

Date: 10th, July 2023

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

Symbol- DHANUKA

Scrip Code : 507717

Subject: Integrated Annual Report under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations')

Dear Sir,

The Company has informed that the 38th Annual General Meeting ('AGM') of the Company will be held on **Wednesday, 2nd August, 2023 at 11.00 A.M. (IST)** through Video Conferencing facility / Other Audio Visual Means.

Pursuant to Regulation 34(1) of the SEBI Listing Regulations, please find enclosed the Integrated Annual Report of the Company along with the Notice of the AGM and other Statutory Reports for the Financial Year 2022-23. The same is also being sent through electronic mode to all those Members whose email addresses are registered with the Company / Depository Participants / Registrar and Transfer Agent.

The same is also available on the website of the Company at www.dhanuka.com under Investors Section.

This is for your information and records.

Thanking you,
Yours Faithfully
For Dhanuka Agritech Limited

**jitin
sadana**

Digitally signed
by jitin sadana
Date: 2023.07.10
17:41:14 +05'30'

Jitin Sadana
Company Secretary and Compliance Officer
FCS-7612

Encl: a/a

TRANSFORMING INDIA Through Agriculture



38th ANNUAL REPORT 2022-23

INDIA KA PRANAM HAR KISAN KE NAAM





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Notice to the Members

Crossing Beyond Borders



Dhanuka's aspiration of "Transforming India through Agriculture" warrants the use of best technologies from across the globe, to be adopted by the Indian farming community. Dhanuka being the architect of this dream, seek new opportunities, new solutions and drives beyond the borders. The Company has collaborated with the best technology providers in the world to bring quality solutions to India's farmlands.

Strategic Partnership

| | | | |
|---|---|---|--|
|  NISSAN CHEMICAL INDUSTRIES, LTD. |  |  We create chemistry |  |
|  Amvac Chemical Corporation |  SUMITOMO CHEMICAL |  |  Mitsui Chemicals |
|  |  NIPPON SODA CO.,LTD. |  HOKKO CHEMICAL INDUSTRY CO., LTD |  Agriculture Division of DowDuPont |

Contact Information

Board of Directors

- Mr. Ram Gopal Agarwal, Chairman
- Mr. Mahendra Kumar Dhanuka, Vice Chairman & Managing Director
- Mr. Rahul Dhanuka, Joint Managing Director
- Mr. Mridul Dhanuka, Non-executive Director
- Mr. Harsh Dhanuka, Executive Director- Alliances & Supply Chain
- Mr. Ashish Saraf, Executive Director
- Mr. Sachin Kumar Bhartiya, 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
- Mr. Siraj Azmat Chaudhry, Independent Director

Chief Financial Officer

Mr. Vinod Kumar Bansal

Company Secretary & Compliance Officer

Mr. Jitin Sadana

Cost Auditors

M/s. N Khandelwal & Co
A-71, Triveni Nagar, Gopalpura Bypass,
Jaipur, Rajasthan-302018

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. Ranjeet Pandey & Associates
Company Secretaries
A-160 (LGF), Defence Colony, New Delhi-110024

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

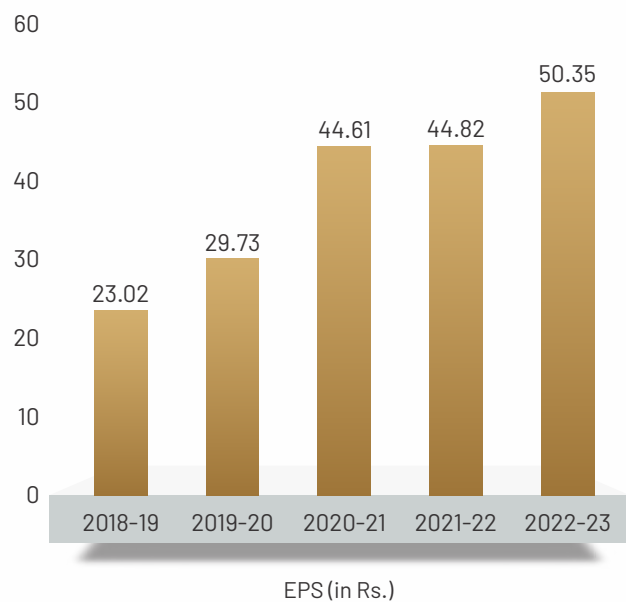
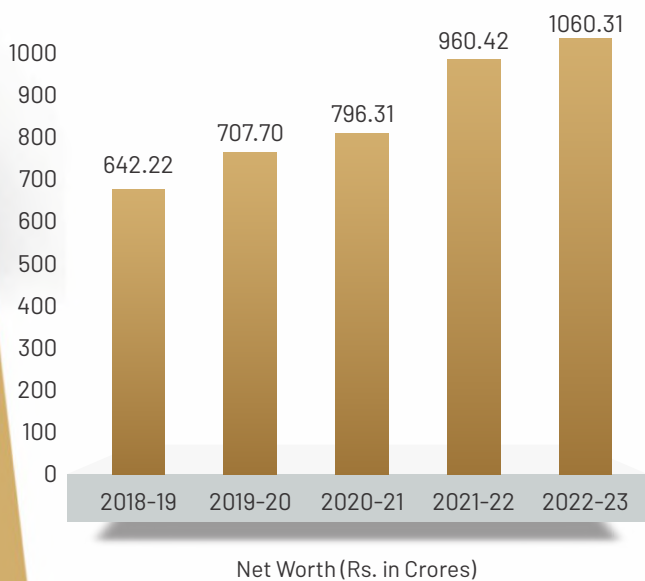
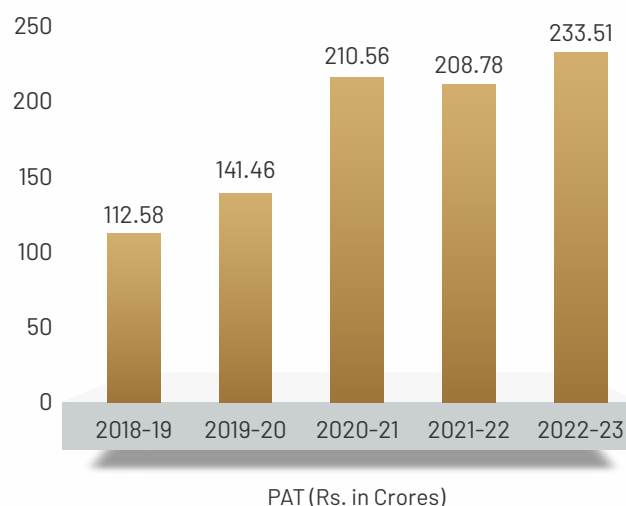
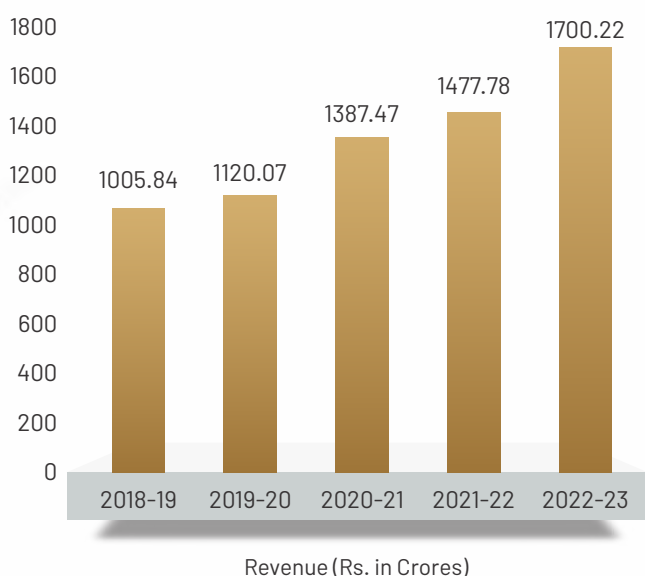
BSE Limited
National Stock Exchange of India Limited

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 |
|---------|----------------------------|------------------------|------------------------------|-----------------|---------------------------|------------------|---------------|
| 2018-19 | 1005.84 | 112.58 | 642.22 | 23.02 | 167.20 | 16.62 | 11.19 |
| 2019-20 | 1120.07 | 141.46 | 707.70 | 29.73 | 198.56 | 17.73 | 12.63 |
| 2020-21 | 1387.47 | 210.56 | 796.31 | 44.61 | 302.81 | 21.82 | 15.17 |
| 2021-22 | 1477.78 | 208.78 | 960.42 | 44.82 | 296.97 | 20.10 | 14.13 |
| 2022-23 | 1700.22 | 233.51 | 1061.31 | 50.35 | 323.45 | 19.02 | 13.73 |

Note: All above figures are based on Audited Standalone Financial.



Message from the Chairman

The agriculture sector in India is at the cusp of great transformation. The sector continues to be the mainstay of the Indian economy and one of our most prominent engines of growth. Agriculture at present contributes to 18.3% of India's GDP and is a source of livelihood for about 55% of the population. Realising the contribution and prominence of the agriculture sector the government carved a vision of achieving USD \$5 trillion economy by 2025 of which USD \$1 trillion would be contributed by agriculture alone. The key to achieving this feat and transforming India into an agricultural powerhouse lies in taking advantage of the untapped potential of agricultural technology and precision farming techniques.

Over the years, the Indian government has recognized the significance of advanced farming techniques and has been actively supporting initiatives in this realm. Initiatives involving empowering farmers to monitor essential parameters related to soil and crop health, enabling them to take timely actions to safeguard their crops have been at the forefront. Additionally, precision farming technologies and innovations like drones have proven instrumental in ensuring the uniform application of agrochemicals and remote monitoring of crop cycles.

Today Dhanuka is known amongst the best crop care companies in India and is committed to serving the farmers through its innovative products and smart technology-based services. For this, we forayed into the agricultural drone segment and invested as a minority stake in a startup which is manufacturing the latest technology drones that are approved by DGCA and certified for use in agriculture. We worked on developing enhancements for our Kohinoor and InDhan apps, to bridge the gap between farmers and our field team, allowing for real-time problem-solving. We introduced "Dhani" our AI-based chatbot for the farmers and other stakeholders - Dhani helps us reach lakhs of farmers who want to know about our products & services and queries related to farming in general. Dhani offers a seamless experience for its users and is integrated with Whatapp API and social media to give a personalised experience.

Another significant aspect of Dhanuka's commitment is the promotion of sustainable agricultural practices. We entered the agri-biological segment with the launch of our BiologiQ range of products.

BiologiQ is a unique range of sustainable solutions developed with the fusion of traditional science and new-age agriculture practices. BiologiQ includes a broad category of crop protection, soil health, and plant nutrition products that are derived from nature. Our longstanding "Save Water" campaigns have successfully raised awareness about the declining water tables across the nation.

Our portfolio boasts world-class brands such as Conika, Lustre, Targa Super, Vitavax, Godiwa Super, Onekill, and Foster, providing effective control against a wide range of pests and diseases. This year we introduced a range of new powerful products like Decide, Zanet, Terminal, and Cornex to further strengthen our product portfolio.

To fuel innovation and progress, we collaborate closely with renowned agricultural research universities and institutions. This year was a momentous year for us as we launched DART - Dhanuka Agritech Research and Technology Centre, Palwal Haryana. The Hon'ble Chief Minister of Haryana, Shri Manohar Lal Khattar, inaugurated the state-of-the-art 'Dhanuka Agritech Research & Technology Centre' (DART). This research facility will cater to the needs of the farmers, researchers, and other stakeholders of the agriculture sector.

We are excited to expand our footprint globally by manufacturing key compositions for exports. Our Dahej technical plan is in its final stages of completion and will cater not only to the demands of the domestic markets but will also help in establishing us as a dominant player in the global agrochemical space.

We firmly believe that an empowered and self-reliant Indian farmer is pivotal for the country's economic growth and the protection of our core national interests. Dhanuka's progress is intricately intertwined with the progress of the nation itself, as our existence stems from and contributes to the well-being of our great nation. We at Dhanuka acknowledge the hard work of our farmers and thank them for nation-building - India Ka Pranam Har Kisan Ke Naam!

R.G. Agarwal

Group Chairman





Message from the Vice Chairman & Managing Director

Indian agricultural industry is at a crossroads of new growth opportunities and daunting challenges. The agriculture sector in the country grew by 3% in 2021-22. According to the recent Economic Survey report presented by the Government of India, the performance of the agriculture and allied sector had been buoyant over the past several years due to the measures taken to augment crop and livestock productivity, ensure certainty of returns to the farmers through price support, promote crop diversification, improve market infrastructure through the impetus provided for the setting up of farmer-producer organizations and promotion of investment in infrastructure facilities through the Agriculture Infrastructure Fund. With the concerted efforts of the farmers, government, policymakers, and private investors, India has emerged as one of the net exporters of agricultural products. In 2020-21, exports of agriculture and allied products from India grew by 18% over the previous year. During 2021-22, agricultural exports reached an all-time high of US\$ 50.2 billion. As per fourth advance estimates for 2021-22, the production of food grains and oil seeds has been increasing year-on-year. Production of pulses has also been notably higher than the average of 23.8 million tonnes in the last five years according to the government data.

The agriculture sector has managed to spark the interest of private players across different segments in the agricultural value chain. The private investment in agriculture touched a high of 9.3 percent, with many private players and start-ups investing in various new-age, scientifically advanced, and technology-driven farming products and services. According to the government report, the sector needs “re-orientation” in the backdrop of challenges like adverse impacts of climate change, fragmented landholdings, sub-optimal farm mechanisation, low productivity, disguised unemployment, and rising input costs, among others. There has been a sustained increase in food grain production in the country, but climatic issues have impacted agriculture and businesses significantly. We witnessed that rainfall was very erratic in both Kharif and Rabi seasons. The pest infestation was low due to which pesticide and insecticide sprays were missed by the farmers. This erratic trend impacted the growth plans of the industry and the company.

We at Dhanuka traversed the year judiciously and made continuous adjustments to our business to suit the market needs. We had to closely watch the changing demand needs and raw material prices. In the first half of the financial year, the raw material prices showed a positive bias, but in the second half of the year, the same showed a sobering trend. The prices decreased month-on-month due to which the company incurred losses on high-cost inventory. This also had some impact on the gross margins and the EBITA margins of the company. The marketing activities for the last two years were curtailed due to the looming effects of the Covid pandemic. Our team of Dhanuka doctors was not able to visit the fields personally to demonstrate our product. However, in FY 2021-22, the pandemic impact reduced significantly, and due to this our marketing team and Dhanuka doctors were able to resume their field visits. There was regular travel by the sales and marketing team and a lot of promotional expenditure was incurred in the financial year. This led to an increase in expenditure in comparison to the last two years. With the commodity prices being on a higher trajectory, farmers are getting good returns for their produce. Food grains production is expected to be at an all-time high around 323 million tons. The prices of generic agrochemicals have reduced to the extent of 20-30% due to which farmers can afford the cost easily. Farmers will be inclined to spend more money by using pesticides that are low cost to safeguard their crops from pests and diseases.

Dhanuka celebrated 25 years of its partnership with Japanese Companies and organized a meet and greet event in Tokyo, Japan. Key members from Dhanuka leadership and all the major pesticide manufacturers of Japan attended the Silver Jubilee celebrations of our partnership. With this, we further strengthened our ties with our partners to forge new successes in the future.

We have a positive outlook for FY 2023-24 with new growth plans and a robust product pipeline. Dhanuka will be launching 2 to 3 new 9(3) molecules for the first time in India. Apart from this, we will also introduce 3 to 4 molecules under section 9(4) or co-market them. Dhanuka's growth story remains strong and consistent as we focus our efforts on serving the needs of Indian farmers. We acknowledge the role of Indian farmers in nation-building and devote our efforts toward their betterment. Our products, services, and work are Dhanuka's dedication to all the farmers of India – India Ka Pranam Har Kisan Ke Naam.

M. K. Dhanuka
(Vice Chairman & Managing Director)

Message from the Joint Managing Director

The performance of the agriculture and allied sector has been buoyant over the past several years, particularly post-pandemic last year, when we witnessed a great upsurge in the overall momentum of the sector.

Much of the progress is on account of the measures taken by the government to augment crop and livestock productivity, ensure certainty of returns to the farmers through price support, promote crop diversification, and improve market infrastructure through private participation and investments. Apart from these, the inclusion and adoption of technology and precision farming techniques have proved to be a shot in the arm of the agriculture sector and have led to the farmers more profitable and boosting the contribution of agriculture to India's economy.

Embracing our commitment to Transforming India through Agriculture, we have wholeheartedly adopted smart technologies that seamlessly bridge the gap between laboratory research and on-field implementation. We at Dhanuka believe technology integration will be the game changer for the agriculture sector in achieving higher yields and better-quality produce. Dhanuka is leading this effort through extensive work in precision farming technologies, AI, IoT, and drones. Our aim is to cultivate a comprehensive technology-based ecosystem, empowering Indian farmers with end-to-end solutions that are accessible and capable of addressing challenges posed by pests and climatic conditions.

In our unwavering dedication to sustainability, we firmly believe that environmental consciousness need not be at odds with farmers' incomes. Consequently, we are actively developing new molecules to tackle present and future challenges, ensuring a sustainable and sufficient food supply for India and the global community. Foreseeing substantial growth in the bio-pesticide market, we set foot in the agri-biological segment with the launch of our BiologiQ range of products. This segment is projected to exhibit a CAGR of 18-20% growth and with the launch of BiologiQ we are poised to make significant strides in this sector.

Dhanuka Agritech continues to exhibit commendable financial performance, a testament to our robust supply chain implementation and decisive leadership position. Adapting swiftly to the digitalization and mechanization of the Indian agricultural landscape, we are tailoring our products and services accordingly. Through our strong lead generation capabilities, we have witnessed impressive sales growth, benefiting farmers and channel partners alike. As part of our commitment to research and development, we established DART - Dhanuka Agritech Research & Technology Centre, a state-of-the-art R&D Centre in Palwal, Haryana, dedicated to overcoming present and future challenges while enhancing productivity in a sustainable manner. Furthermore, in FY 2023-24, we are gearing up for the launch of our cutting-edge technical manufacturing unit for pesticides in Dahej, Gujarat, enabling us to offer enhanced services to Indian farmers and expand our reach to global markets.

Dhanuka is in service to the farmers and the farming community. We have been able to create transformational solutions for crop protection and health, and by our persistent efforts, we have been able to work toward the well-being of our farmers and the entire agricultural ecosystem. We extend our heartfelt appreciation to all the leaders and board members that have been a part of our journey and have guided us by giving their unwavering support, guidance, and visionary outlook. Together, we are charting a transformative path for Indian agriculture, leading to a prosperous future for all.

Rahul Dhanuka
Joint Managing Director



NEW

Product Launch



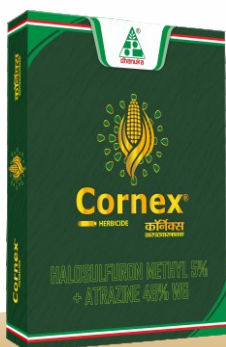
DECIDE

DECIDE is a novel insecticide with a unique combination of two molecules. DECIDE is a Japanese technology insecticide brought to the Indian subcontinent with the collaboration of Mitsui Chemicals, Inc., Japan & Dhanuka Agritech Limited. It is a powerful insecticide available in WG formulation and has excellent efficacy against sucking pests in Chilli to help farmers get control over multiple pests with a single spray, without the need of mixing different insecticides.



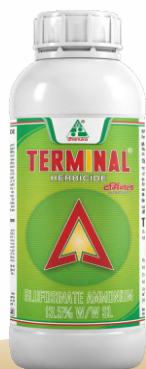
CORNEX

CORNEX, is a novel herbicide developed by Dhanuka Agritech Limited in Technical collaboration with Nissan Chemical Corporation, Japan. It has been introduced for the first time in India by Dhanuka Agritech Limited. It is a broad spectrum, selective, post-emergence, and systemic herbicide which is one shot solution for farmers for controlling major broad and narrow leaf weeds and sedges (*Cyperus rotundus*) in maize crops. CORNEX will empower maize farmers by its dual mode of action, which will help to control major weeds in their crops to enhance productivity and increase their income.



ZANET

ZANET, a novel fungicide is a powerful combination of Fungicide & Bactericide. It is the first such molecule developed in collaboration with two Japanese chemical manufacturers Hokko Chemical Industry Ltd., Japan and Nippon Soda Co., Ltd., Japan. ZANET is a broad-spectrum, strong systemic fungicide providing excellent control against Bacterial Leaf spot & Powdery Mildew in Tomato. ZANET reduces the number of sprays helping farmers to obtain better yield and quality in a cost-effective way.



TERMINAL

TERMINAL is a new generation non-selective, broad-spectrum, post-emergent, contact herbicide with no known weed resistance. TERMINAL is very effective on hard-to-kill weeds and safe to applicator when used as per recommended protective spray. Hard-to-kill weeds can also be killed effectively in the crops that are planted in rows like cotton, chillies, vegetables, grapes, citrus, banana etc.

BiologiQ

Dhanuka entered the agri-biological segment with the launch of its BiologiQ range of products. BiologiQ is a unique range of sustainable solutions developed with the fusion of traditional science and new-age agriculture practices. BiologiQ represents a broad category of crop protection, soil health, and plant nutrition products that are derived from nature. BiologiQ products can be used individually or in combination with conventional chemical products under an Integrated Pest & Nutrition Management (IPNM) plan to produce powerful results for the crop and the soil. BiologiQ portfolio supports 4Rs – Resistance, Residue, Resurgence, and Soil Rejuvenation management with different action modes, resulting in increased crop yield and farm productivity.

BiologiQ range has been introduced with 6 products that are: Whiteaxe biological insecticide, Nemataxe biological insecticide, Downil biological fungicide, Sporenil biological wilticide, Myconxt biological biofertilizer and Omninx biological biofertilizer.





Awards & Accolades

Conferences, events and Awards



Dhanuka Agritech was awarded for the most innovative campaign – Horticulture 2022 at the ABSA (Agri Business Summit and Agri Awards) held in Hyderabad.



Vice Chairman & Managing Director, Mr. M K Dhanuka was felicitated by the Haryana Chief Minister, Mr. Manohar Lal Khattar for his valuable contribution to the agricultural sector.

Dhanuka Agritech research and technology Centre (DART) Launch



Launched of DART – Dhanuka Agritech Research and Technology Centre, Palwal Haryana.

Hon'ble Chief Minister of Haryana, Mr. Manohar Lal Khattar inaugurated the state-of-the-art 'Dhanuka Agritech Research & Technology Centre' (DART). Hon'ble Minister of State for Power and Heavy Industries, Government of India, Mr. Krishan Pal Gurjar; Hon'ble Agriculture Minister, Govt. of Haryana, Mr. J P Dalal; Mr. Deepak Mangla, MLA Palwal, Vice Chancellor of Chaudhary Charan Singh, Haryana Agriculture University (HAU), Dr. (Prof) B R Kamboj and Vice Chancellor of Maharana Pratap Horticulture University, Prof. Samar Singh along with other dignitaries were also present at the inauguration event to bless the upcoming research center. The facility is open for farmers, researchers and other stakeholders of the agriculture sector.



PMFAI – Expo and exhibition

Dhanuka Agritech exhibited at a marquee event organised by the Pesticide Manufacturers and Formulators Association of India (PMFAI) in Dubai. We met with many potential clients and explored opportunities for exports at the event.



CFO AWARD

Mr. V K Bansal, CFO of the Company, awarded with **CFO 100 Award** in March, 2023.

Exhibition at Agro Mall, Karnal

Dhanuka Agritech exhibited at the inauguration of the Cooperative Export House earlier known as Agro Mall, in Karnal. Union Home Minister, Mr. Amit Shah, Haryana Chief Minister, Mr. Manohar Lal Khattar, Haryana Home Minister, Mr. Anil Vij and other key government dignitaries visited Dhanuka Agritech's booth and applauded Mr. R G Agarwal, Group Chairman, Dhanuka Agritech, for the company's contribution to the agricultural sector.



Dhanuka Group organised a mega event to stress the importance of water and its conservation on this World Water Day. Deliberations were held with government leaders, senior policy makers, stakeholders from the society and citizens at large to discuss the measure that can be taken to conserve this priceless resource. Dhanuka Group has been at the forefront of spreading awareness and promoting sustainable use of water in agriculture and other economic activities. We have been educating and spreading awareness on water conservation through our flagship campaign "Khet ka pani khet mein aur gaon ka pani gaon mein". In the past, to conserve rainwater, we have also led the construction of check dams at Jugalpura, Devipura (District Sikar), Mainpuraki Dhani and Sankotra, (Jaipur district), Rajasthan, which are now fully operational.

FGNI conference



Dhanuka Agritech and the Foundation for Growth of New India (FGNI) organised an event on the theme "Unlocking the potential of India's agriculture: Key to unleash a thriving economy". This full day conference deliberated on technical advancements in agriculture, agrochemicals in IPM and policy enablement for advanced technology in agriculture.

Marketing and Other Initiatives

Major marketing update

Chairman and Gold Club meeting.

