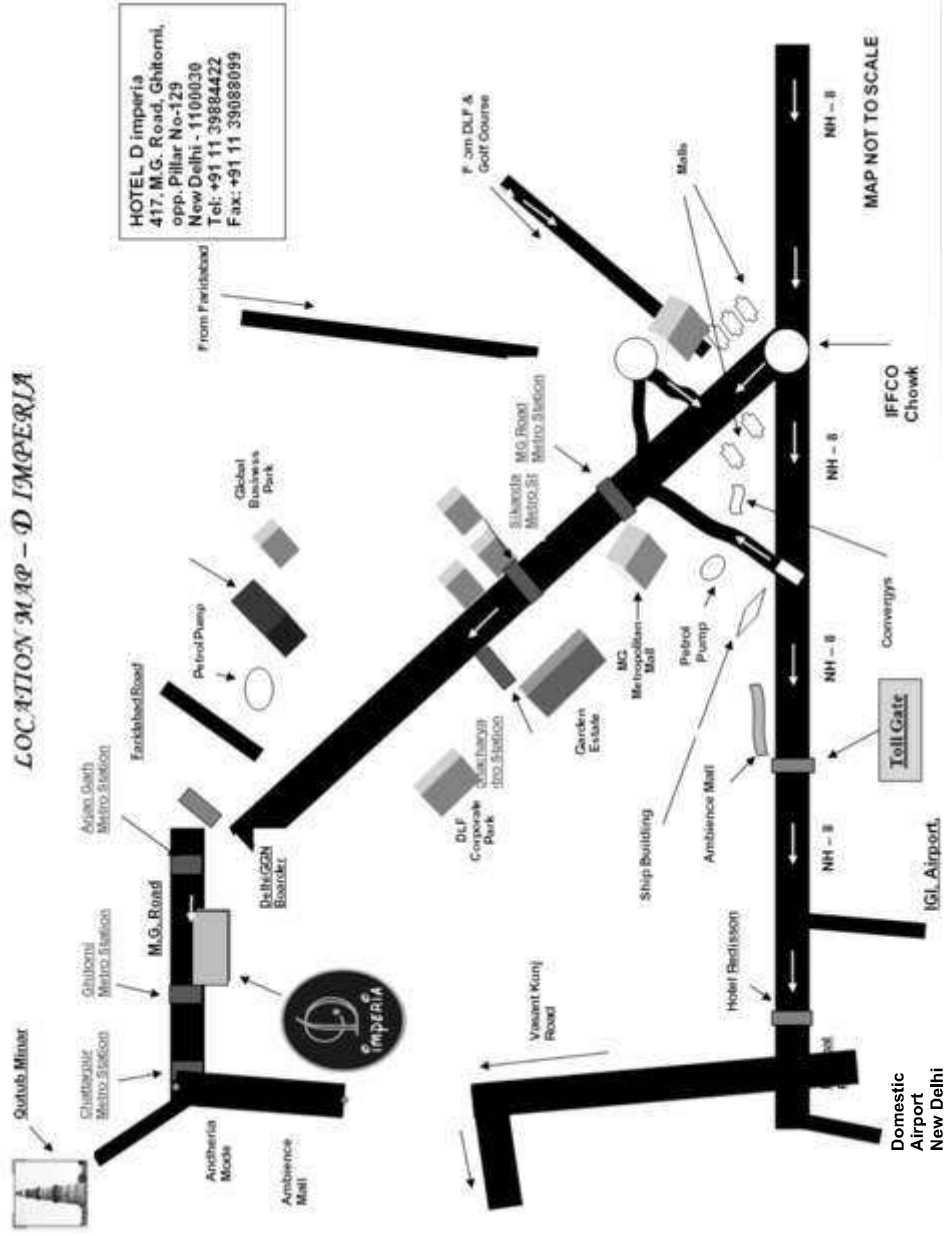
\* This is only optional. Please put a 'X' in the appropriate column against the resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.





# LOCATION MAP - D IMPERIA

**HOTEL D Imperia**  
 417, M.G. Road, Ghformi,  
 opp. Pillar No-129  
 New Delhi - 110030  
 Tel: +91 11 39884422  
 Fax: +91 11 39888099







# Drawing Competition

# World Water Day

## 2019



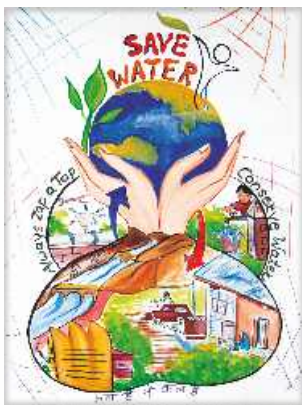
**Kartikey Saxena**

S/o Shri Sanjeev Kumar Saxena, Gurugram, Haryana



**Manasi Shankar Poman**

New English School, Pimpale, Purandar, Pune



**Shravani Suresh Rao Lonkar**

Sitabai Sangai Kanyashala,  
Anjangaon Surji, Amravati



**Vansh Saxena**

S/o Shri Sanjeev Kumar Saxena,  
Gurugram, Haryana



**Sumanta Ghorai**

Bilahishanpur High School,  
Joligo Pinadpur, Midnapur



**Sambhav Jain**

S/o Shri Prateek Jain, Ghaziabad, Uttar Pradesh



**Ishika Gusain**

D/o Shri Soban Singh, Ludhiana, Punjab



• HERBICIDE • FUNGICIDE • INSECTICIDE

### Registered Office

82, Abhinash Mansion, 1<sup>st</sup> Floor, Joshi Road,  
Karol Bagh, New Delhi - 110 005  
Phone Nos.: (011) 23534551/57  
E-mail: headoffice@dhanuka.com  
CIN: L24219DL1985PLC020126

### Corporate Office

14<sup>th</sup> Floor, Building 5A, DLF Epitome, Cyber City,  
DLF Phase III, Gurugram-122002, Haryana  
Phone Nos.: (0124) 3838500  
E-mail: investors@dhanuka.com

### Works

D-1/A-B, Ajanta Industrial Estate, Near Sarika  
Paints, Viramgam Road, at Vasna lyava, Sanand,  
Dist. Ahmedabad-382170 (Gujarat)  
Ph. Nos.: (02717) 284567/68,  
Fax Nos.: (02717) 284567  
E-mail: sanand@dhanuka.com

Plot No. 1, IID Centre,  
SICOP Industrial Estate,  
Battal Ballian, Udhampur (J&K)  
Ph. Nos.: (01992) 250156/57  
Fax No.: (01992) 250156  
E-mail: udhampur@dhanuka.com

Plot No.SP 4-8, RIICO Industrial Area,  
Keshwana Rajput - 303108 Kotputli,  
Dist-Jaipur (Rajasthan), India  
Phone : +91-7230999980  
E-mail : keshwana@dhanuka.com

### Sales Offices/Godowns

Ahmedabad, Akola, Anantapur, Bengaluru, Bellary, Cuttack, Delhi, Ghaziabad, Gulbarga, Guwahati, Guntur, Hissar, Hubli, Hyderabad, Indore, Jaipur, Jabalpur, Kanchipuram, Karnal, Kichha, Kolkata, Kurnool, Lucknow, Ludhiana, Madurai, Nandyal, Nellore, Nashik, Pune, Raipur, Ravulapalem, Salem, Siliguri, Sindhanur, Sohna, Sopore, Trichy, Vijawada and Warangal

### DISCLAIMER

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

**www.dhanuka.com**