Chairman and Gold Club meeting comprising of top 200 distributors of Dhanuka was organised at Mahabalipuram in November 2022. At this meeting, Dhanuka leaders interacted with key channel partners to share their vision for the organisation and give an introduction of the new products in the pipeline. The leaders also shared the details of the new growth initiatives like the progress of Dahej Technical Plant, R&D Centre at Palwal, focus on exports etc. The channel partners were also upraised on the new projects like Drone and Precision Farming technologies.



Kohinoor events.

Special events were organised throughout the year for driving engagement with the Kohinoor partners and to share information about the company's plans with new products introductions. Several marketing events were held in different regions for the launch new products like Cornex, Decide, Zanet and Terminal.



Guntoor mega farmer meet.

A mega farmer meeting was organised at Neela Gangavaram village of Vinukonda Market, Guntur district of Andhra Pradesh. This mega meeting was attended by more than 1500 farmers. This was the largest ever farmer meet organised by Dhanuka Agritech since its inception. We launched Decide - a powerful insecticide at farmers' level during this meet. At this meeting we conducted a regional launch of our flagship "Pranam Campaign" in honour of all the farmers of the country.



FICCI's 11th Agrochemical Conference

Our Group Chairman Mr. R G Agarwal prominently represented Dhanuka Agritech at the 11th Agrochemical Conference organised by FICCI last June. He delivered the inaugural session and the closing remarks at this event. He also presented on the "Policy and regulatory landscape of agriculture in India".

Digital initiatives

- **Kisan Chaupal in association with Green TV** was initiated this year. This affiliate branding opportunity helped us reach farmers of UP, MP, and Maharashtra region. These on-ground and digital chaupals helped us build associations with the farmers and understand their issues and answer their questions. We leveraged this association to promote our corporate brand and product brands. We also conduct farmer felicitation as a part of this arrangement.
- **FB live for Onion crop and Onekil:** This was initiated for identifying problems in onion crops and helping the farmers with solutions. We promoted Dhanuka's Onekil on this platform. The series was mounted on the message "Bharat mein pehli baar pyaz ki fasal mein safai abhiyan"
- **Influencer campaign:** We initiated influencer campaign series for sugarcane crops and for the promotion of Sempra. The series was promoted under the tag "Faslo Ki kahani, kisano ki zubani". This was a three-part series on the sugarcane crop, its problems, and solutions.
- **India ka pranam campaign:** India ka pranam - Dhanuka's new corporate campaign was launched in August 2022. The campaign was promoted under a 360-degree plan of which digital was a significant component. The IKP philosophy was featured all throughout the year under various campaigns that included influencers, engagement activities, digital bytes, etc. A microsite was built to drive engagement and run contests to take the IKP to masses.
- **Farmer felicitation campaigns:** We conducted on-ground farmer felicitation campaigns that were promoted digitally as well for the promotion of IKP.
- **Quote a leader:** A unique initiative was undertaken to boost the corporate brand of the organization and profile the leadership via digital thought leadership. We spoke about agricultural practices, crop care sector, safety, R&D, technology, and other topics relevant to the organisation.
- **Kisan Diwas 360-degree campaign:** this was a one-of-a-kind campaign initiated to celebrate kisan diwas. This week-long campaign featured farmer stories, leadership bytes, affiliate digital content, Magazine, and newspaper Ads on Kisan diwas, PR releases on IKP.
- **World Water Day:** This was a 360-degree campaign to celebrate World Water Day. We ran a week-long campaign that included water day messages, painting competitions that were conducted at various schools, Special video on "Be the change you want to see". A grand event was hosted in New Delhi, where stakeholders from the government, society, and other bodies deliberated on how water can be conserved for future generations. There were newspaper and magazine ads, PR releases, and TV interview messages on WWD.

New Collaborations and Partnerships:

Dhanuka Agritech Limited has signed an agreement with Netaji Subhas University of Technology (NSUT), New Delhi on 02.05.2022. Memorandum of understanding (MOU) was signed by Prof. O.P. Thakur, Director, IQAC, Prof. Sanjeev Thakur, Dean- Faculty of Science, and Dr. A.S. Tomar, Vice President - Research & Development and Regulatory Affairs of the Dhanka Agritech Ltd.




Through this partnership, Dhanuka Agritech Ltd. & Netaji Subhas University of Technology work together to achieve the common aim to develop diversified sustainable agrochemical for improving productivity working towards achieving the vision of doubling farmers' income by year 2026 and to support the vision 'Atma Nirbhar Bharat' or Self-Reliant India or Self-Sufficient India of Government of India.

Dhanuka Agritech Limited also signed Memorandum of understanding (MOU) with Keladi Shivappa Nayaka University of Agricultural & Horticultural Sciences (KSNUAHS), Shivamogga (Karnataka) 12.12.2022. The MOU was signed by Dr. R. Lokesha, Registrar & Dr. B. Hemla Naik, Director of Research and Dr. A.S. Tomar, Vice President - Research & Development and Regulatory Affairs of the Dhanka Agritech Ltd.

Dhanuka and Keladi Shivappa Nayaka University of Agricultural & Horticultural Sciences wish to explore joint collaboration on training, research and extension activities in agricultural projects and to provide the fellowship to the students of Ph.D and M.Sc. for carrying out research and development activities.



Further, MOU was signed with Acharya N. G. Ranga Agricultural University (ANGRAU), Guntur, Andhra Pradesh on 10/01/2023.



Management Discussion and Analysis Report

Economic Overview

Indian Economy

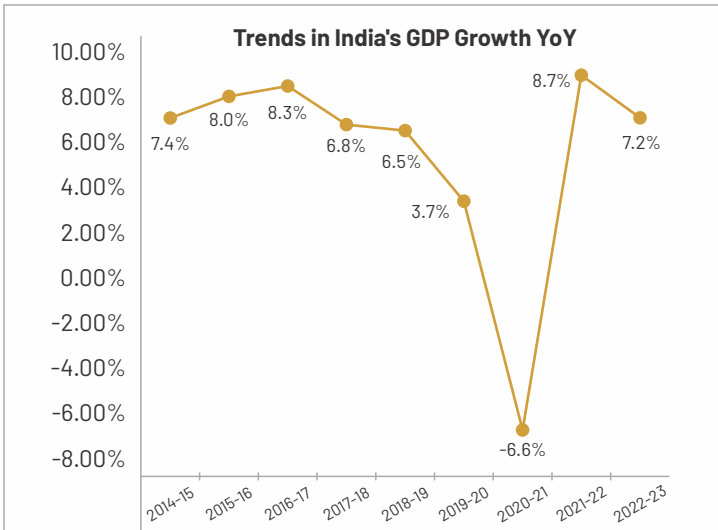
The Indian economy grew by 7.2% in FY 2022-23, as against 8.7% growth in the previous fiscal year of FY 2021-22, as per the data released by the government. With this, India continues to be the fastest growing emerging economy, relatively stronger in comparison with other large economies and its emerging market peers. India's recovery from the pandemic has been stronger than earlier believed, with a steady gathering of momentum, led by private consumption and supported by a rebound in government consumption during FY 2021-22.

The economy, upon having rebounded post-easing of COVID-19 restrictions in the previous fiscal year, faced inflationary pressures due to the Russia-Ukraine war, prompting the central bank to reverse the monetary policy adopted during the pandemic. The Reserve Bank of India (RBI) raised key interest rates by 225 basis points between May-January 2023, the highest in three years.

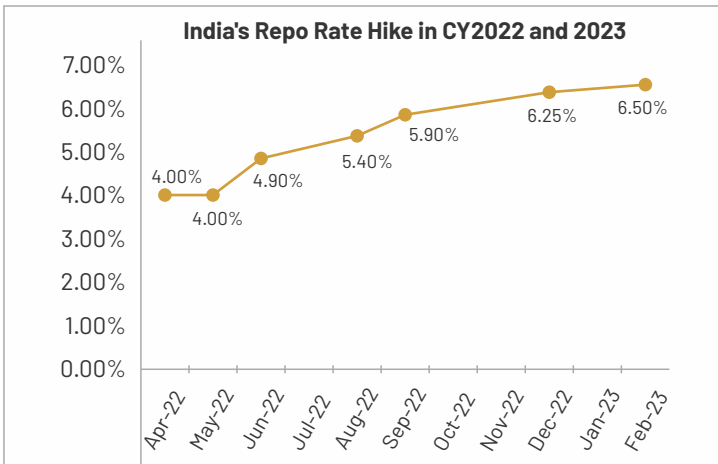
Despite global uncertainty and headwinds, the economy performed well. India remains a relatively bright spot in the global economy, as per the International Monetary Fund (IMF). It is expected to remain the fastest-growing Asian economy and one of the fastest-growing in the world. A conducive domestic policy environment, along with the government's focus on structural reforms, kept domestic economic activity in India robust.

<https://www.reuters.com/markets/asia/india-govt-forecasts-202223-economic-growth-7-government-2023-01-06/>

Trends in India's GDP Growth YoY

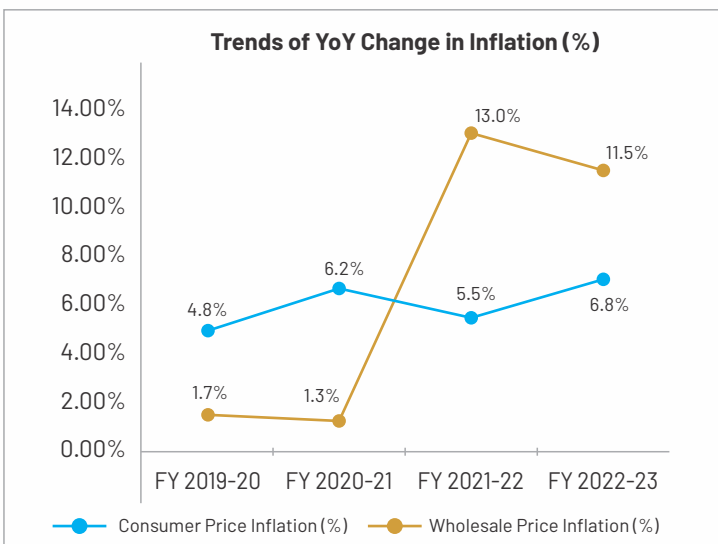


India's Repo Rate Hike in CY2022 and 2023



Source: Reserve Bank of India (RBI)

Trends in Inflation (%)



Source: Economic Survey, 2023

Outlook for FY2023-24

The Indian economy has remained resilient amidst high tides of uncertainty. Even as global growth is set to weaken, India's economy is likely to maintain the pace of expansion witnessed in FY 2022-23, according to RBI's "State of Economy" Report. The Central Bank forecasts a real GDP growth of 6.5% for FY 2023-24 on the back of supportive domestic demand conditions and with demand on rural areas being on the revival path. The government's thrust on capital expenditure, moderation in commodity prices and robust credit growth are expected to nurture investment activity. The Indian economy is intrinsically better positioned than many parts of the world, mainly because of its demonstrated resilience and its reliance on domestic drivers.

India's Agricultural Sector

Agriculture is one of the most important sectors in the Indian economy. Approximately 60% of the Indian population works in the sector, contributing 18% to India's GDP. Agriculture, with its allied sectors, is the largest source of livelihood in India. Nearly 70% of rural households still depend primarily on agriculture for their livelihood, with 82% of these being small and marginal. The Government has been taking several initiatives to support farmers such as establishing effective agri-tech funds to afford competition and higher profits and increased investments in the sector.

Outlook for FY2023-24

The Indian agricultural market, which reached a value of US\$ 435.9 billion in 2022, is projected to grow at a CAGR of nearly 4.9% between 2023 and 2028 to reach a value of US\$ 580.82 billion by 2028. The country is one of the largest agricultural producers globally. Presently, it is the third-largest agricultural producer in terms of value, after United States and China. The demand for Agrarian commodities has grown considerably as the population has grown.

India's food and grocery market is currently the world's 6th largest, with retail contributing 70% of its total sales. The industry is expected to generate better momentum in the next few years due to increased investment in agricultural infrastructure such as irrigation facilities, warehousing, and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to the concerted effort of scientists to get early maturing varieties of pulses and the increase in minimum support price.



Increasing initiatives in Indian Agricultural Sector and Recent Developments

- The agricultural sector recorded a sharp increase in investments with a cumulative FDI inflow of US\$ 2,600.70 million between April 2000-June 2022.
- The Government is planning to launch Kisan Drones for crop assessment, digitization of land records, and spraying of insecticides and nutrients.
- India's agricultural exports increased 6% during FY 2022-23 to US\$ 43.37 billion, growing by 6% from US\$ 40.90 billion in the previous financial year.
- Prime Minister Shri Narendra Modi inaugurated PM Kisan Samman Sammelan 2022 and released PM-KISAN Funds worth Rs. 16,000 crores (US\$ 1.93 billion).
- A Special Food Processing Fund of Rs. 2,000 crores (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- Minister of Agriculture and Farmers Welfare, Shri Narendra Singh Tomar inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).

India's Foodgrain Production

India's foodgrain production is estimated at an all-time high of 323.55 million tonnes in the current crop year ended June 2023, higher by 7.93 million tonnes from the previous year. This is estimated to be driven by the projection of record output of rice, wheat and pulses. Agriculture minister Narendra Singh Tomar attributed record foodgrain output to hard work by farmers and agriculture scientists, and to government policies.

Wheat production is estimated at a record 112.18 million tonnes in the 2022-23 crop year (July-June), up 4.44 million tonnes from the previous year. The previous high in the production of wheat, a major rabi crop, was achieved in the 2020-21 crop year at 109.59 million tonnes. Rice production is estimated at 130.83 million tonnes in the 2022-23 crop year, up 1.36 million tonnes from the previous year, an official statement said. Apart from foodgrains, the ministry said that the oilseeds production is estimated at record 40 million tonnes in 2022-23, up 2 million tonnes from the previous year.

By 2050, India's agri-food production will face a formidable task of feeding close to 1.7 billion people using limited cultivable land, water and energy resources. Our net sown area has almost stagnated at around 140 million hectares, and there is little scope to increase it. Natural resources, particularly soil and water, have been degrading in the process of intensification of agriculture.

Agricultural Exports

India's agricultural exports grew 6.04% between April 2022 to January 2023 at US\$ 43.37 billion, in comparison with US\$ 40.90 billion during the same period in the previous fiscal year. It has been achieved in spite of unprecedented logistical challenges in the form of high freight rates, container shortages. During the full year of FY 2021-22, India's agricultural exports touched the highest-ever level of US\$ 50.21 billion. Rise in agricultural exports helps realise the Prime Minister's vision of creating a positive impact on farmers' incomes. The increase in exports is also paving the way for the production of better quality products which requires better crop protection technology.

Agricultural Exports from India (US\$ Billion)

| FY | FY | FY | FY | FY | FY | FY | FY |
|---------|---------|---------|---------|---------|---------|---------|---------|
| 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
| 32.08 | 33.87 | 38.21 | 38.54 | 35.09 | 41.25 | 50.21 | 43.37* |

(*Data from April 2022 to January 2023)

Agricultural Inputs

India's agri-inputs industry comprises three key sub-sectors viz., crop protection (pesticides), crop nutrition (fertilizers), and seeds. Demand for agricultural inputs such as hybrid seeds and fertilizers is increasing in India at a fast pace. The current challenges in the agri-input markets are lack of quality seeds and emerging technology policy conundrums in the seed sector, lower innovation and research and development in the pesticide sector, and subsidy governance in the fertilizer sector.

Industry Overview

Global Agrochemicals Industry

The global crop protection chemicals market size reached US\$ 88.0 Billion in 2022. Looking forward, IMARC Group expects the market to reach US\$ 116.5 Billion by 2028, exhibiting a growth rate (CAGR) of 4.28% during 2023-2028. Crop Protection chemicals also provide a major role in producing high quality grain and forage. Crop protection chemicals help in managing and minimising plant diseases, weeds and other pests that damage agricultural crops. These chemicals also help in increasing and maintaining year over year crop yield. Crop protection chemicals can be mainly classified into herbicides, insecticides, and fungicides.

The demand of global crop protection chemicals market in terms of revenue, which was valued at US\$ 64.10 Million in 2021, is expected to reach around US\$ 76.09 Million by 2028, growing at a compound annual growth rate (CAGR) of approximately 2.90% during the forecast period 2022 to 2028. Crop protection chemicals aid in controlling and reducing weeds, pests, and other plant diseases that harm crops. These substances also contribute to crop output growth and maintenance throughout time. Crop protection chemicals have been increasingly important over the past few decades due to the need to raise agricultural productivity and guarantee a sufficient food supply for the expanding global population.

India Agrochemicals Market

India's agrochemicals market has reached a value of almost US\$ 6 billion in 2022, driven by strong exports and stable domestic demand. The industry is projected to grow by a CAGR of 8.5% between 2023 and 2028 to reach a value of almost US\$ 9.82 billion by 2028. India is the fourth largest manufacturer and the 13th largest exporter of agrochemicals to the world. Per hectare consumption of agrochemicals is around 0.34 kg in India vis-à-vis 11.84 kg in the United States. With its inherent advantages, agrochemicals are seen as the next growth enablers for the Indian chemicals industry.

Moving ahead, in FY 2023-24 also, it will continue its growth

trend and is projected to grow by 10-12% as India benefits from the "China-plus one" strategy of global players and as patents on key molecules expire. India has been at the forefront of the agrochemicals space during the last one decade because of tightening of environmental regulations in China and its subsequent fallout on global chemicals supply chain. Going ahead, supply chain disruptions, sharp volatility in raw material prices, and the next monsoon season will be the key factors affecting the sector's growth.

Key Growth Drivers for Agrochemicals

The need to enhance productivity to cater to the rising food demand of our growing population as well as the improvement in the quality of produce has been the key factor driving the use and application of agrochemicals in India.

- Rising population, accompanied by rising affluence, is creating a shift in consumption patterns. Hence, there is a need to not just increase production to meet demand, but also ensure that the nutritional needs are met.
- About 60% of the Indian population is still dependent on agriculture for their livelihood. The increasing population creates a huge demand for food products to feed the population.
- Supplying adequate plant nutrients is essential for the healthy growth and production capacity of plants, thereby catering to the increased food supply.
- In India, 15-25% of potential crop production is lost due to pests, weeds and diseases. The need to improve crop productivity with a focus on the effective use of pest control measures and the adoption of weed management practices has been recognized as an important factor in increasing agricultural output.

India Agrochemicals

Industry- Market Segmentation

| Insecticides: 53% | Fungicides: 19% | Herbicides: 24% |
|--|--|---|
| Control insect pests, which reduces crop yield and quality | Prevents and cures fungal plant diseases | Prevents or reduces weeds, which hamper crop growth and harvest |

Increase in Biopesticides usage

Bio-pesticides are the new age crop protection products, manufactured from natural substances like plants, animals, bacteria and certain minerals. They are eco-friendly as compared to chemical-based pesticides. Currently a small segment, the bio-pesticide market is expected to grow in the future with government support and increasing awareness on non-toxic and environment-friendly pesticides over non-eco-friendly products. However, Biological products will act as complementary to agrochemicals.

India Agrochemical Market

The government initiatives increased the consumption of chemical pesticides. According to the Ministry of Agriculture and Farmers Welfare, the consumption of chemical pesticides reached 44,700 metric tons in 2021. Therefore, the increasing government initiatives in the agrochemical sector to boost the production of major crops are expected to aid the growth of the market in the coming years.

India Agrochemicals Market :

Consumption volume, in metric ton,
Chemical Pesticides, 2020 and 2021



Source : Ministry of Agriculture and Farmers Welfare

Role of Agrochemicals in achieving India's Vision

Supporting sustainable farming practices

Being one of the key inputs required for crop protection and better yield during both pre-harvest and post-harvest stages, agrochemicals have a vital role to play in making India achieve its vision of becoming a US\$ 5 trillion economy. Judicious use of crop protection chemicals supports sustainable farm management and delivers socioeconomic benefits to meet the challenges of feeding India's increasing population. Thus, crop protection chemicals support in achieving global food, nutrition, health, wealth and environmental security.

Increasing food demand

The demand for crop protection will increase in lieu of increasing food demand over the forecast period, along with government support. Major factors driving the Indian market include greater demand for food grains, limited availability of arable land, increasing exports, growth in horticulture and floriculture, and increasing public awareness regarding pesticides and biopesticides.

Agrochemical companies are investing in production and storage facilities to cater to the increasing demand. In 2022, Indian agrochemical companies increased backward integration and use of international storage warehouses to continue producing and expanding in order to meet the increasing demand.

Reducing food wastage

Uncontrolled pests significantly reduce the quantity and quality of food production. It is estimated that annual crop losses could double without the use of crop protection products. Agrochemicals are one of the key inputs in agriculture for crop protection and better yield.

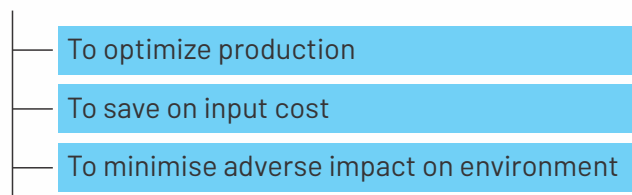
Rising pest attacks

Agrochemicals also play a vital role in crop growth, showing improved performance and noticeable results. They are highly important in obtaining increased yields as these are necessary to prevent pests and diseases in the field. Higher temperatures and moisture lead to a higher possibility of infestation from pests, which leads to a decrease in productivity.

Precision Agriculture in India – A Perspective

Precision farming is one of the key solutions for sustainable development of agriculture, which advocates applying right inputs in right amounts at right time and at right place using the right technologies or techniques. Availability of geo-referenced grid soil sampling permitted assessing variability in the field and the composite sample based single recommendation for the entire farm could be done away with.

Key Objectives of Precision Farming



Satellite-based remote sensing technologies are widely used to guide the global agricultural production from a regional to global scale. There have been several efforts to use remote sensing to monitor crop conditions and utilize the indicators in process-based crop growth models to generate production estimates.

Importance of Drones in Agriculture

Adverse weather conditions and uncontrolled pest issues lead to crop failure. Hence, the quality and quantity of agricultural produce is sometimes compromised, in spite of the relentless efforts of farmers. Use of drone technology in agriculture is here to stay. Innovative solutions like agricultural-drones can tackle the problems ailing the agricultural sector as crop surveillance leads to better chances of failure mitigation. According to recent research, the global drone market within agriculture would grow at 35.9% CAGR and reach US\$ 5.7 billion by 2025. The emerging drone technology can help reduce time and increase the efficiencies of farmers. Use of drones in agriculture is expected to rise as the industry matures.

Key Benefits of Agricultural Drones

- **Security:** The drones are operated by trained drone pilots. So, there are no chances of their misuse.
- **High efficiency:** Drones do not have any operational delays and can work at double the speed of human labour.
- **Water-saving:** In comparison to traditional spraying methods, agricultural drones use lesser volume of spray

water (25 ltr/ ha in place of 375 ltr/ ha in traditional spray), thus saving more water.

- **Low cost and easy to maintain:** Agri drones are sturdy, low in cost, and require minimum maintenance. Some of the key features include a detachable container, low-cost frame, precise spraying of pesticides.

Company Overview

Dhanuka Agritech Limited ("DAL" or the Company) is a leading Agrochemical Company in India. The Company's strength lies in manufacturing formulations. DAL's pan India distribution network consists of around 6,500 distributors and dealers and 80,000 retailers, enabling it to have presence across 10 million farmers' touchpoints. Over the years, the Company has built strong strategic partnerships with leading global innovators. The Company's collaboration with the world's leading agro-chemical companies in the US, Japan and Europe has provided it access to the latest technologies which the Company has effectively implemented in the domestic market. Dhanuka's strong R&D division has a world-class NABL-accredited laboratory as well as an excellent team for new product registration and development. The Company has three manufacturing units situated at Sanand (Gujarat), Keshwana (Rajasthan) and Udampur (J&K). The Company is establishing one plant for Technical Manufacturing of Pesticides i.e. Backward Integration Process at Dahej, Gujarat. The Plant will be commercialized in the Financial Year 2023-24.

The product portfolio is largely distributed across the Insecticides, Herbicides and Fungicides segments. Insecticides contribute a significant portion of the overall revenues and the Company aims to ramp up its presence in the fast-growing Herbicides segment. DAL is aggressively working towards the goal of "**Transforming India through Agriculture**" through initiatives like doubling farmers' income. The Company's latest innovative sales process guides the farmers effectively on crop solutions through channel partners and a dedicated team. It also ensures a smooth reach of products to farmers with readily available stock on demand as per the latest market scenario. This new-age sales process is managing issues like inventory cost, blockage of funds and uncertain demand and supply. It also offers automatic order processing and complete availability of the product in real time.

Operational Overview

Dhanuka has a healthy Net worth of Rs. 1061.31 Crores as on 31st March, 2023. ICRA has accorded credit rating [ICRA]AA (pronounced ICRA double A) for fund-based limits and [ICRA]A1+ (pronounced ICRA A one plus) rating for non-fund based limits of the Company.

During the year the Company received a registration certificate for the import of Amisulbrom Technical u/s 9 (3) of the Insecticide Act, 1968. The Company has launched one insecticide product under the brand name Decide containing Etofenprox 6% + Diafenthiuron 25% WG for the control of Thrips

(Scirtothrips dorsalis), Mite (Polyphagotarsonemus latus), White fly (Bemisia tabaci), Fruit borer (Helicoverpa armigera) in Chilli crop u/s 9(3)- of the Insecticide Act, 1968. The Company has received registration certificates for export u/s 9(3) of Clodinafop-propargyl 8% EC, Cypermethrin 40% EC, Thiophanate methyl 50% SC, Ametryn 50% SC, Ametryn 80% WP, Pendimethalin 50% SC, Pendimethalin 40% EC, Atrazine 90% WG, Atrazine 50% SC and Tebuconazole 25% EW. The Company has also received one approval u/s 9(4) of Insecticide Act, 1968 for indigenous manufacture of insecticide Dinotefuron 20% SG, used for control of Aphids, Jassids, Thrips and Whitefly in Cotton and Brown plant hopper in Paddy crop and similar approval for one herbicide Bispyribac Sodium 10% SC, for control of various types of weeds (Narrow leaf weeds, Broad leaf weeds and Sedges) in Rice (DSR), Rice (Nursery), Rice (TPR).

Dhanuka has been granted a Patent for an invention entitled WATER SOLUBLE GRANULAR INSECTICIDAL COMPOSITION, Insecticide named Cartap Hydrochloride 75% SG for the term of 20 years from 29th March 2014 in accordance with the provisions of the Patents Act, 1970. This product is used for the control of yellow stem borer and leaf folder in Rice crop.

The Company has set up a state-of-the-art Research & Training Center at Palwal. Dhanuka Agriculture Research & Technology Centre - DART was inaugurated on 4th November 2022 by the Honourable Chief Minister of Haryana, Shri Manohar Lal Khattar ji. It consists of 11 R&D laboratories, a training centre for internal & external stakeholders and a well-developed research farm with precision technologies with Artificial Intelligence (AI).

The Company has entered/signed MOUs with various universities to jointly conduct research in crop protection including Netaji Subhas University of Technology, New Delhi, Keladi Shivappa Nayaka University of Agricultural & Horticultural Sciences, Shivamogga (Karnataka), Acharya N. G. Ranga Agricultural University, Guntur, Andhra Pradesh, Govind Ballabh Pant University of Agriculture and Technology, Pantnagar (GBPUA&T), Chaudhary Charan Singh Haryana Agricultural University, Hisar, Sri Karan Narendra Agriculture University, Jobner, Jaipur, Lovely Professional University, Punjab, Maharana Pratap Horticultural University, Karnal.

Financial Performance for FY 2022-23 (Standalone)

- Revenue from Operations increased to **Rs. 1700.22 Crores** in FY2022-23 from **Rs 1477.78 Crores** in FY2021-22, **15.1 %** up over last year.
- Profit Before Tax increased to **Rs. 302.73 Crores** in FY2022-23 from **Rs. 277.48 Crores** in FY2021-22, **9.1%** up over last year.
- Operating Profit Before Tax increased to **Rs. 261.09 Crores** in FY2022-23 from **Rs. 247.09 Crores** in FY2021-22, **5.67%** up over last year.
- Profit after Tax increased to **Rs. 233.51 crores** in FY2022-23 from **Rs. 208.78 Crores** in FY 2021-22, **11.8%** up over last year.
- The Company reported an EPS of **Rs. 50.35** in FY2022-23 compared to **Rs. 44.82** in FY2021-22.

Segment Performance

| Segments | of FY 2022-23 Revenue (%) | of FY 2021-22 Revenue (%) |
|--------------|---------------------------|---------------------------|
| Insecticides | 35% | 37% |
| Fungicides | 17% | 19% |
| Herbicides | 37% | 32% |
| Others | 11% | 12% |

Key Financial Ratios

| Particulars | FY 2022-23 | FY 2021-22 |
|-----------------------------|------------|------------|
| Debtor Turnover | 5.47% | 5.63% |
| Inventory Turnover | 3.22% | 2.92% |
| Debt Service Coverage Ratio | 36.54% | 32.62% |
| Current Ratio | 3.01% | 3.14% |
| Debt Equity Ratio | 0.03% | 0.03% |
| Operating Profit Ratio | 15.36% | 16.72% |
| Net Profit Ratio | 13.73% | 14.13% |
| Return on Equity Ratio | 23.10% | 23.77% |
| EBITDA Margin | 16.39% | 17.82% |

Business Outlook

The Company will work towards engaging with all the participants across the value chain both upstream and downstream to deliver a strong kharif season and build a solid momentum for the remaining part of FY 2023-24. As per the IMD Report, the monsoon is expected to be normal in this year. Also, the high commodity prices will encourage the farmers to protect their crops with higher investment and we expect higher consumption of Agrochemicals this year. The Company has a strong pipeline of section 9(3) and 9(4) products. This will drive revenue growth in the coming years.

The Company is working on its greenfield project at Dahej, Gujarat, which will be commercialized in FY 2023-24. Some new initiatives for business expansion that the Company has taken in the last financial year are an investment in a Drones Manufacturing Start-up, the establishment of a Biological Products Division, and a plan to set up a new Exports Division to create new revenue streams for the Company for mid to long term growth.

Material Development in Human Resources / Industrial Relations

As a Company, Dhanuka recognizes that people are at the core of our success. One of our key initiatives is to enhance the strategic orientation of our senior leaders. We believe this will lead to a significant improvement in our overall performance. To achieve this goal, we have focused on refining and standardizing our flagship performance management system, the Critical Operating Tasks (COTs). This system has been instrumental in driving strategic conversations with SMART targets, which

evolve with the dynamic nature of our operations. In FY 22-23, we successfully extended the usage of COTs to our DGMs and Senior DGMs. This has helped to create total alignment from strategy to execution, resulting in winning outcomes.

Nurturing talent and developing leaders is a critical part of our people philosophy. In FY 22-23, we saw exponential growth in the number of employees who were included in our talent management program. Our leaders committed to concrete actions, and Individual Development Programs played a key role in the career growth of our key talent.

We also recognize the importance of aligning our organization's structures with our long-term strategic goals. To achieve this, we refined the structures of our core functions and established matrix reporting at multiple levels to bring synergy between teams.

We are proud to report that our new hiring strategy has resulted in exponential improvements in our turnaround time for hiring. We believe this will enable us to attract and retain top talent, which is crucial to our continued success.

The Company had 1037 permanent employees as on 31st March, 2023.

Learning and Development of Employees

In today's rapidly evolving world, organizations recognize the importance of fostering a culture of continuous learning and development to enable employees to grow and thrive. At Dhanuka, we prioritize the ongoing capability building of our employees through a variety of training programs tailored to their specific job-related needs. These trainings are designed in consultation with our stakeholders and are delivered through a range of modes, including classroom sessions, on-the-job learning, and technology-enabled training platforms.

One of our key initiatives in this area is the Sales Academy-DARES (Dhanuka Academy to Reach Excellence in Sales), which offers a specialized development journey for our sales workforce. Through an optimal blend of technology and human expertise, we are successfully equipping our sales team with the skills and knowledge they need to excel.

In addition to our Sales Academy, we have also implemented new initiatives in our factories to support the development of individual contributors and managers. We have even nominated selected employees for development programs at top institutions.

Environment Safety, Health and Energy Conservation

Safety at workplaces is of paramount importance to the Company. It continuously strives to ensure various training and awareness programs are conducted throughout the year. The aim is to maintain the highest standards of safety across factories and workplaces and ensure that the latest best practices are implemented across the business to bring operational efficiencies and save energy.

Stakeholder Engagement

The Company's endeavour is to maintain regular engagement with all its stakeholders to ensure that their concerns are addressed and expectations are met. Dynamic processes are in place within the Company to ensure the integration of feedback from various stakeholders such as suppliers, customers, employees, and investors on a regular basis. By trusting employees, partnering with suppliers and dealers, and engaging with local communities, we work towards serving and delighting our customers.

Internal Control Systems and 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 Procedures and Limits of authority manuals for the 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 system to record data for accounting and managing information with adequate security procedures and controls. The 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 the Company's operations. It brings a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

A CEO and CFO Certificate, forming part of the Corporate Governance Report, confirm the existence and effectiveness of internal controls and reiterate their responsibilities to report deficiencies to the Audit Committee and rectify the same.

Risk Mitigation Framework

Despite the strong growth drivers, the Indian agrochemicals industry faces challenges in terms of low awareness among a 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 the business environment. The performance of the crop protection industry and other Agri-inputs is dependent on monsoon, pest and disease incidences on crops. Agrochemical companies face issues due to the seasonal nature of demand, the unpredictability of pest attacks and the high dependence on monsoon.

Compliance with 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 that 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 monsoon could reduce pricing flexibility, thereby affecting margins. To minimize the risk, a comprehensive and integrated risk management framework is followed by the Company.

Cautionary Statement

Statements in this Management Discussion and Analysis contain "**Forward-Looking Statements**" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to the Company's future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, several risks, uncertainties, and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with the Company, legislative developments, and other key factors that could affect our business and financial performance. The Company undertakes no obligation to publicly revise any forward-looking statements to reflect future/likely events or circumstances.



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to submit the 38th 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, 2023.

- Financial Highlights**

The financial performance of the company for financial year ended March 31, 2023 is summarised below:

(Rs. in Crores)

| Particulars | Standalone FY 2022-23 | Standalone FY 2021-22 | Consolidated FY 2022-23 | Consolidated FY 2021-22 |
|--|--------------------------|--------------------------|----------------------------|----------------------------|
| Revenue From Operations | 1700.22 | 1477.77 | 1700.22 | 1477.77 |
| Other Income | 44.76 | 33.59 | 44.76 | 33.59 |
| Total Revenue | 1744.98 | 1511.36 | 1744.98 | 1511.36 |
| EBIDTA | 323.45 | 296.97 | 323.45 | 297.06 |
| Depreciation | 17.61 | 16.28 | 17.61 | 16.28 |
| Finance Cost | 3.12 | 3.20 | 3.12 | 3.20 |
| Profit before Tax | 302.73 | 277.48 | 302.72 | 277.59 |
| Provision for Taxation | 69.22 | 68.70 | 69.22 | 68.70 |
| Profit after Tax (PAT) | 233.51 | 208.78 | 208.89 | 208.89 |
| Other Comprehensive Income | 0.08 | 1.91 | 0.08 | 1.91 |
| Total Comprehensive Income for the Period | 233.59 | 210.69 | 233.58 | 210.80 |
| Balance of Profit brought forward from previous years | 949.46 | 785.35 | 949.46 | 785.23 |
| Total | 1183.05 | 996.04 | 1183.04 | 996.03 |
| Appropriations | | | | |
| Less: Amount utilized for Buyback of Equity Shares | 84.80 | Nil | 84.80 | Nil |
| Less: Amount Transferred to Capital Redemption Reserve on Buyback of Equity Shares | 0.20 | Nil | 0.20 | Nil |
| Less: Tax Paid on Buyback | 19.76 | Nil | 19.76 | Nil |
| Less: Dividend on Equity Shares | (27.95) | (46.58) | (27.95) | (46.58) |
| Leases (Ind AS 116) transition effect | Nil | Nil | | |
| Balance Profit carried forward to Balance Sheet | 1050.34 | 949.46 | 1050.33 | 949.45 |

Note: The Wholly Owned Subsidiaries of the Company namely, M/s. Dhanuka Agri Solutions Private Limited (under liquidation) and M/s Dhanuka Chemicals Private Limited have not yet started their operations and therefore figures are same for Standalone and for Consolidated Results.

During the period under review, Revenue from Operations was at **Rs. 1700.22** Crores up by **15.1%** over last year. Operating Profit before Tax was at **Rs. 261.09** Crores, up by **5.67%** over last year. Profit after Tax was at **Rs. 233.51** crores up by **11.8%** over last year.

Business Operations

The rainfall was erratic both in Kharif and Rabi Season. The Pest infestation was also low due to which many sprays were missed out by the Farmers. This has impacted the growth plans of the Industry and the Company. In the first half of the Financial Year

2022-23, the prices of raw materials were on an increasing trend. But in the 2nd half, the prices were on a reducing trend on a monthly basis due to which the Company has incurred losses on high-cost inventory. This has impacted on the gross margins and EBITDA margins of the Company.

Dhanuka has a healthy **Net worth of Rs. 1061.31 Crores** as on 31st March, 2023. ICRA has accorded credit rating [ICRA]AA (pronounced ICRA double A) for fund-based limits and [ICRA]A1+ (pronounced ICRA A one plus) rating for non-fund based limits of the Company.



During the year the Company received a registration certificate for the import of Amisulbrom Technical u/s 9(3) of the Insecticide Act, 1968. The Company has launched one insecticide product under the brand name Decide containing Etofenprox 6% + Diafenthiuron 25% WG for the control of Thrips (*Scirtothrips dorsalis*), Mite (*Polyphagotarsonemus latus*), White fly (*Bemisia tabaci*), Fruit borer (*Helicoverpa armigera*) in Chilli crop u/s 9(3) of the Insecticide Act, 1968. The Company has received registration certificates for export of Clodinafop-propargyl 8% EC, Cypermethrin 40% EC, Thiophanate methyl 50% SC, Ametryn 50% SC, Ametryn 80% WP, Pendimethalin 50% SC, Pendimethalin 40% EC, Atrazine 90% WG, Atrazine 50% SC and Tebuconazole 25% EW. The Company has also received one approval u/s 9 (4) of the Insecticide Act, 1968 for the indigenous manufacture of insecticide Dinotefuron 20% SG, used for control of Aphids, Jassids, Thrips and Whitefly in Cotton and Brown plant hoppers in Paddy crop and similar approval for one herbicide Bispyribac Sodium 10% SC, for control of various types of weeds (Narrow leaf weeds, Broad leaf weeds and Sedges) in Rice (DSR), Rice (Nursery), Rice (TPR).

Dhanuka has been granted a Patent for an invention entitled WATER SOLUBLE GRANULAR INSECTICIDAL COMPOSITION, Insecticide named Cartap Hydrochloride 75% SG for the term of 20 years from 29th March 2014 in accordance with the provisions of the Patents Act, 1970. This product is used for the control of yellow stem borer and leaf folder in Rice crop.

Your Company has entered into Shareholders' Agreement and Share Subscription Agreement with M/s IoTechWorld Avigation Private Limited ("IoTech") on 11th August, 2021 to invest a total amount of Rs. 30 Crores in IoTech in the form of subscription of Compulsory Convertible Preference Shares ("CCPS") in two tranches. Out of Rs. 30 Crores, Rs. 20 Crores were invested by the Company on 3rd September 2021 and the remaining Rs. 10 Crores have been invested on 6th March, 2023.

The Company has set up a state-of-the-art Research & Training Center at Palwal. Dhanuka Agriculture Research & Technology Centre - DART was inaugurated on 4th November 2022 by the Honourable Chief Minister of Haryana, Shri Manohar Lal Khattar ji. It consists of 11 R&D laboratories, a training centre for internal & external stakeholders and a well-developed research farm with precision technologies with Artificial Intelligence (AI).

The Company has entered/signed MoUs with various universities to jointly conduct research in crop protection including Netaji Subhas University of Technology, New Delhi, Keladi Shivappa Nayaka University of Agricultural & Horticultural Sciences, Shivamogga (Karnataka), Acharya N. G. Ranga Agricultural University, Guntur, Andhra Pradesh, Govind

Ballabh Pant University of Agriculture and Technology, Pantnagar (GBPUA&T), Chaudhary Charan Singh Haryana Agricultural University, Hisar, Sri Karan Narendra Agriculture University, Jobner, Jaipur, Lovely Professional University, Punjab, Maharana Pratap Horticultural University, Karnal.

Dividend

The Board of Directors in its meeting held on 25th May 2023 has recommend Dividend @ 100% i.e. Rs. 2/- per Equity Share having a Face Value of Rs.2/- each for the FY 2022-23. The said Dividend, if approved by the Shareholders at the ensuing Annual General Meeting (AGM), will absorb Rs. 9.12 Crore. The Dividend shall be paid within 30 days of its declaration at the 38th AGM of the Company.

Dividend Distribution Policy

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') requires the top 1000 listed entities, based on market capitalization calculated as on March 31 of every financial year, to formulate a Dividend Distribution Policy and disclose the same in the Annual Report and on the website of the Company.

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 under the "Investors" section.

Transfer of Unpaid/ Unclaimed Dividend and Shares to IEPF

During the Financial Year 2022-23, the Company has transferred following Unclaimed Dividend to the Investors 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):

- Final Dividend for FY 2014-15 amounting to Rs. 13,08,767/- (Rupees Thirteen Lacs Eight Thousand Seven Hundred Sixty Seven only)
- 1st Interim Dividend for the FY 2015-16 amounting to Rs. 7,61,725/- (Rupees Seven Lacs Sixty One Thousand Seven Hundred Twenty Five only)

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the rules mentioned therein, all Shares in respect of which Dividend has not been paid or claimed for 7 (Seven) consecutive years or more were transferred in the name of IEPF after requisite notice to concerned Shareholders. During the FY 2022-23, No Equity Shares were transferred to IEPF. Details of transferred Shares in previous years are available at the



Company's website i.e., www.dhanuka.com under the "Investors - Corporate Governance" section and such shares can be claimed back from IEPF Authority after complying the prescribed procedure.

Subsidiary Companies

At present, your Company has two Wholly-owned Subsidiary Companies namely, M/s. Dhanuka Agri Solutions Private Limited, incorporated in Bangladesh and M/s Dhanuka Chemicals Private Limited, incorporated in India. Operations of both Companies have not yet started. The Company does not have any Material Subsidiary in terms of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, a Policy on Material Subsidiaries has not been formulated. There are no Associate or Joint Venture Companies within the meaning of Section 2(6) of the Companies Act, 2013.

The Board of Directors of your Company in their meeting held on 2nd February 2021 had approved the dissolution/ liquidation of its wholly owned subsidiary M/s. Dhanuka Agri-solutions Private Limited (DASPL), incorporated in Bangladesh. A final General Meeting of DASPL was convened by the official liquidator on 15th January 2023 for laying before it the accounts of the winding up and giving explanation thereof. The Accounts and Returns for liquidation were submitted by the Liquidator to the RJSC (Office of the Registrar of Joint Stock Companies and Firms), Bangladesh. RJSC registered the Returns of winding-up on 10th May 2023. DASPL shall be deemed to be dissolved on the expiration of three months from the above registration i.e. 10th August 2023.

M/s Dhanuka Chemicals Private Limited, was incorporated in India on 21st June 2021 and the Company along with its nominee(s) has fully subscribed 10,000 Equity Shares of M/s Dhanuka Chemicals Private Limited. There is no business activity started in Dhanuka Chemicals Private Limited.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of Financial Statements of the Company's subsidiaries in Form No. AOC-1 is annexed as **Annexure "B"**.

Further, Pursuant to Section 136 of the Companies Act, 2013, the Company's Standalone and Consolidated Financial Statements, along with relevant documents and separate Accounts in respect of the Wholly-owned Subsidiaries are available on the website of the Company i.e., www.dhanuka.com under "Investors" section.

Share Capital

The paid-up Equity Share Capital as at 31st March, 2023 was Rs. 9.12 Crores. During the year under review, the Company has not issued any shares.

Buy-back

Dhanuka has rewarded its Members through Buyback of its 10,00,000 (Ten Lacs only) Equity Shares at Rs. 850/- (Rupees Eight Hundred Fifty only) per Equity Share amounting to Rs. 85 Crores (Rupees Eighty Five Crores Only) excluding expenses incurred for the Buyback like filing fees payable to SEBI, Merchant Banker fees, Stock Exchange fees for usage of their platform, transaction costs viz. brokerage, applicable taxes inter-alia including tax on distributed income to shareholders, securities transaction tax, Goods & Service tax, stamp duty etc. This Buyback represents about 2.15% 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. 20,00,000/- (Rupees Twenty Lacs only).

Transfer to General Reserve

This year no amount has been transferred to General Reserve.

Deposits from Public

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

Future Prospects

Dhanuka's Corporate Vision "**Transforming India through Agriculture**" signifies a responsive, trustworthy and farmers' friendly organization. 'Dhanuka Kheti Ki Nai Takneek (DKKNT)', is being 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**" by educating Indian farmers with new and innovative techniques of farming.

As per the IMD Report, the monsoon is expected to be normal in this year. Also, the high commodity prices will encourage the farmers to protect their crops with higher investment and we expect higher consumption of Agrochemicals this year. The Company has a strong pipeline of section 9(3) and 9(4) products. This will drive revenue growth in the coming years. Further, the Company is working towards engaging with all the participants across the value chain both upstream and downstream to deliver a strong kharif season and build a solid momentum for the Financial Year 2023-24.

The Company is establishing its greenfield project i.e setting up of one plant for Technical Manufacturing of Pesticides i.e. Backward Integration Process at Dahej, Gujarat. The Plant will be commercialized in the Financial Year 2023-24. Some new initiatives for business expansion that the Company has taken in the last financial year are an investment in a Drones Manufacturing Start-up, the establishment of a Biological Products Division, and setting up a new Exports Division, which will help to create new revenue streams for the Company for mid to long term growth.



Product Launch

Following New Products have been launched in the Financial Year 2022-23.

CORNEX

CORNEX, is a novel herbicide developed by Dhanuka Agritech Limited in Technical collaboration with Nissan Chemical Corporation, Japan. It has been introduced for the first time in India by Dhanuka Agritech Limited. It is a broad spectrum, selective, post-emergence, and systemic herbicide which is one shot solution for farmers for controlling major broad and narrow leaf weeds and sedges (*Cyperus rotundus*) in maize crops. CORNEX will empower maize farmers by its dual mode of action, which will help to control major weeds in their crops to enhance productivity and increase their income.

ZANET

ZANET, a novel fungicide is a powerful combination of Fungicide & Bactericide. It is the first such molecule developed in collaboration with TWO Japanese chemical manufacturers Hokko Chemical Industry Ltd., Japan and Nippon Soda Co., Ltd., Japan. ZANET is a broad-spectrum, strong systemic fungicide providing excellent control against Bacterial Leaf spot & Powdery Mildew in Tomato. ZANET reduces the number of sprays helping farmers to obtain better yield and quality in a cost-effective way.

DECIDE

DECIDE is a novel insecticide with a unique combination of two molecules. DECIDE is a Japanese technology insecticide brought to the Indian subcontinent with the collaboration of Mitsui Chemicals, Inc., Japan & Dhanuka Agritech Limited. It is a powerful insecticide available in WG formulation and has excellent efficacy against sucking pests in Chilli to help farmers get control over multiple pests with a single spray, without the need of mixing different insecticides.

Terminal

Terminal is a new generation non-selective, broad-spectrum, post-emergent, contact herbicide with no known weed resistance. Terminal is very effective on hard-to-kill weeds and safe to applicator when used as per recommended protective spray. Hard-to-kill weeds can also be killed effectively in the crops that are planted in rows like cotton, chillies, vegetables, grapes, citrus, banana etc.

BiologiQ

Dhanuka entered the agri-biological segment with the launch of its BiologiQ range of products. BiologiQ is a unique range of sustainable solutions developed with the fusion of traditional science and new-age agriculture practices. BiologiQ represents a broad category of crop protection, soil health, and plant nutrition products that are derived from nature. BiologiQ

products can be used individually or in combination with conventional chemical products under an Integrated Pest & Nutrition Management (IPNM) plan to produce powerful results for the crop and the soil. BiologiQ portfolio supports 4Rs – Resistance, Residue, Resurgence, and Soil Rejuvenation management with different action modes, resulting in increased crop yield and farm productivity.

BiologiQ range has been introduced with 6 products that are: Whiteaxe biological insecticide, Nemataxe biological insecticide, Downil biological fungicide, Sporenil biological wilticide, Myconxt biological biofertilizer and Omninx biological biofertilizer.

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”**.

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 under “Investors” Section.

Business Responsibility and Sustainability Reporting

The Company is also providing Business Responsibility and Sustainability Report as stipulated under the Listing Regulations. The Business Responsibility and Sustainability Report (BRSR) describes about the initiatives taken by the Company from an environmental, social and governance perspective and it is displayed on the Company's website at www.dhanuka.com under “Investors” section.

A copy of the BRSR Report is annexed to this Report as **Annexure-“D”**.

Meetings of the Board

Four Meetings of the Board of Directors were held during the Financial Year 2022-23. Detailed information about meetings of the Board of Directors and its Committees are 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.

Board of Directors and KMP

- In accordance with the provisions of the Companies Act, 2013, Mr. Ram Gopal Agarwal, Whole-time Director under designation Chairman and Mr. Mridul Dhanuka, Non-Executive Director will be liable to retire by rotation at the ensuing Annual General Meeting and, being



eligible, they have offered themselves for re-appointment. Their re-appointment is recommended for the Members' approval at the ensuing 38th Annual General Meeting.

- Demise of Mr. Arun Kumar Dhanuka, Whole-time Director of the Company on 30th January, 2023.
- The Board of Directors after the recommendation of the Nomination and Remuneration Committee at its Meeting held on 10th February 2023 has designated Mr. Rahul Dhanuka as Joint Managing Director of the Company with immediate effect.
- The Board of Directors after the recommendation of the Nomination and Remuneration Committee at its Meeting held on 10th February 2023 has designated Mr. Harsh Dhanuka as Executive Director- Alliances & Supply Chain of the Company with immediate effect.
- The Board of Directors after the recommendation of the Nomination and Remuneration Committee and Audit Committee at its Meeting held on 25th May 2023 has approved to increase the Annual Commission payable to Mr. Harsh Dhanuka, Executive Director- Alliances & Supply Chain from 0.5% to 1.5% of the Net Profit of the Company as calculated as per section 198 of the Companies Act, 2013 effective from the FY 2023-24 which is subject to the approval of Members at the ensuing 38th Annual General Meeting of the Company.
- The Board of Directors after the recommendation of the Nomination and Remuneration Committee at its Meeting held on 25th May 2023 has designated Mr. Mahendra Kumar Dhanuka as Vice Chairman & Managing Director of the Company with immediate effect.
- There is no change in Chief Financial Officer and Company Secretary of the Company during the FY 2022-23

Familiarization Program

Details of Familiarization Program for Independent Directors is available on the website of the Company i.e. www.dhanuka.com under the "Investors" Section.

Directors' Responsibility Statement

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

- The applicable Accounting Standards have been followed along with proper explanations relating to material departures while preparing the Company's Standalone and Consolidated Annual Accounts for the Financial Year ended 31st March, 2023.
- 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.

- 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.
- The Directors have prepared the Standalone and Consolidated Annual Accounts on an ongoing concern basis.
- The Directors have laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and operating effectively.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Corporate Governance

Your Company maintains the 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 Code of Conduct as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015 based on the principles of good Corporate Governance and Best Management Practices. The Code is available on the Company's website i.e., 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 the Statutory Auditors' Certificate confirming compliance with Corporate Governance norms is annexed to this Report.

Management Discussion & Analysis

The Management Discussion and Analysis is given separately and forms part of the 38th Annual Report of the Company.

Corporate Social Responsibility (CSR)

Agriculture is the culture of our Country and we are nurturing the "Culture" by protecting the same. CSR is not just a particular program but is what your Company does every day, maximizing positive impact on society and thus helping people to be happier. Your Company undertakes several initiatives like implementation of various education and training programs, construction of school, creating awareness among the masses about Water Conservation and Rainwater Harvesting. These are



steps aimed at nurturing Agriculture and rural prosperity.

The detailed Annual Report on the Company's CSR activities pursuant to the Company's (Corporate Social Responsibility Policy) Rules, 2021 is given in **Annexure "E"** forming part of this Report.

Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

Your Company has zero-tolerance for Sexual Harassment of Women at the 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 comprises Ms. Swati Chaudhary (Presiding Officer), Mr. Abhishek Bijoy (Member), Ms. Anita Mehta (Member) and Ms. Vaishali Rastogi (External Member). The Company has also formulated a Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at the workplace. The Company's Policy under this Act is available on the Corporate Website i.e., www.dhanuka.com under "Investors" Section. The ICC provides a mechanism for reporting and redressing complaints related to Sexual Harassment of Women at the workplace. The Committee has neither received any complaint of Sexual Harassment during the Financial Year 2022-23, nor has any complaint been received in previous years.

Committees of the Board

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

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 under "Investors" Section. No complaint under this Policy has been received by the Company during the year.

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 this 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.

Declaration by Independent Directors

The Non-Executive Independent Directors of the Company have given the declarations 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.

Further, in the opinion of the Board, Independent Directors of the Company are persons of high integrity, expertise and experience and thus qualify to be appointed/continue as Independent Directors of the Company. Further, as required under section 150(1) of the Companies Act, 2013 they have registered themselves as Independent Directors in the Independent Director Data Bank.

The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct as prescribed in Schedule IV to the Companies Act, 2013.

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, based on the recommendation received from the Nomination and Remuneration Committee, 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 and the Board found that the evaluation is satisfactory and no observations were raised from the said evaluation in the Financial Year.

Policy on Appointment and Remuneration of the Directors, Key Managerial Personnel and Senior Management

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 available on the Company's website i.e., www.dhanuka.com under "Investors" Section.

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.

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 “F”** forming part of this Report. Notes to Accounts cover information on Related Party Transactions entered into by the Company.

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.

The Policy on Related Party Transactions is available on the website of the Company i.e., www.dhanuka.com under the “Investors” Section.

Risk Management Policy and Internal Adequacy

For Dhanuka, on-going Risk Management is a core function of Company's Management and it recognizes 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.

Risk Management Committee

A Risk Management Committee of the Board of Directors has been constituted in the Board Meeting held on 10th June, 2020. Mr. Rahul Dhanuka is the Chairman and Mr. Harsh Dhanuka, Mr. Sanjay Saxena, and Mr. VK Bansal are the members of the Committee.

The scope of the Committee is to identify the elements of risk in different areas of operations and to develop a policy for actions associated to mitigate the risks and to identify new and emergent risks. This Committee will inform the Board, on a timely basis, about risk assessment and minimization procedures, which in the opinion of the Committee may threaten the existence of the Company, if any.

An updated Risk Management Policy has been adopted by the Board in its Meeting held on 10th February, 2023, which is also available on the website of the Company i.e. www.dhanuka.com under the “Investors” section.

Internal Control Systems and their adequacy

Post Resignation of Mr. Gautam Mittal, Chief Internal Auditor,

Mr. Rohit Khaneja, was appointed as Chief Internal Auditor of the Company by the Board in their Meeting held on 10th February, 2023. He is a Chartered Accountant having 13+ years of rich experience in Internal Audit, Corporate Governance, Management Assurance and process revamps. He heads the Internal Team to handle the complete Internal Audit functions of the Company along with all functions.

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

Statutory Auditors

As per Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the First Term of the M/s. S.S. Kothari Mehta & Co., Chartered Accountants (FRN – 000756N) as Statutory Auditors of the Company will expire at the ensuing 38th Annual General Meeting of the Company.

The Board in its Meeting held on 25th May, 2023 has recommended the re-appointment of M/s. S.S. Kothari Mehta & Co., Chartered Accountants (FRN – 000756N) as Statutory Auditors of the Company for a further period of 5 years from the conclusion of 38th AGM till the conclusion of 43rd AGM of the Company, subject to approval by the Members at the ensuing AGM of the Company.

The Audit Report given by M/s. S.S. Kothari Mehta & Co., Chartered Accountants on the Financial Statements of the Company (on Standalone and Consolidated basis) for the Financial Year 2022-23 forms part of the Annual Report. There have been no qualification, reservation or adverse remark 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.

Secretarial Auditors

The Secretarial Audit of the Company was carried out by M/s. R&D, Company Secretaries, Practising Company Secretaries (PCS) for the Financial Year 2022-23. The Report given by the Secretarial Auditors is annexed as **Annexure “G”** and forms an integral part of this Director's Report. Further, in terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) (Amended) Regulations, 2015, Annual Report



on Compliance from Secretarial Auditors also forms part of Secretarial Audit Report as **Annexure “H”**.

There have 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, on the recommendation of the Audit Committee, the Board in their Meeting held on 25th May, 2023 has appointed M/s. Ranjeet Pandey & Associates, Company Secretaries, (PCS), having Registered Office at A-160 (LGF), Defence Colony, New Delhi-110024 as the Secretarial Auditors of the Company for the Financial Year 2023-24. 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.

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, has appointed M/s. N. Khandelwal & Associates, Cost Accountants, having its Registered Office at A-71, Triveni Nagar, Gopalpura Bypass, Jaipur, Rajasthan-302018, as Cost Auditors to conduct Audit of the Cost Accounts maintained by the Company for the Financial Year 2023-24.

Status of Listing Fees

Listing Fees for the Financial Year 2023-24 have been duly paid to BSE and NSE, where Company's shares are listed.

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.

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 “I”** to this Report. The information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate Annexure forming 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 aforesaid Annexure. The said Annexure is open for Inspection and any Member interested in obtaining a copy of the said statement may write to the Company Secretary.

Other disclosures:

Your Directors state that no disclosure or reporting is required with respect to the following items as there were no transactions related to these items during the year under review:

- Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year;
- Difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

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, 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/-
Mahendra Kumar Dhanuka
Vice Chairman & Managing
Director
DIN: 00628039

Sd/-
Rahul Dhanuka
Jt. Managing Director
DIN : 00150140

Place: Gurugram
Date: 25th May 2023



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 which shall be included in the Annual Report of the Company.

2. OBJECTIVE

- To maintain fairness, consistency and sustainability in distributing profits to the members of the Company.
- To ensure enhancement in wealth of members.

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 use by 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 shares, buy-back of shares 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.

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 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.

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 COMPANIES- M/S. DHANUKA AGRI-SOLUTIONS PRIVATE LIMITED AND M/S. DHANUKA CHEMICALS PRIVATE LIMITED.

| Name of the Subsidiary Company | M/s. Dhanuka Agri-Solutions Private Limited, Bangladesh | M/S. Dhanuka Chemicals Private Limited |
|--|--|---|
| Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 1 st April 2022 to 10 th October, 2022 | 1 st April 2022 to 31 st March 2023 |
| Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | Bangladesh Taka (Exchange Rate 1 BDT=INR 0.8055) | Indian Rupees (In Lacs) |
| Share capital (Rs.) | NIL | 1.00 |
| Reserves & surplus | NIL | (0.98) |
| Total assets | NIL | 0.39 |
| Total Liabilities | NIL | 0.39 |
| Investments | NIL | NIL |
| Turnover | NIL | NIL |
| Profit before taxation | (8036) | (0.68) |
| Provision for taxation | NIL | NIL |
| Profit after taxation | (8036) | (0.68) |
| Proposed Dividend | NIL | NIL |
| % of shareholding | 100% | 100% |

For and on behalf of the Board of Directors

Sd/-
Mahendra Kumar Dhanuka
Vice Chairman & Managing Director
DIN: 00628039

Sd/-
Rahul Dhanuka
Jt. Managing Director
DIN: 00150140

Sd/-
V.K. Bansal
CFO

Sd/-
Jitin Sadana
Company Secretary
FCS-7612

Date: 25th May, 2023
Place: Gurugram



Annexure 'C'

(A) Conservation of Energy

1. We have carried out energy audit from approved outsource agencies in the last year (Aug-22) and following recommendations have been implemented to save energy
 - i.) Tuned-up the capacitor bank to avoid over-charging current charges.
 - ii.) Introduced common receiver tank for compressed air nearer to higher-pressure requirements compressor.
 - iii.) Replaced compressor with permanent magnet screw compressor with VFD.
 - iv.) Replaced non-star rated AC with 5 star rated AC
 - v.) Replaced rubber pipeline with the GI fixed pipeline for the compressed air to avoid line leakages.
 - vi.) Modification of layout of liquid manufacturing done, and resulted into removal of pumps and material flow by gravity
2. Automatic on/off system installed in an underground water tank and overhead water tank. The pump will run automatically when a low level achieves and stops when a high level achieves. Hence reduced consumption of electricity.
3. Modification of layout of liquid manufacturing done, and resulted into removal of pumps and material flow by gravity
4. Diesel based FBD has been replaced with electrical based drying
5. Electromagnetic Flowmeter installed on ETP/STP water line for proper assessment.
6. Maximized Reuse/ Recycle of Waste Water: 100%STP treated water is being used for gardening area and in hot water generators for the melting of technical.
7. Installation of chiller in PD lab to maintain reflux temperature (earlier there was a provision of controlling temperature through ice, In such way there is handsome saving of energy (thermostat provision in chiller) as well as able to reduce water wastage.
8. Reduced the consumption of Paper usage. Promoted soft copy record instead of hard copy, using both sides of the paper for writing purpose, no printouts were taken unless it was essential & monitoring of consumption of paper.
9. Reuse of reflux-distillation water being used for testing/analysis of product in the laboratory.

10. Installation of 257 KW Solar power energy system for captive consumption.
11. Conversion of existing light fittings to LED light fittings have been completed in all areas so that improve energy saving & safety also
12. With the installation of 2 New Filler with buffer tank, pump ON – OFF time is reduced, helps in power saving (with reduced run time)

(B) Technology absorption

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

1. New Filling line installed with more advanced features like conveyor washing system, enhanced capacity.
2. ISO 9001-2015, ISO 14001-2015, OHSAS 18001-2007 and The ISO 45001-2018 for occupational health and safety management system certification audit completed and was successful.
3. Installation of 2 automatic six head fillers
4. Introduction of FAS & FPS system Water Harvesting System (recharge well type) and advance OHC.
5. Separated charging and packing activity for M-45 & Sixer plant to enhance OH&S by reducing dust generation.
6. Modification and installation of new dust collector for Dhanzyme-G & Dhanzyme Gold-Gr plant for enhancing EMS.
7. Introduced separate plant for Dhanuvit formulation and packing to reduce risk of contamination.
8. Introduced new racking system for storage of FG to enhance storage capacity.
9. Introduced conveyor system for loading and unloading activity (manual to auto semi -system).
10. Introduced waste water (PD lab & QC lab effluent) storage tank to minimize risk of contamination.
11. FFS machine introduction in Dhanzyme granule packing activity to enhance productivity and to improve work culture through atomization packing
12. Start-up of packing of 15 ml/g SKU of Dhanzyme gold liquid /Dhanuvit through 4 track FFS machine resulting enhancement of 4 times productivity with same power consumption & operator & supervisor also.
13. Started packing of COC through FFS machine (Initially was manual filling), to increase the productivity 2 times in comparison to manual filling to save power & time
14. NABL audit surveillance audit conducted and



successful, renewal letter released by NABL authority.

15. QR Coding: As we have started QR code on all products with Child Parent QR code Mapping system on all products & its SKU's which have helped in many ways to the investor as well as consumers

- Eliminated Product Piracy
- Reaches the trusted product with surety to consumers
- Improved traceability
- Effectiveness can be easily Measured

16. ZLD Plant: This helps in maximized recovery of water in consistent manner.

ZLD (Zero Liquid Discharge) is a treatment process designed to remove all the liquid waste from a system. ZLD reduces wastewater economically & produce clean water that is suitable for reuse & beneficial to the environment.

17. PIEZOMETER: This new device is installed in plant to check the ground water level, to monitor the water usage & consumption.

(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, the 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 Udampur 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.

Dhanuka Agritech has set up a state-of-the-art Research & Training center for farmers at Palwal. Dhanuka Agriculture Research & Technology Centre- DART was inaugurated on 4th November 2022 by the Honourable Chief Minister of Haryana, Shri Manohar Lal ji. It consists of 11 R&D laboratories, a training centre for internal & external stakeholders and well-developed research farm with precision technologies with AI.

(C) Research & Development

Since its very inception, our Research & Development Division continues to play a pro-active role in introduction and establishment of new products and services. This Division today has a highly qualified and experienced multi-disciplinary team having distinguished Scientists/Technocrats, with immense experience of working in the Indian Council of Agricultural Research (ICAR), State Agricultural Universities (SAU), and other esteemed research organizations across the Country and abroad. 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 India.

In order to fulfil its mandate, the Division is actively engaged in (i) evaluating new and current products in different agro-climatic regions of the Country, (ii) product promotion and creating awareness about newly introduced products amongst different stakeholders, (iii) channelizes information to consumers on safe and judicious use, (iv) develops interface with SAUs, ICAR and its Institutes and other such academic organizations, and (v) 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 of the Govt. of India and submit for approval of the Central Insecticide Board & Registration Committee (CIB & RC), Govt. of India. Further, it 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 and registration of products under Section 9(3) and 9(4) of the Insecticides Act, etc.

During 2022-2023, Company has received various certificates from CIB&RC, Govt. of India under different sections.

Decide, Insecticide (Etofenprox 6% + Diafenthiuron 25% WG) for the control of Thrips (*Scirtothrips dorsalis*), Mite



(Polyphagotarsonemus latus), White fly (Bemisia tabaci), Fruit borer (Helicoverpa armigera) in Chilli u/s 9 (3) FIM (Formulation Indigenous Manufacture).

Amisulbrom technical 98.5% w/w min. u/s 9(3) TI (Technical Import).

Dinotefuron 20% SG, insecticide for control of Aphids, Jassids, Thrips and Whitefly in Cotton and Brown plant hopper in Paddy u/s 9 (4) FIM.

Bispyribac Sodium 10% SC, herbicide for control of various different types of weeds (Narrow leaf weeds, Broad leaf weeds and Sedges) in Rice (DSR), Rice (Nursery), Rice (TPR) u/s 9 (4) FIM.

In addition to this, certificates have been received for export u/s 9(3) for Clodinafop-propargyl 8% EC, Cypermethrin 40% EC, Thiophanate methyl 50% SC, Ametryn 50% SC, Ametryn 80% WP, Pendimethalin 50% SC, Pendimethalin 40% EC, Atrazine 90% WG, Atrazine 50% SC and Tebuconazole 25% EW.

Following Endorsements has been received by CIB&RC u/s 9(3) & 9(4).

New/alternate packaging endorsements of Kasugamycin 5% + Copper Oxychloride 45% WP, Amisulbrom 17.7% SC, Carbenfuzim 25% + Flusilazole 12.5% SE u/s 9(3) and Azoxystrobin 18.2% + Difenoconazole 11.4% SC, Pyrazosulfuron ethyl 70% WDG, Kasugamycin Technical 64% min. u/s 9(4).

Change of name and address of approved source of import of Halosulfuron Methyl Technical 97% w/w and Amisulbrom 17.7% SC u/s 9(3).

The registration process being an on-going activity, the proposals are in the pipeline for some new fungicides, insecticides and herbicides. Similarly, data generation is in progress for Herbicides, fungicides and insecticides.

International collaborations

Your Company continues to have technical collaborations with MNCs like BASF, AMVAC Chemical Corporation, M/s Corteva Agri Sciences (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 Hokko Chemical Co. Limited, M/s Mitsui Chemicals, Inc., M/s Nissan Chemical Corporation, M/s. Nippon Soda Co., Ltd. and M/s OAT Agri 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 to enhance on-farm income, across the country.

Capacity building of Agri-input dealers

As knowledge is becoming the driving force for success in any enterprise, more so in agriculture, our Group is continuously pursuing upgrading the knowledge of agri-input dealers (over 4 lakh at present), who play an important role of the credible agriculture technology providers. Your Company was the first to

join hands with the National Institute of Agricultural Extension Management (MANAGE), Hyderabad under Public-Private Partnership (PPP), and supported its out-reach Diploma in Agricultural Extension for Input Dealers (DAESI), way back in 2002. With positive feedback, on our initiative under public-private partnership (PPP), earlier 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 outreach program, in which your Company met 50% of the fee. We are happy to share that the Company has entered/signed MoUs with various universities to jointly conduct research in crop protection including Netaji Subhas University of Technology, New Delhi, Keladi Shivappa Nayaka University of Agricultural & Horticultural Sciences, Shivamogga (Karnataka), Acharya N. G. Ranga Agricultural University, Guntur, Andhra Pradesh, Govind Ballabh Pant University of Agriculture and Technology, Pantnagar (GBPUA&T), Chaudhary Charan Singh Haryana Agricultural University, Hisar, Sri Karan Narendra Agriculture University, Jobner, Jaipur, Lovely Professional University, Punjab, Maharana Pratap Horticultural University, Karnal.

The R&D Division continued to publish technical publications (Booklets and Folders) in an easy to comprehend style, which serves a handy source of information for all concerned to provide credible information to the farming community.

The expenditure incurred on R&D during Financial Year 2022-23 and in the preceding year is as below:

(Rs. in Lacs)

| Particulars | 2022-23 | 2021-22 |
|--|---------|---------|
| Capital | 890.84 | 243.20 |
| Recurring | 254.03 | 384.77 |
| Total | 1144.87 | 627.97 |
| Total R&D expenditure as % of total turnover | 0.67% | 0.36% |

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 Lacs)

| Particular | 2022-23 | 2021-22 |
|---------------------------|-----------|-----------|
| Foreign Exchange Earned | 2750.76 | 1,396.89 |
| Outgo of Foreign Exchange | 25,633.79 | 20,679.51 |



Looking beyond

Of-late, the focus of research in crop protection chemicals is continuously expanding and besides developing eco-friendly plant protection molecules, innovative formulation and application technology, enhancing shelf-life are some of the fast-emerging areas. The pesticide research across the world is coming with newer economically viable and environment-friendly molecules and safer use technology. Your Company's R&D Division has a futuristic look and thus continuously exploring newer opportunities for collaboration and undertaking lab and on-field 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/-

Mahendra Kumar Dhanuka

Vice Chairman & Managing Director

DIN: 00628039

Place: Gurugram

Dated: 25th May, 2023

For and on behalf of the Board

Sd/-

Rahul Dhanuka

Joint Managing Director

DIN : 00150140



Annexure 'D'

Annexure – A

**Business Responsibility and Sustainability Reporting by listed entities
SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021**

SECTION A : GENERAL DISCLOSURES

I. Details of the listed entity

| Sl. No | Required Information | |
|--------|--|---|
| 1 | Corporate Identity Number (CIN) of the Listed Entity | L24219DL1985PLC020126 |
| 2 | Name of the Listed Entity | M/s. Dhanuka Agritech Limited |
| 3 | Year of incorporation | 13-02-1985 |
| 4 | Registered office address | 82, Abhinash Mansion, 1st Floor, Joshi Road, Karol Bagh, New Delhi -110 005 |
| 5 | Corporate address | Global Gateway Towers, MG Road, Near Gurudronacharya Metro Station, Gurgaon- 122002 |
| 6 | E-mail | investors@dhanuka.com |
| 7 | Telephone | 91-124-4345000 |
| 8 | Website | www.dhanuka.com |
| 9 | Financial year for which reporting is being done | 31st March, 2023 |
| 10 | Name of the Stock Exchange(s) where shares are listed | 1. BSE Limited (BSE) 2. The National Stock Exchange of India Ltd. (NSE) |
| 11 | Paid-up Capital | Rs. 9,11,56,648 |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Mr. Jitin Sadana, Company Secretary & Compliance Officer, investors@dhanuka.com , 91-124-4345000 |
| 13 | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | The report is prepared on the standalone basis |

II. Products / Services

| | | | | |
|----|---|------------------------------|--|---------------------------------|
| 14 | Details of business activities (accounting for 90% of the turnover): | | | |
| | Sl.No | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
| | 1 | Manufacturing | Chemical and chemical products, pharmaceuticals, medicinal chemical and botanical products | 83.06 |
| | 2 | Trade | Wholesale Trading | 16.94 |
| 15 | Products/Services sold by the entity (accounting for 90% of the entity's Turnover): | | | |
| | Sl.No | Product / Service | NIC Code | % of total Turnover contributed |
| | 1 | Agro Chemicals | 20211 | 100 |

III. Operations

| | | | | |
|----|--|------------------|-------------------|-------|
| 16 | Number of locations where plants and/or operations/offices of the entity are situated: | | | |
| | Location | Number of plants | Number of offices | Total |
| | National | 3 | 8 | 11 |
| | International | Nil | Nil | Nil |



| | | |
|----|--|--|
| 17 | Market Served by the entity: | |
| a. | Number of locations | |
| | Locations | Number |
| | National (No. of States) | PAN basis |
| | International (No. of Countries) | 3 |
| b. | What is the contribution of exports as a percentage of the total turnover of the entity? | 0.97% |
| C. | A brief on type of customers | Dhanuka Agritech Limited is one of India's leading agrochemical Companies and was listed by Forbes Magazine as "200 Best under Billion Companies in the Asia Pacific". We are listed with the BSE Ltd and the National Stock Exchange of India Ltd. The 3 manufacturing units with 39 warehouses and a network of 8 branch offices across the Indian geography caters to 6500 Distributors & around 75,000 Dealers. Supported by a strong R&D division and a robust distribution network helps Dhanuka to reach out to approximately 10 million Indian farmers with its products and services. |

IV. Employees

| | | | | | | | | | | |
|----|--|---|-----------|--------|--|--------|---------|--|--------|-------|
| 18 | Details as at the end of Financial Year: | | | | | | | | | |
| a. | Employees and workers (including differently abled): | | | | | | | | | |
| | Sl.No | Particulars | Total (A) | Male | | Female | | | | |
| | | | | No.(B) | % (B/A) | No. C | % (C/A) | | | |
| | Employees | | | | | | | | | |
| | 1 | Permanent (D) | 1041 | 990 | 95% | 51 | 5% | | | |
| | 2 | Other than Permanent (E) | 16 | 13 | 81% | 3 | 19% | | | |
| | 3 | Total employees (D+E) | 1057 | 1003 | 95% | 54 | 5% | | | |
| b. | Differently abled Employees and workers: | | | | | | | | | |
| | Sl.No | Particulars | Total (A) | Male | | Female | | | | |
| | | | | No.(B) | % (B/A) | No. C | % (C/A) | | | |
| | Differently Abled Employees | | | | | | | | | |
| | 1 | Permanent (D) | NA | NA | | NA | | | | |
| | 2 | Other than Permanent (E) | NA | NA | | NA | | | | |
| | 3 | Total differently abled employees (D+E) | NA | NA | | NA | | | | |
| 19 | Participation/Inclusion/Representation of women: | | | | | | | | | |
| | Total (A) | No. and percentage of Females | | | | | | | | |
| | | No. (B) | % (B / A) | | | | | | | |
| | Board of Directors | 13 | 1 | 8% | | | | | | |
| | Key Management Personnel* | 2 | 0 | 0% | | | | | | |
| | *KMPs (excluding Directors) | | | | | | | | | |
| 20 | Turnover rate for permanent employees and workers (Disclose trends for the past 3 years) | | | | | | | | | |
| | | FY 2022-23 (Turnover rate in current FY) | | | FY 2021 - 22 (Turnover rate in previous FY) | | | FY 2020-21 (Turnover rate in the year prior to the previous FY) | | |
| | | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| | Permanent Employees | 29.5% | 42.4% | 29.9% | 23.1% | 24.1% | 23.1% | 21.2% | 9.7% | 20.8% |



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

| | | | | | | |
|----|-----|---|---|--|-----------------------------------|--|
| 21 | (a) | Name of holding / subsidiary / associate companies / joint ventures | | | | |
| | | Sl.No | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
| | | 1 | M/s. Dhanuka Agri-Solutions Pvt. Ltd. incorporated in Bangladesh | Wholly Owned Subsidiary | Under Liquidation | No |
| | | 2 | M/s. Dhanuka Chemicals Pvt Ltd. Incorporated in India | Wholly Owned Subsidiary | 100 | No |

VI. CSR Details

| | | |
|----|---|---------|
| 22 | (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) | Yes |
| | (ii) Turnover (in Crore.) | 1700.22 |
| | (iii) Net worth (Crore.) | 1061.31 |

VII. Transparency and Disclosure Compliances

| | | | | | | | | |
|----|---|--|--|--|---------|--|--|---------|
| 23 | Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct: | | | | | | | |
| | Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 2022-23 | | | FY 2021-22 | | |
| | | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| | Communities | NO | 0 | 0 | - | 0 | 0 | - |
| | Investors (other than shareholders) * | NA | NA | NA | - | NA | NA | - |
| | Shareholders | YES | 1 | 0 | - | 0 | 0 | - |
| | Employees and workers | YES | 0 | 0 | - | 6 | 0 | - |
| | Customers | YES | 0 | 0 | - | 0 | 0 | - |
| | Value Chain Partners including Customers | Yes | 178 | 5 | - | 123 | 0 | - |
| | * Details of Investors (including Bond Holders) /Shareholder are covered) :- The Company has only Equity Shareholders. | | | | | | | |



| 24 Overview of the entity's material responsible business conduct issues | | | | | | |
|--|----------------------------------|--|--|--|---|--|
| Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format | | | | | | |
| Sl. No | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) | |
| 1 | Ensuring Food Supply | Risk and Opportunity | <p>Risk: Human population is expected to grow to 9.71 billion by 2050. Ensuring food security for 9 billion+ people is no mean feat.</p> <p>Opportunity: Our approach to ensuring food security involves higher yield, safer food.</p> | The philosophy of the Company is to tie up with innovators, especially Japanese Companies, and launch new products which are safe for use when use within permissible limit, Environmental friendly and have lesser residues for the benefit of the Indian farming community. For instance, our range of biologiq products have been designed to incorporate social and economic concerns. Environmental considerations get incorporated into each proposal through hazard analysis and what-if analysis. We work with the farmers closely to improve the yield and enhance productivity, all our efforts are directed towards their enrichment. | Positive | |
| 2 | Board diversity and independence | Opportunity | Opportunity: The company's efforts towards Board diversity and development directly conveys its resolute commitment towards the inclusion of women at the Board and at the company level. | | Positive: A strong and diverse Board highlights the Company's efforts towards creating a strong leadership and work environment in addition to creating a positive approach toward company's development and better results. | |
| 3 | Water Management | Risk and Opportunity | Risk: Water has been identified as a key material issue under environmental risk. The environmental risks are addressed to emphasize the Company's climate consciousness and its contribution | In order to address concern of Global Warning, Dhanuka Agritech Limited, developed campaign focused on motivating the people for saving minimum 1 (one) litre water daily. The engaging content urged to give back water to farmers for a better tomorrow, was well received by Dhanuka's social | Positive: The Company's focus on strengthening climate and ESG specific initiatives boost long-term value-creation and enables the company to effectively respond to rising stakeholder demands. | |



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| | | | <p>toward developing mitigation action plans against climate change.</p> <p>Opportunity: Comprehensive water management plans in alignment with the company's environment conservation strategy will highlight the Company's commitment to improving environment water preservation and its contribution towards climate change.</p> | <p>media followers. Many such campaigns saw positive reach in social media platform and created niche for Dhanuka in digital media. Dhanuka leadership also coined a slogan of "Gaon ka paani, gaon mein aur Khet ka pani, khet mein" to create awareness about water conservation.</p> | <p>Negative: Lack of robust initiatives and action plans to contribute to ESG awareness and climate change could adversely impact business operations.</p> |
| 4 | Business Ethics | Risk | <p>Risk: ESG compliance risk is linked to non-adherence with the standards and guidelines of all regulatory agencies, focusing on crop care and ensuring minimal negative impact of the products on crops.</p> | <p>The Company is committed to grow in a socially and environmentally responsible way, while meeting the interests of its major stakeholders.</p> <p>In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Whistle Blower Policy has been implemented as a mechanism for employees, suppliers, contractors etc 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.</p> <p>· The Policy is a step towards better Corporate Governance and is available on the Company's website.</p> | <p>Positive: Compliance with relevant regulatory requirements pertaining to the ESG domain reflects the Company's commitment towards responsible business practices.</p> <p>Negative: Non-compliance with ESG and regulatory requirements, may affect the Company's image and impact its business continuity in the long term.</p> |
| 5 | Transparency, Accountability & Reporting | | | | |



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|---|----------------------|------|--|---|--|
| 6 | Sustainable Products | Risk | <p>Risk: Due to the high vulnerability of product quality and safety issues for the Agrochemical sector, addressing risks relevant to product responsibility is critically important. The risk analysis and consecutive mitigation action plans are linked with the standards and guidelines of all regulatory agencies, focusing on responsible pesticide, fungicide, and insecticide, proprietary, and other core governance standards.</p> | <p>Dhanuka's multiple products are in the category of having social or environmental concerns, risks and/or opportunities.</p> <ul style="list-style-type: none"> a. Suelo: Soil Health Enhancer b. MYCORE: Bio Fertilizer c. PGR's Plant growth regulators for healthy crops d. BiologiQ: Insecticide, fungicide and plant nutrition products that is sustainable, environmental friendly and safe for use. <p>We educate, emphasize and encourage our farmers to use modern agriculture practices for enhancing production by resulting saving in energy and water of the initiatives are;</p> <ul style="list-style-type: none"> -Soil Testing: at our R&D facility in Palwal, Haryana. -Crop Insurance: Our Company is publicizing highlights of Pradhan Mantri Fasal Beema Yojna (PMFBY) in our Monthly advisory for the farmers and our field staff has the necessary brief of opening their meetings-field visits, trainings, on-farm demonstrations etc. -Improved Seeds and Seed Treatment: Dhanuka Group is providing machines for seed treatment at the farmer's door-step, conducting on-farm demonstrations by the Krishi Vigyan Kendras (KVK), developed a jingle (Har Beej ko Suraksha Ka Teeka, Jaise Har Bache Ko Polio Ka Teeka) which was adopted by the Govt. of India as a part of its campaign. <p>Judicious use of Pesticides: Our Company advocates safe and judicious use of pesticides and following the recommended dose and application methods.</p> <p>Trainings and demonstrations are regularly organized to upgrade skills in handling spray pumps, selection of appropriate nozzle, safe storage of pesticides, disposal of containers after use, precautions for the person handling pesticides.</p> | <p>Positive: Compliance of products on the aspects of quality and safety from all relevant regulatory requirements, highlights the Company's commitment as well as integrity towards crop safety.</p> <p>Negative: Identification of major issues from the aspects of product safety and quality may lead to penalties and warnings from relevant regulatory authorities. Further, it may have an adverse impact on the brand image and value.</p> |
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Business Responsibility and Sustainability Reporting by listed entities SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

SECTION B : MANAGEMENT AND PROCESS DISCLOSURES

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

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | |
|--|---|--|-----|-----|-----|-----|-----|-----|-----|-----|
| Policy and management processes | | | | | | | | | | |
| 1 | a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | b. Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | c. Web Link of the Policies, if available | https://www.dhanuka.com/corporate-governance/key-policies | | | | | | | | |
| 2 | Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3 | Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4 | Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | ISO 9001:2015, ISO14001:2015, ISO 45001: 2018 National Guidelines on Responsible Business Conduct (NGRBC) | | | | | | | | |
| 5 | Specific commitments, goals and targets set by the entity with defined timelines, if any. | The company has identified material ESG issues which will help Dhanuka in setting targets and measures. Dhanuka strives to become a sustainable organization and in the process of developing or setting targets for its business. | | | | | | | | |
| 6 | Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | Dhanuka is committed to enhancing Sustainability practices in a formal manner by adopting the guidelines defined under NGRBC and will work on developing targets and measuring performance against them. | | | | | | | | |



Governance, leadership and oversight

| | | |
|--|--|--|
| 7 | Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) | The narrative of Indian agriculture is also continuously changing, with increasing digitalization, technology, and research. Farmers can now use simple tools to receive timely updates and relevant information. From soil issues, climate, weather prediction, and sustainable irrigation to supply chain gaps, better yield, and higher incomes, today's technology can address most of the farmer's challenges. Dhanuka has adopted a comprehensive approach to improve its triple bottom line (i.e., People, Planet and Profit) performance by integrating sustainability considerations in its business practices, decision-making, operations, and products. Dhanuka understands that the inclusion of sustainable practices is critical for surviving and thriving in the long run and therefore Dhanuka is diligently looking at adopting business products, procedures, processes, risks, and operations that reflect its long-standing view. invested in innovation and future growth through new molecules and technology-enabled operations which drive forward Dhanuka's transformation and sustainability commitment. 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, and deployment of water for agriculture and human use. The thrust is on training and educating farmers and dealers and transferring 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. This comprehensive approach showcases our leadership position in the industry as a sustainable Company. |
| 8 | Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | The Board of Dhanuka is responsible for the implementation and oversight of the Business Responsibility policy(ies) |
| 9 | Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | No |
| 10 | Details of Review of NGRBCs by the Company: | |
| Subject of Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) |
| | P1 P2 P3 P4 P5 P6 P7 P8 P9 | P1 P2 P3 P4 P5 P6 P7 P8 P9 |
| Performance against above policies and follow up action | As a practice, policies on the Business Responsibility of the Company are reviewed on need basis by the Board. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies & procedures are implemented | Need Basis/Ongoing Basis |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | The Company is in compliance with the existing regulations as applicable and a Statutory Compliance Certificate on applicable laws is provided by the MD & CFO to the Board of Directors | Quarterly |



| | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|----|--|--|----|----|----|----|----|----|----|----|
| 11 | Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency | Yes, the policies are independently assessed and evaluated by CareEdge Advisory. | | | | | | | | |
| 12 | If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated: | All Principles are covered by the Policies | | | | | | | | |
| | a. The entity does not consider the Principles material to its business (Yes/No) | | | | | | | | | |
| | b. The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| | c. The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| | d. It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| | e. Any other reason (please specify) | | | | | | | | | |

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Business Responsibility and Sustainability Reporting by listed entities SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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

Essential Indicators

| 1 | Percentage coverage by training and awareness programmes on any of the Principles during the financial year: | | | |
|---|--|--|---|---|
| | Segment | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact | % age of persons in respective category covered by the awareness programmes |
| | Board of Directors | 1 | An induction and familiarisation session is arranged for every independent Director on his/her appointment to the Board of Directors. The induction session, amongst others, includes an overview of the Company, its Charter, the industry in which it operates, its business strategies. On an ongoing basis, Dhanuka's Board conducts meetings and updates regarding ESG, the Code of Conduct for the Prevention of Insider Trading, the Code of Conduct for Directors and Senior Management, Corporate Governance, Risk Management, changes in the regulatory environment as applicable. Further, Independent Directors meet separately without the attendance of non-independent Directors to review the performance of non-independent Directors, and Board as a whole, and the performance of the Chairman of the Board. | 100 |
| | Key Managerial Personnel | 1 | Dhanuka's Code of Conduct serves to guide our actions, which are governed by integrity, honesty, fair dealing, and compliance with all applicable laws. The mandatory training on the Code of Conduct is designed to provide a framework against which conduct and behavior can be measured. It covers in detail the expected code as but is not limited to the equal opportunity, data and people privacy, conflict of interest, insider trading, bribery, improper payment, compliances, human rights, safe and secure work environment, POSH, etc. | 100 |



| | | | | | |
|---|-----------------|--|---|--|--|
| Employees | 1 | We strive to provide our employees with an inclusive workplace that helps them grow professionally and personally. Dhanuka believes in promoting employee well-being and providing a supportive environment to all employees and guidelines on employee health and safety. At Dhanuka, we have developed multiple training modules to cater to each function's and individual's training needs. Such training/awareness programs are on an array of topics, such as Prevention of Sexual Harassment, Skill Upgradation, etc. | (For POSH) 80* | | |
| 2 Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website): | | | | | |
| Monetary | | | | | |
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | Nil | Nil | Nil | NA | NA |
| Settlement | Nil | Nil | Nil | NA | NA |
| Compounding fee | Nil | Nil | Nil | NA | NA |
| Non- Monetary | | | | | |
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) | |
| Imprisonment | Nil | Nil | NA | NA | |
| Punishment | Nil | Nil | NA | NA | |
| 3 Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed. | | | | | |
| Case Details | | | Name of the regulatory/ enforcement agencies/ judicial institutions | | |
| Not Applicable | | | | | |
| 4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. | | | The company upholds a strong stance against unethical practices, such as bribery or kickbacks, and actively discourages associates and all other stakeholders from engaging in such activities. We maintain a zero-tolerance approach towards bribery and corruption, and are dedicated to conducting our business relationships professionally, fairly, and with utmost integrity, regardless of the cooperation involved. To effectively combat bribery, we have established robust guidelines and implemented stringent control measures. The consequences of engaging in malpractices are clearly defined, and associates are encouraged to promptly report any instances of misconduct that may have been overlooked. Our corporate governance practices are firmly built upon principles of honesty and integrity, ensuring compliance with all legal and regulatory obligations. Anti-corruption and bribery principles are reinforced through various channels, including the inclusion of specific terms in the employees' Appointment Letter upon joining the company. Additionally, the Code of Conduct, which outlines our ethical standards, is readily accessible to all employees through the HRMS portal. We also provide a Whistle Blower mechanism for reporting any concerns or wrongdoing. https://www.dhanuka.com/corporate-governance/key-policies | | |



| | | | | | |
|---|--|--|---|--------|---------|
| 5 | Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption: | | | | |
| | | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) | | |
| | Directors | Nil | Nil | | |
| | KMPs | Nil | Nil | | |
| | Employees | Nil | Nil | | |
| | Workers | Nil | Nil | | |
| 6 | Details of complaints with regard to conflict of interest: | | | | |
| | | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) | | |
| | | Number | Remarks | Number | Remarks |
| | Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil | Nil | Nil | Nil |
| | Number of complaints received in relation to issues of Conflict of Interest of the KMPs | Nil | Nil | Nil | Nil |
| 7 | Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. | | | | |
| | Not Applicable | | | | |

Leadership Indicators

| | | | |
|---|---|--|---|
| 1 | Awareness programmes conducted for value chain partners on any of the Principles during the financial year: | | |
| | Total number of awareness programmes held | Topics / principles covered under the training | % age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
| | 1445 | Product awareness Schemes | 100 % |
| <p>We educate, emphasize and encourage our farmers to use Modern Agriculture Practices for enhancing yields. We also educate them on how they can save energy and water during farming. Some of our initiatives are listed;</p> <ul style="list-style-type: none"> - Soil Testing: at our R&D facility in Palwal, Haryana - Crop Insurance: Our Company is publicizing highlights of Pradhan Mantri Fasal Beema Yojna (PMFBY) in our Monthly advisory for the farmers and our field staff has the necessary brief of opening their meetings, field visits, trainings, on-farm demonstrations etc. - Improved Seeds and Seed Treatment: Dhanuka Group is providing machines for seed treatment at the farmer's door-step, conducting on-farm demonstrations by the Krishi Vigyan Kendras (KVK), developed a jingle (Har Beej ko Suraksha Ka Teeka, Jaise Har Bache Ko Polio Ka Teeka) which was adopted by the Govt. of India as a part of its campaign. - Rainwater Harvesting and Reuse: We are always concerned about water scarcity and advise the farmer to creating small pond on their land. We have also constructed 4 check-dams in Rajasthan. - Judicious Use of Pesticides: Our Company advocates safe and judicious use of pesticides and following the recommended dose and application methods. Trainings and demonstrations are regularly organized to upgrade skills in handling spray pumps, selection of appropriate nozzle, safe storage of pesticides, disposal of containers after use, precautions for the person handling pesticides. - Liaison with Research Institute: We are in constant touch with farmers across the country and educating the farmers about different sources of advanced technology and linking them with SAUs, ICAR Institutes, and KVKs etc. | | | |



| | | |
|---|---|---|
| 2 | Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same | Yes, every Director of the Company discloses his/her concern or interest in the Company or companies or bodies corporate, firms, or other association of individuals and any change therein, annually or upon any change, which includes the shareholding interest. Further, a declaration is also taken annually from the Directors under the Code of Conduct confirming that they will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and the role therein. In the Meetings of the Board, the Directors abstain from participating in the items in which they are concerned or interested. For identifying and tracking conflicts of interest involving the Directors/KMPs of the Company, the Corporate Secretarial team maintains a database of the Directors and the entities in which they are interested. This list is shared with the Finance department for monitoring and tracking transaction(s) entered by the Company with such parties. Additionally, the Senior Management also affirms annually that they have not entered into any material, financial and commercial transactions, which may have a potential conflict with the interest of the Company at large. |
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Business Responsibility and Sustainability Reporting by listed entities SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

| | | | |
|---|---|---|---|
| 1 | Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively | | |
| | Current Financial Year | Previous Financial Year | Details of improvements in environmental and social impacts |
| | R & D | NIL | NIL |
| | Capex | NIL | NIL |
| 2 | a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) | Yes, the company is undertaking all the initiatives to source raw materials sustainably and the Company encourages local sourcing enabling the reduction in costs and environmental footprint of the transportation services. | |
| | b. If yes, what percentage of inputs were sourced sustainably? | 100% | |
| 3 | Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for | | |
| | (a) Plastics (including packaging) | Since the product is directly supplied to retailers, distributors, and end customers, the Company has limited scope for reclaiming it at the end of its life cycle. The company, however, has systems in place to recycle plastics (including packaging), e-waste, and hazardous waste in a safe manner. For the disposal of such waste, the Company contracts with authorized recyclers and files return with the appropriate statutory bodies. As a result, the amount of waste that leaves the Company is reduced. | |
| | (b) E-waste | | |
| | (c) Hazardous waste | | |
| | (d) other waste. | | |



| | | |
|---|---|--|
| 4 | Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. | The company is registered under EPR and received a certificate from CPCB for both BO (Brand owner) & Importer categories. Dhanuka has already submitted a plan to CPCB during the phase of online application. Here we have hired CPCB approved EcoEx (recycler) Platform for collecting and disposing of different categories of plastic. PIBOs can be rest ensured that their Plastic Waste EPR Targets will be duly fulfilled by our accredited Processors spread across the geography of the Indian Continent |
|---|---|--|

Leadership Indicators

| | | | | | | | |
|---|---|---|------------------------------------|--|---|--|-----------------|
| 1 | Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format? | | | | | | |
| | NIC Code | Name of Product /Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) If yes, provide the web-link. | |
| | Nil. The company has not conducted LCA. | | | | | | |
| 2 | If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same. | | | | | | |
| | Name of Product / Service | Description of the risk / concern | Action Taken | | | | |
| | NA | | | | | | |
| 3 | Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry). | | | | | | |
| | Indicate input material | Recycled or re-used input material to total material | | | | | |
| | | FY 2022-23 Current Financial Year | FY 2021-22 Previous Financial Year | | | | |
| | Nil | | | | | | |
| 4 | Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format: | | | | | | |
| | | FY 2022-23 Current Financial Year | FY 2021-22 Previous Financial Year | | | | |
| | | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| | Plastics (including packaging) | Nil | Nil | Nil | Nil | Nil | Nil |
| | E-waste | Nil | Nil | Nil | Nil | Nil | Nil |
| | Hazardous waste | Nil | Nil | Nil | Nil | Nil | Nil |
| | Other waste | Nil | Nil | Nil | Nil | Nil | Nil |
| 5 | Reclaimed products and their packaging materials (as percentage of products sold) for each product category | | | | | | |
| | Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category | | | | | |
| | Crop Care | 0.006 | | | | | |

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SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

| | | | | | | | | | | | | | |
|---------------------|---|--|--|--|------------|--------------------|--|--|--|--------------------|------------|---------------------|----|
| 1 | A | Details of measures for the well-being of employees: | | | | | | | | | | | |
| | | Category | % of employees covered by | | | | | | | | | | |
| | | | Total (A) | Health Insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) | |
| Permanent employees | | | | | | | | | | | | | |
| | | Male | 974 | 974 | 100% | 974 | 100% | NA | NA | NA | NA | NA | NA |
| | | Female | 51 | 51 | 100% | 51 | 100% | 51 | 100% | NA | NA | NA | NA |
| | | Total | 1025 | 1025 | 100% | 1025 | 100% | 51 | 100% | NA | NA | NA | NA |
| 1 | B | Details of measures for the well-being of workers: | | | | | | | | | | | |
| | | Category | % of employees covered by | | | | | | | | | | |
| | | | Total (A) | Health Insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) | |
| Permanent workers | | | | | | | | | | | | | |
| | | Male | 16 | 16 | 100% | NA | NA | NA | NA | NA | NA | NA | NA |
| | | Female | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| | | Total | 16 | 16 | 100% | NA | NA | NA | NA | NA | NA | NA | NA |
| 2 | Details of retirement benefits, for Current FY and Previous Financial Year. | | | | | | | | | | | | |
| | Benefits | FY 2022-23 | | | | | | FY 2021-22 | | | | | |
| | | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | | | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | | | | |
| | PF | 99.71% | NA | Y | 99.7% | | | NA | Y | | | | |
| | Gratuity | 100% | NA | Y | 100% | | | NA | Y | | | | |
| ESI | 8.03% | NA | Y | 8.00% | | | NA | Y | | | | | |



| | | |
|---|--|--|
| 3 | Accessibility of workplaces | |
| | Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard | Yes, As a principle the Company along with its subsidiaries through its Equal Employment Opportunity policy prohibits any kind of discrimination against any person with a disability in any matter related to employment as per the Right of Person with Disabilities Act, 2016, and Transgender persons (Protection of Rights) Act 2019. The corporate office and sites of Dhanuka have ramps for easy movement of differently-abled people and wheelchair-accessible restrooms are available. |
| 4 | Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy. | Yes, Dhanuka Agritech Limited has adopted an Equal employment opportunity and non-discrimination policy in accordance with the provisions of the Rights of Persons with Disabilities Act, 2016, and provides a framework that is committed to the empowerment of persons with disabilities. |
| 5 | Return to work and Retention rates of permanent employees and workers that took parental leave. | |
| | Gender | Permanent employees |
| | | Return to work rate Retention rate |
| | Male | 15 100% |
| | Female | 3 80% |
| | Total | 18 90% |
| 6 | Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief. | |
| | | Yes/No (If Yes, then give details of the mechanism in brief) |
| | Permanent Employees | <p>Yes, Dhanuka has established mechanisms to receive and redress. These mechanisms includes the Sahyog committee, which provides a confidential platform for employees to raise concerns. Employees can submit their grievances through letters or emails, ensuring anonymity and protection against retaliation.</p> <p>In addition to the Sahyog committee, Dhanuka has implemented a comprehensive Whistle-blower mechanism and Prevention of Sexual Harassment at Workplace (POSH) policy. The Whistle-blower mechanism allows employees to report any concerns or grievances, including instances of sexual harassment. The company takes these reports seriously and follows a stringent process outlined in the POSH policy to address them promptly and effectively.</p> <p>The grievance mechanism at Dhanuka is designed to ensure that all employees and workers have a safe and confidential avenue to raise their concerns, regardless of their category. It demonstrates the company's commitment to addressing grievances and maintaining a supportive work environment for all.</p> |



| | | | | | | | | | | | |
|------------------|---|--|--|---------|--|--|--|---------|----------------------|---------|-----|
| 7 | Membership of employees and worker in association(s) or Unions recognised by the listed entity: | | | | | | | | | | |
| | Category | | FY 2022-23 | | | | FY 2021-22 | | | | |
| | | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | | % (B / A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | | % (D / C) | | |
| | Total Permanent Employees | | Dhanuka's employees are currently not part of any employee association | | | | | | | | |
| | Male | | | | | | | | | | |
| | Female | | | | | | | | | | |
| | Total Permanent Workers | | | | | | | | | | |
| | Male | | | | | | | | | | |
| | Female | | | | | | | | | | |
| 8 | Details of training given to employees and workers: | | | | | | | | | | |
| | Category | FY 2022-23 | | | | FY 2021-22 | | | | | |
| | | Total (A) | On Health and safety measures | | On Skill upgradation | Total (D) | On Health and safety measures | | On Skill upgradation | | |
| | | | No. (B) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. F | % (F/D) | |
| Employees | | | | | | | | | | | |
| | Male | 990 | 925 | 93% | 550 | 56% | 945 | - | - | 500 | 53% |
| | Female | 51 | 15 | 29% | NA | NA | 28 | - | - | - | - |
| | Total | 1041 | 940 | 90% | 550 | 56% | 973 | - | - | 500 | 53% |
| 9 | Details of performance and career development reviews of employees and worker: | | | | | | | | | | |
| | Category | | FY 2022-23 | | | | FY 2021-22 | | | | |
| | | Total (A) | No.(B) | | % (B/A) | Total (C) | No.(D) | | % (D/C) | | |
| Employees | | | | | | | | | | | |
| | Male | 974 | 974 | | 100.00% | 945 | 945 | | 100.00% | | |
| | Female | 51 | 51 | | 100.00% | 28 | 28 | | 100.00% | | |
| | Total | 1025 | 1025 | | 100.00% | 973 | 973 | | 100.00% | | |
| 10 | Health and safety management system: | | | | | | | | | | |
| | a. | Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system? | | | Yes, Dhanuka's manufacturing sites and all locations have Occupational Health and Safety management system in place, in accordance with the guidelines provided by ISO 45001: 2018, OHSAS 18001 standards, and the legal requirements such as the Factories Act, Environment Protection Act, among others. | | | | | | |
| | b. | What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? | | | Dhanuka is committed to providing a safe and healthy workplace by minimizing the risk of accidents, injury, and exposure to health risks and it complies with applicable laws and regulations with respect to safety at the workplace. Dhanuka has taken an initiative to frame a comprehensive policy with respect to health and safety management system such as Process Hazard Analysis, Pre start-up safety review, Plant safety audit, Job safety analysis, Work Permit system, What if study, Work place monitoring, Noise monitoring, Illumination monitoring. Various facilities are available at Dhanuka manufacturing sites and Corporate Offices and its subsidiaries corporate offices premises such as proper ventilation, hygiene & sanitation, yearly safety audit, emergency exits, first aid box, etc | | | | | | |
| | c. | Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N) | | | Yes. Work related Hazards are being identified and addressed through a daily plant round and cross functional Behaviour and Safety Observation rounds | | | | | | |



| | | | | | | |
|----|---|--|---------------------------------------|------------|-----------------------|---------------------------------------|
| d. | Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No) | Yes, Dhanuka has insured its employees under group term insurance, health insurance and accidental insurance policies | | | | |
| 11 | Details of safety related incidents, in the following format: | | | | | |
| | Safety Incident/Number | Category | FY 2022-23 | FY 2021-22 | | |
| | Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | Nil | Nil | | |
| | | Workers | Nil | Nil | | |
| | Total recordable work-related injuries | Employees | Nil | Nil | | |
| | | Workers | Nil | Nil | | |
| | No. of fatalities | Employees | Nil | Nil | | |
| | | Workers | Nil | Nil | | |
| | High consequence work-related injury or ill-health (excluding fatalities) | Employees | Nil | Nil | | |
| | | Workers | Nil | Nil | | |
| 12 | Describe the measures taken by the entity to ensure a safe and healthy work place. | For dust-free areas - we have installed adequate nos of duct collector systems at different plant locations. All moving articles are covered with zero-access safety guards. All electrical equipment & machinery are connected with double earthing. All the earth pits are monitored as per scheduled. Various safety information is displayed at different plant locations. We have suitable PPE facilities to safeguard our employees and workers. | | | | |
| 13 | Number of Complaints on the following made by employees and workers: | | | | | |
| | | FY 2022-23 | | | FY 2021-22 | |
| | | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year |
| | Working Conditions | Nil | Nil | Nil | Nil | Nil |
| | Health & Safety | Nil | Nil | Nil | Nil | Nil |
| 14 | Assessments for the year: | | | | | |
| | | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) | | | | |
| | Health and safety practices | Safety audit as per IS 14489 -2018 has been conducted by external govt. approved agency on MAY-2021. | | | | |
| | Working Conditions | Safety audit as per IS 14489 -2018 has been conducted by external govt. approved agency on MAY-2021. | | | | |
| 15 | Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions. | No corrective actions pertaining to above mentioned parameters was necessitated by Dhanuka during the year under review | | | | |

Leadership Indicators

| | | |
|---|---|---|
| 1 | Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N). | <p>Yes, In Dhanuka, we prioritize the well-being of our employees and their families. To ensure their financial security, we have implemented a comprehensive Group Term Life Insurance Policy. This policy is designed to provide crucial support to the legal dependents of our permanent employees in the unfortunate event of their death while in service.</p> <p>Through our Group Term Life Insurance Policy, we have established a dedicated scheme to extend financial assistance to the bereaved families. This initiative aims to alleviate the financial burden that may arise due to the loss of a loved one and offers a sense of security during such challenging times.</p> <p>By proactively addressing the needs of our employees and their families, we demonstrate our commitment to their overall welfare. The Group Term Life Insurance Policy serves as a testament to our dedication to creating a supportive and caring work environment, where we prioritize the long-term financial stability of our employees and their dependents.</p> |
|---|---|---|



| 2 | Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners. | <p>To ensure that statutory dues are deducted and deposited by our value chain partners, the Company implements the following measures:</p> <p>Compliance Monitoring: We closely monitor and track the compliance related to statutory dues by our contractors who supply third-party resources. This includes verifying that all necessary deductions and deposits are made in accordance with applicable laws and regulations.</p> <p>Regular Checks: As part of our routine invoice processing checks, we specifically review and validate the deduction and deposit of statutory dues by our value chain partners. This allows us to identify any discrepancies or non-compliance promptly.</p> <p>Contractual Obligations: Our contracts with value chain partners explicitly outline their responsibility to deduct and deposit statutory dues. We ensure that these contractual obligations are well-defined and communicated effectively to all parties involved.</p> <p>Transparency and Documentation: We maintain a transparent and organized system for recording and documenting the deduction and deposit of statutory dues. This includes proper documentation of invoices, receipts, and other relevant financial records.</p> <p>Audits and Internal Controls: We conduct regular audits and implement robust internal controls to verify the accuracy and completeness of statutory dues deductions and deposits. This helps us identify and rectify any potential issues or irregularities promptly.</p> <p>Collaboration and Communication: We maintain open lines of communication with our value chain partners, providing guidance and support regarding the correct deduction and deposit of statutory dues. This collaborative approach ensures that everyone involved is well-informed and aligned with regulatory requirements.</p> <p>By implementing these measures, the Company strives to ensure that statutory dues are deducted and deposited appropriately by our value chain partners, thereby upholding our commitment to compliance and legal obligations.</p> | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|---|--|---|-----------------------------|--|--------------------|------------------------|------------|------------|------------|------------|-----------|-----|-----|-----|-----|---------|-----|-----|-----|-----|
| 3 | Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment: | <table border="1"> <thead> <tr> <th data-bbox="608 1150 979 1276"></th> <th colspan="2" data-bbox="608 1150 979 1213">Total no. of affected employees/ workers</th> <th colspan="2" data-bbox="608 1150 979 1276">No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment</th> </tr> <tr> <th data-bbox="608 1276 979 1318"></th> <th data-bbox="608 1276 767 1318">FY 2022-23</th> <th data-bbox="767 1276 979 1318">FY 2021-22</th> <th data-bbox="608 1276 767 1318">FY 2022-23</th> <th data-bbox="767 1276 979 1318">FY 2021-22</th> </tr> </thead> <tbody> <tr> <td data-bbox="608 1318 767 1360">Employees</td> <td data-bbox="767 1318 979 1360">Nil</td> <td data-bbox="979 1318 1439 1360">Nil</td> <td data-bbox="608 1318 767 1360">Nil</td> <td data-bbox="767 1318 979 1360">Nil</td> </tr> <tr> <td data-bbox="608 1360 767 1392">Workers</td> <td data-bbox="767 1360 979 1392">Nil</td> <td data-bbox="979 1360 1439 1392">Nil</td> <td data-bbox="608 1360 767 1392">Nil</td> <td data-bbox="767 1360 979 1392">Nil</td> </tr> </tbody> </table> | | Total no. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | | | FY 2022-23 | FY 2021-22 | FY 2022-23 | FY 2021-22 | Employees | Nil | Nil | Nil | Nil | Workers | Nil | Nil | Nil | Nil |
| | Total no. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | | | | | | | | | | | | | | | | | | | |
| | FY 2022-23 | FY 2021-22 | FY 2022-23 | FY 2021-22 | | | | | | | | | | | | | | | | | | |
| Employees | Nil | Nil | Nil | Nil | | | | | | | | | | | | | | | | | | |
| Workers | Nil | Nil | Nil | Nil | | | | | | | | | | | | | | | | | | |
| 4 | Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No) | Yes, the company provides the skill training time to time which enable the employees to pursue employment post retirement or termination. | | | | | | | | | | | | | | | | | | | | |
| 5 | Details on assessment of value chain partners: | <table border="1"> <thead> <tr> <th data-bbox="608 1619 979 1692"></th> <th data-bbox="608 1619 1439 1692">% of value chain partners (by value of business done with such partners) that were assessed</th> </tr> </thead> <tbody> <tr> <td data-bbox="608 1692 767 1734">Health and safety practices</td> <td data-bbox="767 1692 1439 1734">- (For Employees 100%)</td> </tr> <tr> <td data-bbox="608 1734 767 1776">Working Conditions</td> <td data-bbox="767 1734 1439 1776">- (For Employees 100%)</td> </tr> </tbody> </table> <p>Note: The Code of Conduct of the company expects the value chain partners to adhere to health & safety guidelines and provide good working conditions for all of its employees.</p> | | % of value chain partners (by value of business done with such partners) that were assessed | Health and safety practices | - (For Employees 100%) | Working Conditions | - (For Employees 100%) | | | | | | | | | | | | | | |
| | % of value chain partners (by value of business done with such partners) that were assessed | | | | | | | | | | | | | | | | | | | | | |
| Health and safety practices | - (For Employees 100%) | | | | | | | | | | | | | | | | | | | | | |
| Working Conditions | - (For Employees 100%) | | | | | | | | | | | | | | | | | | | | | |
| 6 | Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners. | - | | | | | | | | | | | | | | | | | | | | |



Annexure – A

Business Responsibility and Sustainability Reporting by listed entities SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

Essential Indicators

| | | | | | |
|---|---|--|--|---|--|
| 1 | Describe the processes for identifying key stakeholder groups of the entity | Individual or group concerned or interested in or impacted by the activities of the businesses and vice-versa or adds value to the business chain, now or in the future are identified as key stakeholder by the Company. Based on this the key stakeholders identified by the Company are its customers, investors, government, shareholders, regulators, value chain partners, and employees. Dhanuka understands the impact of its policies, decisions, products & services, and associated operations on the stakeholders. In line with its policies, practices, and processes, Dhanuka engages with its stakeholders and strives to resolve differences with them in a just, fair, equitable, and consistent manner and if warranted takes corrective measures. The Company also engages with relevant stakeholders for enhancing sustainable and responsible business practices. | | | |
| 2 | List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group | | | | |
| | Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
| 1 | Shareholders & Investors | No | Annual General Meeting, email, Stock Exchange (SE) intimations, investor/analysts meet/conference calls, annual reports, quarterly results, media releases and Company's website | Ongoing | Share price movement, dividends, profitability and financial stability, climate change risks, cyber risks and growth prospects etc. |
| 2 | Employees | No | Our communication channels with employees include regular town hall meetings for updates and feedback, goal setting and performance reviews, wellness initiatives like yoga sessions, access to mental health counsellors via phone, email announcements, websites for policies and announcements, poster campaigns, a quarterly publication called "Manthan," and feedback surveys. These channels enable effective communication, engagement, and support within our organization. Leaders address employees in town hall meetings, discussing company progress and strategies. Goal setting and performance reviews allow employees to discuss their performance and receive feedback. Wellness initiatives, such as yoga sessions, promote employee well-being. Mental health counselors are available for confidential consultations. Email announcements and websites disseminate important information. Poster campaigns and "Manthan" highlight messages and updates. Feedback surveys gather employee opinions and suggestions. These channels foster open dialogue, engagement, and a supportive work environment. | Ongoing | These aim to create a sense of involvement and commitment. Key topics and concerns commonly raised during engagement include Business Updates, Values, Policies, Culture, People on the Move, engagement events and employee well-being. |



| | | | | | |
|---|--------------------------------|----|---|---------|--|
| 3 | Customers | No | Website, helpdesk, field visits, surveys, face-to-face meetings, whatsapp, farmer feedbacks. | Ongoing | Farmer are our key customers. They form a vital part of the Company's stakeholder engagement group to ensure quality products and services. The key areas of interest for customers are: New products and scheme awareness. |
| 4 | Suppliers/Value Chain Partners | No | Vendor meets, Sales team meet, Conferences, virtual connects over – ZOOM, emails, whatsapp | Ongoing | Quality, timely delivery and payments, ESG consideration (sustainability, safety checks, compliances, ethical behaviour), ISO and OHSAS standards, collaboration and digitalisation opportunities |
| 5 | Government | No | Advocacy meetings with local/state/ national government and ministries, seminars, media releases, conferences, membership in local enterprise partnership | Ongoing | Helps and guides in terms of connecting with Govt. Schemes in the same area for increased effectiveness, changes in regulatory frameworks, skill and capacity building, employment, environmental measures), policy advocacy, timely contribution to exchequer/ local infrastructure, proactive engagement |

Leadership Indicators

| | |
|---|--|
| 1 | Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board. |
| | The Company's response on Process: At Dhanuka, the stakeholder engagement mechanism is a key driving force towards strengthening and diversifying the stakeholder relationship, which further facilitates the identification of key material issues impacting the Company's growth. The stakeholder engagement and materiality assessment exercise conducted in FY2022-23 led to the prioritization of material issues, mapping of the risks relevant to each material topic, and development of consequent risk mitigation steps. The primary outcome of the stakeholder engagement exercise resulted in the identification and prioritization of material issues relevant to environmental, social, governance, and economic aspects. The identified material issues were presented to the highest governing member and the Board for their feedback and guidance on strategizing the sustainable growth model of the Company. As part of the Company's efforts to continually engage with internal and external stakeholder groups for the identification of key material issues impacting them, the stakeholder engagement exercise undergoes periodic review. |
| 2 | Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity. |



| | |
|---|---|
| | Yes, Dhanuka has always maintained a regular and proactive engagement with the Company's key stakeholders, allowing it to effectively work on its ESG strategies and be transparent about the outcomes. In response to current regulations and interactions with stakeholders, the Company performs periodic evaluations to update and revise policies as needed. |
| 3 | Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups. For more information please refer to our CSR Page at https://www.dhanuka.com/csr |

Annexure – A

Business Responsibility and Sustainability Reporting by listed entities SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

| | | | | | | | | | | | | |
|---|--|--|--|---------|---|-----------|--|---------|---|-------|---------|------|
| 1 | Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format: | | | | | | | | | | | |
| | Category | FY 2022-23 | | | | | FY 2021-22 | | | | | |
| | | Total (A) | No. of employees / workers covered (B) | | % (B / A) | Total (C) | No. of employees / workers covered (D) | | % (D / C) | | | |
| | Employees | Any employee who works for Dhanuka Agritech Limited must adhere to the commitment of integrity and ensure mutual respect, privacy, equal opportunities and non-discrimination, health, safety and environment, and sexual harassment. Our commitment to employees' rights are enshrined in the Code of Conduct and Whistle-Blower Policy which sets out what employees can reasonably expect from the company (Employee Rights) and the responsibilities and qualities that are expected from them while performing their duties (Employee Responsibilities). It also lays down the principles of equal opportunity and non-discrimination, anti-corruption and bribery, prohibition of forced and child labour, transparency, and a safe healthful, and harassment-free workplace, amongst others. Dhanuka runs ESG awareness programs for its employees to create awareness of ESG initiatives (including human rights) for its employees through the use of social media. | | | | | | | | | | |
| | Permanent | | | | | | | | | | | |
| | Other than permanent | | | | | | | | | | | |
| | Total Employees | | | | | | | | | | | |
| 2 | Details of minimum wages paid to employees and workers, in the following format: | | | | | | | | | | | |
| | Category | FY 2022-23 | | | | | FY 2021-22 | | | | | |
| | | Total (A) | Equal to Minimum Wage | | More than minimum Wage | Total (D) | Equal to Minimum Wage | | More than minimum Wage | | | |
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. F | % (F/D) | |
| | Employees | | | | | | | | | | | |
| | | Permanent | 1041 | 0 | 0 | 1041 | 100% | 978 | 0 | 0 | 978 | 100% |
| | | Male | 990 | 0 | 0 | 990 | 100% | 950 | 0 | 0% | 950 | 100% |
| | | Female | 51 | 0 | 0 | 51 | 100% | 28 | 0 | 0% | 28 | 100% |
| 3 | Details of remuneration/salary/wages, in the following format: | | | | | | | | | | | |
| | | | Male | | Female | | | | | | | |
| | | | Number | | Median remuneration/ salary/ wages of respective category | | Number | | Median remuneration/ salary/ wages of respective category | | | |
| | | Board of Directors (BoD) | 6 | | 11353857 | | NA | | NA | | | |
| | | Key Managerial Personnel | 2 | | 8623272 | | NA | | NA | | | |
| | | Employees other than BoD and KMP | 1206 | | 827682 | | 47 | | 902057 | | | |



| | | | | | | |
|----|--|---|---------|-----------------------|---------------------------------------|---------|
| 4 | Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) | The Company has formulated a Grievance Redressal mechanism which states that the employees can address their complaints or grievances to the Human Resources department or to the Senior Management. There shall be no retaliation or reprisal taken against any employee or associate who raises concerns. A committee may be formed or delegated to investigate the reported issues. The Committee will be responsible for evaluating the reported issues and ensuring that they are addressed and rectified. In collaboration with Senior Management, the Committee may also recommend a suitable resolution. | | | | |
| 5 | Describe the internal mechanisms in place to redress grievances related to human rights issues. | We have established internal mechanisms to redress grievances related to human rights issues. Employees can report complaints to HR or Senior Management. A committee investigates and takes appropriate actions to address and rectify the concerns. We have a strict policy against retaliation. Our aim is to create a safe environment for employees to voice grievances. These mechanisms demonstrate our commitment to addressing human rights issues promptly and transparently. | | | | |
| 6 | Number of Complaints on the following made by employees and workers: | | | | | |
| | FY 2022-23 | | | FY 2021-22 | | |
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| | Sexual Harassment | Nil | Nil | Nil | Nil | Nil |
| | Discrimination at workplace | Nil | Nil | Nil | Nil | Nil |
| | Child Labour | Nil | Nil | Nil | Nil | Nil |
| | Forced Labour/ Involuntary Labour | Nil | Nil | Nil | Nil | Nil |
| | Wages | Nil | Nil | Nil | Nil | Nil |
| | Other Human rights related issues | Nil | Nil | Nil | Nil | Nil |
| 7 | Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases | To prevent adverse consequences to the complainant in discrimination and harassment cases, we have established mechanisms in line with our POSH Policy. These mechanisms ensure that individuals who report such incidents are protected from unfair treatment. We condemn all forms of discrimination, harassment, and unfair practices, and we provide complete protection to complainants. This includes safeguards against retaliation, threats, and any obstruction of their duties, including the ability to make further disclosures. Our goal is to create a safe and supportive environment for all employees. | | | | |
| 8 | Do human rights requirements form part of your business agreements and contracts? (Yes/No) | No | | | | |
| 9 | Assessments for the year: | | | | | |
| | | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) | | | | |
| | Child labour | 100% | | | | |
| | Forced/involuntary labour | | | | | |
| | Sexual harassment | | | | | |
| | Discrimination at workplace | | | | | |
| | Wages | | | | | |
| | Others – please specify | | | | | |
| 10 | Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. | Not Applicable | | | | |



Leadership Indicators

| | | |
|---|---|---|
| 1 | Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints. | Not applicable. |
| 2 | Details of the scope and coverage of any Human rights due-diligence conducted. | No Due-Diligence conducted in the current financial year |
| 3 | Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? | Yes, most of the locations are accessible to differently abled persons |
| 4 | Details on assessment of value chain partners: | |
| | | % of value chain partners (by value of business done with such partners) that were assessed |
| | Sexual Harassment | Nil |
| | Discrimination at workplace | |
| | Child Labour | |
| | Forced Labour/Involuntary Labour | |
| | Wages | |
| | Others – please specify | |
| 5 | Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above. | Not Applicable |

Annexure – A

Business Responsibility and Sustainability Reporting by listed entities SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

Essential Indicators

| | | | |
|---|---|--------------------------------------|------------|
| 1 | Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format: | | |
| | Parameter | FY 2022-23 | FY 2021-22 |
| | Total electricity consumption (A)(GJ) | 5962.31 | 6259.23 |
| | Total fuel consumption (B)(GJ) | 600 | 347 |
| | Energy consumption through other sources (GJ)(Solar) | 853 | 1037 |
| | Total energy consumption (A+B+C)(GJ) | 7415.31 | 7643.23 |
| | Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) | 0.43 | 0.51 |
| | Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency | No external assessment has been done | |
| 2 | Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. | No | |

| | | | | |
|---|---|---|---|----------------|
| 3 | Provide details of the following disclosures related to water, in the following format: | | | |
| | Parameter | | FY 2022-23 | FY 2021-22 |
| | Water withdrawal by source (in kilolitres) | | | |
| | (i) Surface water | | 0 | 0 |
| | (ii) Groundwater | | 20619 | 13497 |
| | (iii) Third party water (tanker) | | 293.24 | 251 |
| | (iv) Seawater / desalinated water | | Not Applicable | Not Applicable |
| | (v) Water from municipal corporation | | 18621 | 10248 |
| | (vi) Others | | Not Applicable | Not Applicable |
| | Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | | 39533.24 | 23996 |
| | Total volume of water consumption (in kilolitres) | | 39533.24 | 23996 |
| | Water intensity per rupee of turnover (Water consumed / turnover) | | 2.32 | 2 |
| | Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency | No external assessment has been done | | |
| 4 | Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. | | ZLD with capacity of 50 kl/day mechanism is implemented from the m/o June 2022 on Keswana site. | |
| 5 | Please provide details of air emissions (other than GHG emissions) by the entity, in the following format: | | | |
| | Parameter | Please specify unit | FY 2022-23 | FY 2021-22 |
| | NOx | mg/Nm ^{^3} | 1606 | 1609 |
| | Sox | mg/Nm ^{^4} | 130 | 361 |
| | Particulate matter (PM) | mg/Nm ^{^5} | 410 | 896 |
| | Persistent organic pollutants (POP) | NA | NA | NA |
| | Volatile organic compounds (VOC) | NA | NA | NA |
| | Hazardous air pollutants (HAP) | NA | NA | NA |
| | Others – please specify | NA | NA | NA |
| | Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency | No external assessment has been done | | |
| 6 | Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format: | | | |
| | Parameter | Unit | FY 2022-23 | FY 2021-22 |
| | Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 2071 | 34 |
| | Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 1308.40 | 1374 |
| | Total Scope 1 and Scope 2 emissions per rupee of turnover | Metric tonnes of CO ₂ equivalent | 0.19 | 0.09 |
| | Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. | No external assessment has been done | | |



| | | | |
|--|---|------------|---|
| 7 | <p>Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.</p> <p>The company is committed to preserving the environment through investing in green and alternative choices. The company has adopted renewable energy, is dedicated to reducing its GHG emissions, and is actively advocating to inculcate sustainability in the core strategic framework of a business. Dhanuka Agritech Limited has been committed to have a mechanism to recycle products and waste. In this direction, Keshwana unit has planned to install all equipment which are beneficial for environment. As declared as ZERO discharge facility, we have installed Effluent treatment plant (ETP) for treatment of industrial effluent, Sewage treatment plant (STP) for domestic effluent. All the water generated from the plant comes to either ETP or STP. After treatment, the treated water is reused in gardening. For monitoring the water quantities, we have installed Flow meter for actual quantities. We have installed Rain harvesting system. All the rain water through storm water drainage comes to Rain harvesting pits. NO rain water goes to outside drain as wastage. By collecting water in rain harvesting pits, the ground water level is maintained. Water for initial rain is treated in ETP. We have installed scrubbers for removal of contaminants from the air coming from the plant. The water is washed by the water and the water is recycled and then goes to ETP for treatment.</p> | | |
| 8 | Provide details related to waste management by the entity, in the following format: | | |
| Parameter | FY 2022-23 | FY 2021-22 | |
| Total Waste generated (in metric tonnes) | Plastic waste (A) | - | - |
| E-waste (B) | - | - | |
| Bio-medical waste (C) | - | - | |
| Construction and demolition waste (D) | - | - | |
| Battery waste (E) | - | - | |
| Radioactive waste (F) | NA | NA | |
| Other Hazardous waste (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil) . Please specify, if any. (G)(MT) | 27236 | 21085 | |
| Total (A+B + C + D + E + F + G + H) | 27236 | 21085 | |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | | |
| Category of waste | | | |
| (i) Recycled | | 23398 | |
| (ii) Re-used | | - | |
| (iii) Other recovery operations | | - | |
| Total | | 23398 | |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | | |
| Category of waste | | | |
| (i) Incineration | | 3838 | |
| (ii) Landfilling | | - | |
| (iii) Other disposal operations | | - | |
| Total | | 3838 | |
| Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency | No external assessment has been done | | |



| | | | | | |
|--|---|--|--|--|-------------------|
| 9 | Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes | Dhanuka Agritech Limited has been committed to having a mechanism to recycle products and waste. In this direction, the Keshwana unit has planned to install all equipment that is beneficial for the environment. As declared as ZERO discharge the facility, we have installed an Effluent treatment plant (ETP) for the treatment of industrial effluent, Sewage treatment plant (STP) for domestic effluent. All the water generated from the plant comes from either ETP or STP. After treatment, the treated water is reused in gardening. For monitoring the water quantities, we have installed a Flow meter for actual quantities. We have installed a Rain harvesting system. All the rainwater through stormwater drainage comes to Rain harvesting pits. NO rainwater goes to the outside drain as waste. By collecting water in rain harvesting pits, the groundwater level is maintained. Water for initial rain is treated in ETP. We have installed scrubbers for the removal of contaminants from the air coming from the plant. The water is washed by the water and the water is recycled and then goes to ETP for treatment. We have installed scrubbers for the removal of contaminants from the air coming from the plant. The water is washed by the water and the water is recycled and then goes to ETP for treatment. The Company is ISO 9001:2015-certified across all locations. The Company's Keshwana, Sanand & Udampur units are certified with ISO: 9001:2015 and ISO 14001:2015 and OHSAS 45001:2018. Dhanuka's R&D Centre is certified by the Ministry of Science and Technology, Government of India and NABL Certification from National Accreditation Board for Laboratories as a certified research Lab. | | | |
| 10 | If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format: | | | | |
| Sl.No | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any | | |
| Not Applicable | | | | | |
| 11 | Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: | | | | |
| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
| No EIA project was undertaken during the current FY. | | | | | |
| 12 | Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: | | | | |
| Sl. No | Specify the law / regulation / guidelines which was not complied with | Provide details of the noncompliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any | |
| Dhanuka is complying with all the environmental norms hence not applicable | | | | | |



Leadership Indicators

| | | | |
|---|--|---|---|
| 1 | Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format: | | |
| | Parameter | FY 2022-23 | FY 2021-22 |
| | From renewable sources | | |
| | Total electricity consumption (A) | Electricity consumption from Solar: 236938 units (kWhr) | Electricity consumption from Solar: 288121 units (kWhr) |
| | Total fuel consumption (B) | - | - |
| | Energy consumption through other sources (C) | - | - |
| | Total energy consumed from renewable sources (A+B+C) | 236938 | 288121 |
| | From Non-renewable sources | | |
| | Total electricity consumption (D) (GJ) | 5962.31 | 6259.23 |
| | Total fuel consumption (E) (GJ) | 600 | 347 |
| | Energy consumption through other sources (F)(GJ) | - | - |
| | Total energy consumed from non renewable sources (D+E+F)(GJ) | 6562.31 | 6606.23 |
| | Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. | No external assessment has been done | |
| 2 | Provide the following details related to water discharged: | | |
| | Parameter | FY 2022-23 | FY 2021-22 |
| | (i) To Surface Water | 0 | 0 |
| | ---No treatment | 0 | 0 |
| | ---With treatment – please specify level of treatment | 0 | 0 |
| | (ii) To Groundwater | 0 | 0 |
| | ---No treatment | 0 | 0 |
| | ---With treatment – please specify level of treatment | 0 | 0 |
| | (iii) To Seawater | 0 | 0 |
| | ---No treatment | 0 | 0 |
| | ---With treatment – please specify level of treatment | 0 | 0 |
| | (iv) Sent to third-parties | | |
| | ---No treatment | 14.34 | 7.7 |
| | ---With treatment – please specify level of treatment | 0 | 0 |
| | (v) Others | 0 | 0 |
| | ---No treatment | 0 | 0 |
| | ---With treatment – please specify level of treatment | 0 | 0 |
| | Total Water discharged (in kilolitres) | 14.34 | 7.7 |



Note: For the Udhampur site, currently we are not tracking the data but the company is establishing the process to measure the water discharge and will report in coming years

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

No external assessment has been done

| | | |
|---|--|---|
| 3 | Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): | |
| | For each facility / plant located in areas of water stress, provide the following information: | |
| | (i) Name of the area | 1. Sanand 2. Udhampur 3. Keshwana |
| | (ii) Nature of operations | Crop Care |
| | (iii) Water withdrawal, consumption and discharge in the following format: | Water withdrawal, consumption and discharge |

| Parameter | FY 2022-23 | FY 2021-22 |
|---|----------------|----------------|
| Water withdrawal by source (in kilolitres) | | |
| (I) Surface water | 0 | 0 |
| (ii) Groundwater | 20619 | 13497 |
| (iii) Third party water | 293.24 | 251 |
| (iv) Seawater / desalinated water | Not Applicable | Not Applicable |
| (v) Water from municipal corporation | 18621 | 10248 |
| Total volume of water withdrawal (in kilolitres) | 39533.24 | 23996 |
| Total volume of water consumption (in kilolitres) | 39533.24 | 23996 |
| Water intensity per rupee of turnover (Water consumed / turnover) | 2.32 | 2 |
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) Into Surface water | 0 | 0 |
| ---No treatment | 0 | 0 |
| ---With treatment – please specify level of treatment | 0 | 0 |
| (ii) Into Groundwater | 0 | 0 |
| ---No treatment | 0 | 0 |
| ---With treatment – please specify level of treatment | 0 | 0 |
| (iii) Into Seawater | 0 | 0 |
| ---No treatment | 0 | 0 |
| ---With treatment – please specify level of treatment | 0 | 0 |
| (iv) Sent to third-parties | | |
| ---No treatment | 14.34 | 7.7 |
| ---With treatment – please specify level of treatment | 0 | 0 |
| (v) Others | 0 | 0 |
| ---No treatment | 0 | 0 |
| ---With treatment – please specify level of treatment | 0 | 0 |
| Total water discharged (in kilolitres) | 14.34 | 7.7 |



Note: For the Udhampur site, currently we are not tracking the data but the company is establishing the process to measure the water discharge and will report in coming years

| | | | |
|--|---|---|---|
| Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency | | No external assessment has been done | |
| 4 | Please provide details of total Scope 3 emissions & its intensity, in the following format: | | |
| | Parameter | Unit | FY 2022-23 |
| | Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | Scope-3 emissions are not considered in Dhanuka's emission calculations presently. We are in the process of doing the same in the coming year |
| | Total Scope 3 emissions per rupee of turnover | | |
| | Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity | | |
| | Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency | Not Applicable | |
| 5 | With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities. | In all areas of its activities, Dhanuka is dedicated to regulatory environmental compliance and ethical conduct, and since the Company operates in industrial areas/estates, its influence on biodiversity is very modest. | |
| 6 | If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format: | | |
| | Sl. NO | Initiative undertaken | Outcome of the initiative |
| | | Details of the initiative (Web-link, if any, may be provided along-with summary) | |
| | The Company is ISO 9001:2015-certified across all locations. The Company's Keshwana, Sanand & Udhampur units are certified with ISO: 9001:2015 and ISO 14001:2015 and OHSAS 45001:2018. Dhanuka's R&D Centre is certified by the Ministry of Science and Technology, Government of India and NABL Certification from National Accreditation Board for Laboratories as a certified research Lab. | | |
| 7 | Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link. | Yes, the Company recognizes the importance of business continuity in its business and has put in place policies to ensure mission-critical operations continue in the event of an interruption | |
| 8 | Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard | No significant adverse impact has been observed from the value chain, pertaining to environment. As an adaptation measure, we assess the critical vendors based on ESG parameters and have implemented vendor engagement programs to improve their capabilities, wherever required. | |
| 9 | Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. | Nil | |



Annexure – A

Business Responsibility and Sustainability Reporting by listed entities SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

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

Essential Indicators

| | | | | |
|---|---|--|---|---|
| 1 | a. | Number of affiliations with trade and industry chambers/ associations. (As below) | | |
| | b. | List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to. | | |
| | | Sl.No | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State / National) |
| | | 1 | Keshwana Industrial Association | Regional |
| | | 2 | Udaipur Chamber of Commerce & Industry | Regional |
| | | 3 | Agro Chem Federation of India | National |
| | | 4 | Federation of Indian Chambers of Commerce & Industry | National |
| | | 5 | Crop Life India | National |
| | | 6 | Biological Agri Solutions Association of India | National |
| | | 7 | Bioagri Inputs Producers Association | National |
| 2 | Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities. | | | |
| | Name of authority | | Brief of the case | Corrective action taken |
| | Nil | | | |

Leadership Indicators

| | | | | | |
|---|---|--|--|---|------------------------|
| 1 | Details of public policy positions advocated by the entity: | | | | |
| | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify) | Web Link, if available |
| | 1 | Water Management | Directly and Through Industry bodies | - | - |
| | 2 | Farmers Training and initiatives for improving the income of the farmers | Directly and Through Industry bodies | - | - |



Annexure – A

Business Responsibility and Sustainability Reporting by listed entities SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

| | | | | | | |
|---|---|--|---|--|--|--------------------------|
| 1 | Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. | | | | | |
| | Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
| | A report on each project and its impact on society are taken internally and is reviewed from time to time. The internal teams ensure the implementation of the projects undertaken. | | | | | |
| 2 | Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: | | | | | |
| | Sl.No | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R |
| | NA | | | | | |
| 3 | Describe the mechanisms to receive and redress grievances of the community. | | Dhanuka is in Agri-business and trying to enrich the lives of the Farmers. Dhanuka has appointed around 500 Dhanuka Doctors who are in constant touch with the Farmers through field visits, telephonic and email communications. The Company has a dedicated team of employees to drive and monitor CSR activities for the betterment of the Community. | | | |
| 4 | Percentage of input material (inputs to total inputs by value) sourced from suppliers: | | | | | |
| | Parameter | | | FY 2022-23 | FY 2021-22 | |
| | Directly sourced from MSMEs/ small producers | | | The company procures approx. 10% of the raw material from MSMEs/small producers and suppliers from neighbouring districts. | | |
| | Sourced directly from within the district and neighbouring districts | | | | | |

Leadership Indicators

| | | | | | | |
|---|---|---|-----------------------|-------------------------|---|--|
| 1 | Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above): | | | | | |
| | Details of negative social impact identified | | | Corrective action taken | | |
| | Not Applicable | | | | | |
| 2 | Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies: | | | | | |
| | Sl.No | State | Aspirational District | | Amount spent (In INR Lacs) | |
| | Please refer to the Annexure E of the Director's Report | | | | | |
| 3 | (a) | Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) | | | No, the Company does not have any preferential procurement policy focusing on suppliers from marginalized/ vulnerable groups. | |
| | (b) | From which marginalized /vulnerable groups do you procure? | | | Not applicable. | |
| | (c) | What percentage of total procurement (by value) does it constitute? | | | Not applicable. | |



| | | | | |
|---|---|---|--|------------------------------------|
| 4 | Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: | | | |
| Sl.No | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
| The Company has 2 Patents and more than 250 Trademarks registered. Company is using these Trademarks and Patent in its Business Activities. | | | | |
| 5 | Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. | | | |
| | Name of authority | Brief of the Case | Corrective action taken | |
| Not applicable | | | | |
| 6 | Details of beneficiaries of CSR Projects: | | | |
| Sl.No | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups | |
| Please refer to the Annexure E of the Director's Report | | | | |

Annexure – A

Business Responsibility and Sustainability Reporting by listed entities SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

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

Essential Indicators

| | | | | | | | |
|---|--|---|-----------------------------------|----------------|--------------------------|-----------------------------------|----------------|
| 1 | Describe the mechanisms in place to receive and respond to consumer complaints and feedback. | The Company's uncompromising commitment to providing world-class products and services to customers is supported by its concern for the safety of its customers. A well-established system is in place for dealing with customer feedback and complaints. Customers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc. | | | | | |
| 2 | Turnover of products and/ services as a percentage of turnover from all products/service that carry information about: | As a percentage to total turnover | | | | | |
| | Environmental and social parameters relevant to the product | NA | | | | | |
| | Safe and responsible usage | 100% | | | | | |
| | Recycling and/or safe disposal | NA | | | | | |
| 3 | Number of consumer complaints in respect of the following: | | | | | | |
| | | FY 2022-23 | | Remarks | FY 2021-22 | | Remarks |
| | | Received during the year | Pending resolution at end of year | | Received during the year | Pending resolution at end of year | |
| | Data privacy | Nil | Nil | Nil | Nil | Nil | Nil |
| | Advertising | Nil | Nil | Nil | Nil | Nil | Nil |
| | Cyber-security | Nil | Nil | Nil | Nil | Nil | Nil |
| | Delivery of Products | Nil | Nil | Nil | Nil | Nil | Nil |
| | Quality of Products | 87 | 5 | - | 43 | - | - |
| | Restrictive Trade Practices | Nil | Nil | Nil | Nil | Nil | Nil |
| | Unfair Trade Practices | Nil | Nil | Nil | Nil | Nil | Nil |
| | Other | 91 | - | Nil | 80 | - | Nil |



| | | |
|---|---|--|
| 4 | Details of instances of product recalls on account of safety issues: | |
| | | Number |
| | Voluntary recalls | Nil |
| | Forced recalls | Nil |
| 5 | Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy. | Yes, the Company has Cyber Security Policy and the Company Maintains it internally. |
| 6 | Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services | For FY 2022-23, there were no complaints received for issues pertaining to the delivery of essential services, advertising, action taken by regulatory authorities on the safety of products /services |

Leadership Indicators

| | | |
|---|--|--|
| 1 | Channels / Platforms where information on products and services of the entity can be accessed (provide web link, if available). | The Company's website provides detailed information on the products sold region-wise. - Website - https://www.dhanuka.com/products |
| 2 | Steps taken to inform and educate consumers about safe and responsible usage of products and/or services. | The Company conducts meetings with the consumers including farmers on field days whereby they are educated about the correct dosage, time of application as well as correct methods to use the Company's products. Further, product leaflets are also provided in various languages with each package. |
| 3 | Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services | NA |
| 4 | Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) | Yes, we are already displaying the information on the product label as per norms. Yes we have carried out consumer surveys through various projects given to Universities were found of high satisfaction. |
| 5 | Provide the following information relating to data breaches: | |
| | a. | Number of instances of data breaches along-with impact |
| | b. | Percentage of data breaches involving personally identifiable information of customers |



ANNEXURE -E

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2022-2023

1. Brief outline on CSR Policy of the Company.

The CSR Policy recommended by the CSR Committee has been approved by the Board of Directors is available on the Company's Website i.e., www.dhanuka.com at the given link <https://www.dhanuka.com/csr>.

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

The thrust is on the training and education of farmers and dealers and the 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. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature Of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|------------------------------|--------------------------------------|--|--|
| 1. | Mr. Ram Gopal Agarwal | Chairman | 1 | 0 |
| 2. | Mr. Bajrang Lal, Bajaj | Member-Independent Director | 1 | 1 |
| 3. | Mr. Arun Kumar Dhanuka* | Member-Whole Time Director | 1 | 1 |
| 4. | Mr. Mahendra Kumar Dhanuka** | Member-Whole Time Director | 0 | 0 |
| 5. | Mr. Ashish Saraf** | Member-Whole Time Director | 0 | 0 |

*Demise on 30.01.2023

**Appointed on 23rd May 2022

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

Composition of the CSR Committee shared above and also available on the Company's Website at <https://www.dhanuka.com/investors/committee-of-directors>

CSR Policy - <https://www.dhanuka.com/corporate-governance/key-policies>

CSR Projects – <https://www.dhanuka.com/corporate-governance/key-policies>

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

No Impact Assessment has been done during the Financial Year 2022-23. (NOT APPLICABLE)

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

NIL

6. Average net profit of the company as per section 135(5): Rs. 24017.57 Lacs

7. CSR Obligations:

| S. No | Particulars | Amount (Rs. in Lacs) |
|-------|---|----------------------|
| a) | Two percent of the Average Net Profit of the Company As per section 135(5) of the Act | 480.35 |
| b) | Surplus arising out of the CSR projects or programs or activities of the previous financial years | NIL |
| c) | Amount required to be set off for the financial year, if any | NIL |
| | Total CSR obligation for the financial year (7a+7b- 7c). | 480.35 |



8. (a) CSR amount spent or unspent for the Financial Year:

(Rs. In Lacs)

| Total Amount Spent for the Financial Year. | Amount Unspent | | | | |
|--|--|------------------|--|---------|-------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| Rs. 456.85 | Amount. | Date of transfer | Name of the Fund | Amount. | Date of transfer. |
| | 23.60 | 29.04.2023 | - | NIL | - |

b) Details of CSR amount spent against **ongoing projects** for the Financial Year:

(Rs. In Lacs)

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | |
|---------|---------------------------------------|--|----------------------|--------------------------|-------------------|----------------------------------|--|---|---|--|--------------------------|
| Sl. No. | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project. | Project duration. | Amount allocated for the project | Amount spent in the current financial Year | Amount transferred to Unspent CSR Account for the project as per Section 135(6) | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency | |
| | | | | State. | District. | | | | | Name | CSR Registration number. |
| 1. | Construction of Waiting Hall at AIIMS | Promoting health care | Yes | New Delhi | 3 Years | 250 | 101.40 | 23.60 | Yes | NA | NA |

c) Details of CSR amount spent against **other than ongoing projects** for the Financial Year

(Rs. In Lacs)

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | |
|---------|---|--|----------------------|---------------------------|------------------------------|---|---|-------------|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/No). | Location of the project. | Amount spent for the project | Mode of implementation - Direct (Yes/No). | Mode of implementation - Through implementing agency. | |
| | | | | State | | | (District) | Name. |
| 1 | Donation for Sukanya Samridhi Yojna | Promotion of Education | Yes | Gujarat (Dahej) | 0.11 | Yes | Direct | |
| 2 | Construction of one bed room making vishram sadan near AIIMS at Rishikesh | Promoting health care | No | Uttarakhand (Rishikesh) | 11.00 | No | Bhaorao Deoras Seva Nyas | CSR00004454 |
| 3 | Construction of school at Katra | Promotion of Education | No | Jammu & Kashmir, Amphalla | 10.00 | No | Bhartiya Shiksha Samiti | CSR00006547 |
| 4 | Donation for Plantation Project | Environmental Sustainability | No | Haryana | 20.00 | No | International Association for Human Values | CSR00000683 |

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | |
|---------|--|--|----------------------|--------------------------|--|---|---|-------------|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/No). | Location of the project. | Amount spent for the project (Rs. In Lacs) | Mode of implementation - Direct (Yes/No). | Mode of implementation - Through implementing agency. | |
| | | | | State | | | (District) | Name. |
| 5 | Donation to Tribals Society for contribution for One Teacher for one School | Promotion of education | Yes | New Delhi | 1.10 | No | Friends Of Tribals Society | CSR00001898 |
| 6 | Donation for the promotion of Sports | Promotion of Sports | Yes | Haryana, Gurugram | 5.00 | Yes | Direct | |
| 7 | Donation for Anna Dan to Hare Krishna Movement | Eradicating Hunger | No | Uttar Pradesh, Vrindavan | 13.50 | No | Hare Krishna Movement | CSR00007223 |
| 8 | Student Fellowship to Jawaharlal Nehru Krishi Vishwa Vidyalaya | Promotion of education | No | Madhya Pradesh, Jabalpur | 5.35 | Yes | Direct | |
| 9 | Student Fellowship to Maharana Pratap University of Agriculture & Technology | Promotion of education | No | Udaipur, Rajasthan | 2.40 | Yes | Direct | |
| 10 | Student Fellowship to Sri Karan Narendra Agriculture University | Promotion of education | No | Rajasthan, Jaipur | 3.10 | Yes | Direct | |
| 11 | Student Fellowship to Punjab Agricultural University | Promotion of education | No | Punjab, Ludhiana | 1.20 | Yes | Direct | |
| 12 | Construction of Building and steel shed of Adarsh Vidya Mandir | Promotion of education | No | Salasar, Rajasthan | 80.79 | No | Direct | |
| 13 | Donation for sponsorship for the national conference on climate resilient & sustainable development | Environment Sustainability | No | Kanpur, UP | 5.00 | No | Lt.Amit Singh Memorial Foundation | CSR00151707 |
| 14 | Donation to for climate change sustainable development for a conference on climate resilient & sustainable development | Environment Sustainability | No | Gujarat, Ahmedabad | 1.00 | No | National Council For Climate Change Sustainable Development & Public Leadership | CSR00005473 |
| 15 | Donation of Copies/Notebooks to Vasodara Primary school | Promotion of education | No | Gujarat, Ahmedabad | 0.77 | Yes | Direct | |
| 16 | Donation for Gouseva | Animal Welfare | No | Ratangarh, Rajasthan | 5.00 | No | Shree Krishna Gouseva Pinjarapole Samiti | CSR00036305 |
| 17 | Donation for purchase of chairs & tables to Rajkiya Madhyamik Vidyalaya Sudarshanpura School | Promotion of education | No | Jaipur, Raj. | 0.91 | Yes | Direct | |



| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | |
|--------------|---|--|----------------------|--------------------------|--|---|---|--------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/No). | Location of the project. | Amount spent for the project (Rs. In Lacs) | Mode of implementation - Direct (Yes/No). | Mode of implementation - Through implementing agency. | |
| | | | | State | (District) | | Name. | CSR registration number. |
| 18 | Donation to Mr. Zubir Ahmed for Preparation Of Olympic | Promotion of Sports | No | J&K, Baramulla | 1.00 | Yes | Direct | |
| 19 | Donation to Triveni Devi Dhanuka Adarsh Vidya Mandir for the purchase of a Bus | Promotion of education | No | Rajasthan, Churu | 19.92 | Yes | Direct | |
| 20 | Donation for Sponsorship Support for Students in Swami Dyananda All India Movement for Seva | Promotion of education | No | Rajasthan, Udaipur | 0.36 | No | All India Movement For Seva | CSR00003273 |
| 21 | Donation for medical treatment Camps | Promoting health care | Yes | New Delhi | 4.97 | No | Shri Ram Krishna Seva Sansthan | CSR00002707 |
| 22 | Donation for medical treatment (Cancer Treatment) | Promoting health care | Yes | New Delhi | 2.00 | No | Shri Ram Krishna Seva Sansthan | CSR00002707 |
| 23 | Donation for Construction Of One Class Room at Zilha Prashad Prathamik Shala Kalewadi | Promotion of education | No | Pune | 5.00 | Yes | Direct | |
| 24 | Donation for DG set for Shri Shreeji Baba Charitable Trust | Promotion of education | No | Maharashtra, Mumbai | 5.42 | No | Shri Shreeji Baba Charitable Trust | CSR00036020 |
| 25 | Donation for construction of Check Dam for water harvesting | Water Harvesting | No | Rajasthan, Jaipur | 7.59 | No | PHD Rural Development | CSR00004676 |
| 26 | Awareness Program (Advertisement) for water conservation | Environment Sustainability | No | Madhya Pradesh, Indore | 1.20 | Yes | Direct | |
| 27 | Skill development and enhancing employment | Livelihood Enhancement | Yes | PAN India | 113.11 | Yes | Direct | |
| 28 | World Water Day Celebration/Creating Awareness for water conservation | Environmental Sustainability/ Water Harvesting | Yes | PAN India | 28.65 | Yes | Direct | |
| Total | | | | | 355.45 | | | |

d) Amount spent in Administrative Overheads- Nil

e) Amount spent on Impact Assessment, if applicable- Nil

f) Total amount spent for the Financial Year (8b+8c+8d+8e)- Rs 456.85 lakhs

g) Excess amount for set off, if any -Nil



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

(Rs. In Lacs)

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) | Amount spent in the reporting Financial Year | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial years |
|---------|---------------------------|---|--|---|-----------------|------------------|--|
| | | | | Name of the Fund | Amount (in Rs). | Date of transfer | |
| Nil | | | | | | | |

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

(Rs. In Lacs)

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---------|------------|---------------------|--|------------------|--|---|---|---|
| Sl. No. | Project ID | Name of the Project | Financial Year in which the project was commenced. | Project duration | Total amount allocated for the project | Amount spent on the project in the reporting Financial Year | Cumulative amount spent at the end of reporting Financial Year) | Status of the project- Completed /Ongoing |
| NIL | | | | | | | | |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): Nil

(b) Amount of CSR spent for creation or acquisition of capital asset: Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable

Sd/-
Ram Gopal Agarwal
Chairman, CSR Committee
DIN : 00627386

Sd/-
M.K. Dhanuka
Member, CSR Committee
DIN : 00628039

Date : 25th May, 2023
Place : Gurugram



Annexure 'F'

FORM NO. AOC-2

(Pursuant to clause (h) of sub- Section (3) of Section 134 of the Companies Act, 2013 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:

NA

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. Further refer heading 39 of Notes to Accounts for the details.

For and on behalf of the Board of Directors

Sd/-
Mahendra Kumar Dhanuka
Vice Chairman & Managing Director
DIN: 00628039

Date: 25th May, 2023
Place: Gurugram

For and on behalf of the Board of Directors

Sd/-
Rahul Dhanuka
Jt. Managing Director
DIN: 00150140



Secretarial Audit Report

For the financial year ended 31st March, 2023

To

The Members

Dhanuka Agritech Limited

Regd. Office: 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2023 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 made available to us and maintained by the Company for the financial year ended on March 31, 2023 according to the applicable 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, 2018;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
- e. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021- Not applicable to the Company during the audit period
- 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, 2021; Not applicable as the Company has not delisted/ proposed to delist its equity shares from any stock exchange during the audit period.
- h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
- 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 with respect to board and general meetings;
- ii. 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 except the following:

- The Company has bought back 10,00,000 equity shares of its own in compliance with the provisions of Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. The tendering period for the Buy-back opened on December 26, 2022 and closed on January 6, 2023 in terms of the Letter of Offer dated December 15, 2022. The said shares are extinguished on 17th January, 2023.

For R&D Company Secretaries

Sd/-

Debabrata Deb Nath

Partner

FCS No.: 7775; CP No. : 8612

Peer Review Certificate No.1403/2021

UDIN: F007775E000374561

Place: Delhi

Date: 25.05.2023

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

'Annexure A'

To

The Members

Dhanuka Agritech Limited

Regd. Office: 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

Peer Review Certificate No.1403/2021

UDIN: F007775E000374561

Place: Delhi

Date: 25.05.2023



Annual Secretarial Compliance Report of Dhanuka Agritech Limited For the financial year ended 31st March, 2023

(Pursuant to regulation 24A of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015)

To,

Dhanuka Agritech Limited

Regd. Office: 82, Abhinash Mansion

1st Floor, Joshi Road

Karol Bagh, New Delhi -110 005

We, R & D Company Secretaries have examined:

- All the documents and records made available to us and explanation provided by **Dhanuka Agritech Limited** ("the listed entity"),
- The filings/ submissions made by the listed entity to the stock exchanges,
- Website of the listed entity,
- Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended 31st March, 2023 ("Review Period") in respect of compliance with the provisions of:

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

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment thereof;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the listed entity during the review period)**
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendment thereof;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 and amendment thereof;
- Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the listed entity during the review period)**
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the listed entity during the review period)**
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not Applicable to the listed entity during the review period)**
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendment thereof;
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

And circulars/ guidelines issued thereunder;

and based on the above examination, we hereby report that, during the Review Period the compliance status of the listed entity is appended below:



| Sr. No | Particulars | Compliance status (Yes/No/NA) | Observation/ Remarks by PCS |
|--------|---|-------------------------------|--|
| 1. | <p><u>Secretarial Standards:</u></p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)</p> | Yes | |
| 2. | <p><u>Adoption and timely updation of the Policies:</u></p> <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/ guidelines issued by SEBI | Yes Yes | |
| 3. | <p><u>Maintenance and disclosures on Website:</u></p> <ul style="list-style-type: none"> The Listed entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website | Yes Yes Yes | |
| 4. | <p><u>Disqualification of Director:</u></p> <p>None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013</p> | Yes | |
| 5. | <p><u>To examine details related to Subsidiaries of listed entities:</u></p> <p>(a) Identification of material subsidiary companies</p> <p>(b) Requirements with respect to disclosure of material as well as other subsidiaries</p> | NA | Company has no material subsidiary. |
| 6. | <p><u>Preservation of Documents:</u></p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015</p> | Yes | |
| 7. | <p><u>Performance Evaluation:</u></p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations</p> | Yes | |
| 8. | <p><u>Related Party Transactions:</u></p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions</p> <p>(b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/rejected by the Audit committee</p> | Yes NA | Since, all Related party transactions were entered after obtaining prior approval of audit committee point (b) is not applicable |

| Sr. No | Particulars | Compliance status (Yes/No/NA) | Observation/ Remarks by PCS |
|--------|---|-------------------------------|---|
| 9. | Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder. | Yes | |
| 10. | Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015 | Yes | |
| 11. | Actions taken by SEBI or Stock Exchange(s), if any: No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder | NA | No action taken by the SEBI or any Stock Exchange against the Company its promoters/ directors/ subsidiaries. |
| 12. | Additional Non-compliances, if any: No any additional non-compliance observed for all SEBI regulation/ circular/guidance note etc. | NA | No Additional non-compliances observed for SEBI regulation/ circular/ guidance note, etc. |

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular No. CIR/CFD/CMD1/114/2019 dated 18th October, 2019.

| Sr. No | Particulars | Compliance Status (Yes/No/NA) | Observation/Remarks by PCS |
|--------|--|-------------------------------|----------------------------------|
| 1. | Compliances with the following conditions while appointing/re-appointing an auditor | | |
| | <ul style="list-style-type: none"> i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review /audit report for such quarter; or ii. If the auditor has resigned after 45 days from the end of quarter of a financial year, the auditor before such resignation, has issued the limited review/ Audit report for such quarter as well as the next quarter; or iii. If the auditor has signed the limited review /audit report for the first three quarter of a financial year, the auditor before such resignation has issued the limited review / audit report for the last quarter of such financial year as well as the audit report for such financial year. | NA | No appointment or Re-appointment |
| 2. | Other conditions relating to resignation of statutory auditor | | |
| | <ul style="list-style-type: none"> I. Reporting of concern by auditor with respect to the listed entities/its material subsidiary to the audit committee. <ul style="list-style-type: none"> a. In case of any concern with the management of the listed entity /material subsidiary such as non- availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the chairman of the audit committee of the listed entity and the audit committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meeting. | NA | No Such resignation |



| Sr. No | Particulars | Compliance Status (Yes/No/NA) | Observation/Remarks by PCS |
|--------|---|-------------------------------|----------------------------|
| | <p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.</p> <p>ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p> | NA | No Such resignation |
| 3. | The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18 th October, 2019. | NA | No Such Resignation |

(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 (Regulation/ Circulars/ guidelines including specific clause) | Regulation/ Circular No. | Deviations | Action taken by | Type of Action | Details of Violation | Fine Amount | Observations/Remarks of the Practising Company Secretary | Management Response | Remarks |
|-----------------------|--|--------------------------|------------|-----------------|----------------|----------------------|-------------|--|---------------------|---------|
| Not Applicable | | | | | | | | | | |

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

| Sr. No | Compliance Requirement (Regulation/ Circulars/ guidelines including specific clause) | Regulation/ Circular No. | Deviations | Action taken by | Type of Action | Details of Violation | Fine Amount | Observations/Remarks of the Practising Company Secretary | Management Response | Remarks |
|-----------------------|--|--------------------------|------------|-----------------|----------------|----------------------|-------------|--|---------------------|---------|
| Not Applicable | | | | | | | | | | |

For R&D Company Secretaries

Sd/-
Debabrata Deb Nath
 Partner
 FCS No.: 7775; CP No. : 8612
 Peer Review Certificate No.1403/2021
 UDIN: F007775E000374561

Place: Delhi
 Date: 25.05.2023

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, 2023**

| Name of Director | Nature of Directorship | Ratio to median remuneration of employees* |
|-------------------|---|--|
| Mr. R.G. Agarwal | Chairman | 137.38 |
| Mr. M.K. Dhanuka | Vice Chairman & Managing Director | 122.93 |
| #Mr. A.K. Dhanuka | Whole Time Director | 95.19 |
| Mr. Rahul Dhanuka | Joint Managing Director | 119.62 |
| Mr Harsh Dhanuka | Executive Director-Alliances & Supply Chain | 56.64 |
| Mr. Ashish Saraf | Whole Time Director | 6.70 |

Demise of Mr. Arun Kumar Dhanuka, Whole-time Director on 30th January, 2023.

* Median salary of employees during

FY 2022-23: Rs. 4.15 Lacs p.a

FY 2021-22: Rs. 4.49 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 2022-23**

| Name of Director | Nature of Directorship | % Increase (decrease) in the remuneration |
|-------------------|---|---|
| Mr. R.G. Agarwal | Chairman | (8.93) |
| Mr. M.K. Dhanuka | Vice Chairman & Managing Director | (11.27) |
| #Mr. A.K. Dhanuka | Whole Time Director | (16.03) |
| Mr. Rahul Dhanuka | Joint Managing Director | 9.95 |
| Mr. Harsh Dhanuka | Executive Director-Alliances & Supply Chain | 9.32 |
| Mr. Ashish Saraf | Whole Time Director | 2.79 |
| Mr. V.K. Bansal | Chief Financial Officer | 2.60 |
| Mr. Jitin Sadana | Company Secretary | 9.60 |

Demise of Mr. Arun Kumar Dhanuka, Whole-time Director on 30th January, 2023.

- iii) **The percentage increase/ (decrease) in the median remuneration of employees in the Financial Year 2022-23: (5.36%)**
- iv) **The number of permanent employees on the rolls of Company as on 31st March, 2023: 1037**
- v) **Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year i.e. FY 2022-23 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.



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 the agricultural-inputs sector is considered to be relatively high due to the dependency on Environmental factors.

Risk Management

Risk Management is a proactive 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 the risk mitigation plan are to decide the 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 will 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

Risk Management Committee

A Risk Management Committee of the Board of Directors has been constituted in the Board Meeting held on 10th June, 2020. Mr. Rahul Dhanuka was appointed as Chairman and Mr. Harsh Dhanuka and Mr. VK Bansal are appointed as Members of the Committee. The said committee was re-constituted on 21st May 2021 by appointing Mr. Sanjay Saxena, Independent director as member of the said Committee. The purpose of this committee is to identify the elements of risk in different areas of operations and to develop a policy for actions associated to mitigate the risks as well as identify new and emergent risks. This Committee will inform the Board, on a timely basis, about risk assessment and minimization procedures, which in the opinion of the Committee may threaten the existence of the Company, if any.

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, and Measurement.

| S. No | Category | Internal Risk Factors | Risk Assessment: Likelihood (L) / Impact (I) | Risk Response Strategy | Response Actions |
|-------|----------------|---|--|------------------------|--|
| 1 | Man | Mis-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: Low | Risk Transference | The Company has the experience of many years that coverage cost is always more in compare to loss incurred due to foreign exchange rate fluctuation. Therefore, no coverage is taken to cover this risk by the Company. However, frequent reviews, including internal checks and controls, are implemented to review the same at frequent intervals. |
| 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 innovative molecules. |
| 5 | Material | Dependence on Strategic collaborations for supply of technical. | L: Low I: High | Risk Retention | Maintaining amicable 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 | For Principal products, the prices are mutually decided with suppliers, upfront at the beginning of each fiscal for tie-up products with MNCs. And for Generic products, change in price is generally based on demand and supply. We pass the price to the customer. |
| 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 strong internal audit team, which review these policies and procedures on frequent intervals. |
| 9 | Management | Dependence on Key Management Team– Attrition Management, back-ups, and Succession planning | L: Low I: Medium | Risk Reduction | Training and development of the next level are being undertaken. Responsibility for the same is given to HR Head. |
| 10 | Measurement | Inaccuracy of forecasts, Inventory & Logistic mis-management could result in unexpected reduction in sales due to stock-outs or surplus of stocks, wastages, theft, pilferage | L: Low I: High | Risk Reduction | Monthly review/meetings are done for the demand forecasts, inventory and logistic management and corrective actions are taken accordingly . |



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 External relevant 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 Likelihood (L) / Impact (I) | 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, average out the shortfall in sales |
| 2 | Environment | Considering the seasonality of the Company's business, sales may be low during the off season | L: Medium I: Medium | Risk Reduction | Efforts are made to ensure the 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 urbanization | L: Low I: Low | Risk Reduction | Products are being introduced which increase productivity per hectare. Also, some products indirectly increase productivity by protecting seeds from soil and seed-borne diseases. |
| 4 | Social | The 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 the extent of side-effects of pesticide usage. Also, environment-friendly, new low-dosage, but high-efficacy products are introduced to minimize damage to health & the 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 the 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 is in collaboration with various Industry Association including FICCI and is in touch with the Regulator(s) to safe guard this Industry. |



REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Dhanuka's governance framework is driven by enhancing long-term stakeholders' values without compromising ethical standards and corporate social responsibility. Efficient Corporate Governance requires a clear understanding of the roles of the Board of Directors ("**Board**") and 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 the Board and Senior Management relationships 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 the 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, our Corporate Affairs are managed fairly and transparently, bringing trust, faith, and belief in the system. Therefore, timely and accurate disclosure of information regarding the Company's financial situation, performance, ownership, and governance is an integral 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 and meet the legal requirements. At Dhanuka, the Board is at the core of our Corporate Governance Practice and considers itself a Trustee of its Shareholders and acknowledges its responsibilities towards creating and safeguarding their wealth.

Dhanuka complies with the Corporate Governance norms stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws as amended from time to time.

II. BOARD OF DIRECTORS

(a) Composition and Category of Directors:

The Board has an optimum combination of Executive, Non-Executive, and Woman Director. As on March 31, 2023, the Board comprises of 13 Directors, out of which eight are Non-Executive Directors, which consists of seven Independent Directors (out of whom One is Woman Independent Director) and five Executive Directors. Out of the five Executive Directors, one is the Chairman, one is the Vice Chairman & Managing Director and one is the Joint Managing Director of the Company. All the seven Independent Directors are free from any business or other relationship that could materially influence their judgment. All the Independent Directors satisfy the criteria of Independence as defined under the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Board periodically evaluates the need for change in its size and composition.

(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 the 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 31st March, 2023.

Necessary disclosures regarding Committee positions in other public companies as on March 31, 2023, have been made by the Directors.



(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 2022-23 | | Attendance at last AGM held on 2 nd August, 2022 | Directorship in Public Limited Companies as on 31.03.2023 | Membership of Committees (excluding Chairmanship) as on 31.03.2023 | Chairmanship of Committees as on 31.03.2023 |
|--------|---|--|---|----------|---|---|--|---|
| | | | Held | Attended | | | | |
| 1. | Mr. Ram Gopal Agarwal DIN: 00627386 | Executive (Promoter) Non-Independent | 4 | 2 | Present | 3 | 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 Group) Non-Independent | 4 | 3 | Present | 0 | 0 | 0 |
| 4. | **Mr. Rahul Dhanuka DIN: 00150140 | Executive (Promoter Group) Non-Independent | 4 | 3 | Present | 3 | 1 | 0 |
| 5. | ***Mr. Harsh Dhanuka DIN: 00199516 | Executive (Promoter Group) Non-Independent | 4 | 3 | Present | 2 | 1 | 0 |
| 6. | Mr. Mridul Dhanuka DIN: 00199441 | Non-Executive (Promoter Group) Non-Independent | 4 | 3 | Present | 5 | 1 | 0 |
| 7. | Mr. Ashish Saraf DIN: 07767324 | Executive Non Independent | 4 | 3 | Present | 1 | 0 | 0 |
| 8. | Mr. Priya Brat DIN: 00041859 | Non-Executive Independent | 4 | 4 | Present | 2 | 2 | 2 |
| 9. | Mr. Sachin Kumar Bhartiya DIN: 02122147 | Non-Executive Independent | 4 | 3 | Present | 2 | 2 | 0 |
| 10. | Mr. Vinod Kumar Jain DIN: 01185937 | Non-Executive Independent | 4 | 4 | Absent | 1 | 1 | 0 |
| 11. | Mr. Sanjay Saxena DIN: 01257965 | Non-Executive Independent | 4 | 3 | Present | 1 | 1 | 1 |
| 12. | Mr. Bajrang Lal Bajaj DIN: 00041909 | Non-Executive Independent | 4 | 2 | Absent | 2 | 1 | 0 |
| 13. | Ms. Namrata Gupta DIN: 08358673 | Non-Executive Independent | 4 | 4 | Present | 1 | 1 | 0 |
| 14. | Mr. Siraj Ajmat Chaudhry DIN: 00161853 | Non-Executive Independent | 4 | 3 | Absent | 7 | 7 | 2 |

*Demise of Mr. Arun Kumar Dhanuka, Whole Time Director of the Company on 30th January 2023.

**Mr. Rahul Dhanuka designated as Jt. Managing Director on 10th February 2023.

***Mr. Harsh Dhanuka designated as Executive Director- Alliances & Supply Chain on 10th February 2023.

^ Mr. Mahendra Kumar Dhanuka designated as Vice Chairman & Managing Director on 25th May, 2023.

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 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 as on March 31, 2023**

| S. No. | Name of the Directors | Name of Other Listed Entities | Category of Directorship |
|--------|---------------------------|--|--------------------------------|
| 1 | Mr. Ram Gopal Agarwal | M/s. Orchid Pharma Limited | Non-Executive Director |
| 2 | Mr. Mridul Dhanuka | M/s. Orchid Pharma Limited | Executive Director |
| 3 | Mr. Priya Brat | M/s. South Asian Enterprises Limited | Independent Director |
| 4 | Mr. Sachin Kumar Bhartiya | M/s. Bikaji Foods International Limited | Independent Director (nominee) |
| 5 | Mr. Siraj Azmat Chaudhry | 1. M/s Tata Coffee Limited 2. M/s Tata Consumer Products Limited 3. M/s Jubilant Ingrevia Limited 4. M/s Bikaji Foods International Limited | Independent Director |

(c) **Board Meetings held during the Financial Year 2022-23:**

Board met four times during the Financial Year 2022-23 on the following dates: 23rd May 2022; 2nd August, 2022; 1st November, 2022 and 10th February, 2023. The time gap between any of the two Meetings was not more than one hundred and twenty days.

During the year, a separate meeting of the Independent Directors was held on 10th February, 2023, 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:**

| Director | Relationship |
|--|--|
| Mr. Ram Gopal Agarwal Chairman | Brother of Mr. Mahendra Kumar Dhanuka, Vice Chairman & Managing Director and father of Mr. Rahul Dhanuka, Joint Managing Director |
| Mr. Mahendra Kumar Dhanuka Vice Chairman & Managing Director | Brother of Mr. Ram Gopal Agarwal, Chairman and father of Mr. Harsh Dhanuka, Executive Director- Alliances & Supply Chain and Mr. Mridul Dhanuka, Non-Executive, Non-Independent Director |
| Mr. Rahul Dhanuka, Joint Managing Director | Son of Mr. R.G. Agarwal, Chairman |
| Mr. Harsh Dhanuka, (Executive Director- Alliances & Supply Chain) | Son of Mr. Mahendra Kumar Dhanuka, Vice Chairman & Managing Director and Brother of Mr. Mridul Dhanuka, Non-Executive Director |
| Mr. Mridul Dhanuka, Non-Executive, Non-Independent Director | Son of Mr. Mahendra Kumar Dhanuka, Vice Chairman & Managing Director and Brother of Mr. Harsh Dhanuka, Executive Director- Alliances & Supply Chain) |

No other Director has any relationship inter se.



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

Mr. Mridul Dhanuka, Non-Executive Director, is holding 27,604 Shares in the Company.

(f) Functioning of the Board and its Committees:

The Board and its Committees meet at regular intervals for discussion on the Agenda circulated well in advance by the Company. All material information is incorporated into the Agenda for facilitating meaningful and focused discussions at the Meetings. Where it is not practical to attach or send the relevant information as a part of agenda papers, the same are tabled during the Meeting. To meet business exigencies, resolutions in respect of routine and urgent matters are passed by Banking, Finance & Operations Committee.

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, and steps taken by the Company to rectify instances of non-compliances. The Board reviewed Compliance Reports prepared by the Company quarterly.

(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 updates, 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) are provided in the Notice of the AGM. The Notice contains the relevant information, like the brief resume of the Directors, the 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, our business's Annual Strategic and Operating Plans are presented to the Board for their review, inputs, and approvals. Likewise, Quarterly Financial Statements and Annual Audited Financial Statements are first presented to

the Audit Committee and subsequently to the Board for their approval. The detailed presentation on the Company's general working and material developments is made before the Board by Mr. Harsh Dhanuka, Executive Director – Alliances and Supply Chain of the Company, at every Board Meeting. A 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 meeting of the Board of Directors of the Company.

In addition, Corporate Laws updates, 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 except documents related to Unpublished Price Sensitive Information 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 the compliance status of all applicable Laws along with recent amendments is provided to the Board from time to time.

(k) Familiarization Program 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 programs. Such Meetings/programs include briefings on the Company's culture, values, business model, and 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 updates, changes in the 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 a 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, the Company's business and strategy, financial reporting, governance and compliance, and other related matters. Details regarding the familiarization program are available on the Company's website, i.e., www.dhanuka.com under the "Investors- about Board of Directors" Section.

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

The Company has laid down a Code of Conduct (as



amended from time to time) for the Board and Senior Management Personnel of the Company. The Company has received affirmations from the Board Members and Senior Management confirming their compliance with the Code for Financial Year 2022-23 and confirmation for adherence to Code for Financial Year 2023-24. An Annual Declaration signed by the Managing Director (MD) and Chief Financial Officer (CFO) to this effect forms part of this Report. The Code is available on the Company's website, i.e., www.dhanuka.com under the "Investors-about Board of Directors" Section.

(m) Code for Prevention of Insider Trading by Designated Persons:

The Company has a 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 also has a 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 Company is also maintaining a Structural Digital Database Software containing the nature of Unpublished Price Sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information are shared along with their PAN inline with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Trading Window is closed from the closure/end of the quarter till 48 hours of publication of Quarterly Financial Results and also before 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 with by the Compliance Officer, 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 an appointment at the Board level, including the existing Top Management. The NRC shall apply due diligence process to determine the competency of the 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 Nomination and Remuneration 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.

Expertise/ Skills of Directors

| Name of the Directors | Qualification | Experience | Competencies |
|---|--|-----------------|---|
| <p>Mr. Ram Gopal Agarwal</p> <p>Chairman</p> <p>Executive- Non-Independent</p> | <p>B.Com (Hons)-Sri Ram College of Commerce, Delhi University.</p> | <p>55 Years</p> | <p>A Man of Vision, Business Acumen, Leadership, Philanthropist, and Passionate To Serve The Cause not only for the Farming Community but for the nation.</p> <p>Mr. RG Agarwal is the Group Chairman of Dhanuka Group & Family Charitable Trusts. Mr. Agarwal holds a Degree in Bachelor of Commerce (Hons) from Shri Ram College of Commerce and has vast experience of 55 plus years since 1968. Being a veteran in the Agri inputs industry, he is a decisive and action-oriented visionary working towards food, nutrition, health, environmental safety, and serving the nation.</p> <p>Under his dynamic stewardship, the Dhanuka Group has attained a distinct place as a leading Agritech(Crop Protection chemicals) & Pharma Business House in the country, with interests in Crop Protection, Spray Technology, Pharmaceuticals, and taking new technologies like IT, IoT, Precision agriculture, Drones and increasing their quality, yield, and income. He is a strong believer in making available all crop care inputs and services under one roof and is advocating Dhanuka Kheti Ki Nai Takneek through its many extension activities. The Group had been the first to join hands with the Government of Madhya Pradesh in 2001 for Agricultural Extension Management in the Hoshangabad district under a Public-Private Partnership.</p> <p>Mr. Agarwal also has taken the initiative and is a pioneer in sponsoring the channel partners of Dhanuka to DAESI (Diploma in Agricultural Extension Services for Agri- Input Dealers) in collaboration with Navsari Agricultural University (Gujarat), Anand Agricultural University, and MANAGE Hyderabad. Such extension training imparted to the Agri-Input Dealers will go a long way in promoting the right use technology of for crop protection.</p> <p>Recognizing the importance of Research and Development for the growth of a Corporate House, he has established the Dhanuka Agritech Research and Technology (DART) Centre at Palwal, Haryana which is a State-of-the-art Research and Technology Centre equipped with all the latest facilities for all types of agricultural experiments. It is managed by highly qualified trained Scientists.</p> <p>Mr. Agarwal is a widely known personality in the Crop Protection Chemical Industry, Agricultural Research Institutes and Farming Community and was Chairman of the Crop Care Federation of India (Erstwhile Pesticides Association of India) for over four years and also earlier as its Vice Chairman. He was the President Emeritus of the Haryana Pesticides Manufacturers Association and also on the Executive Committee of the Pesticides Manufacturers & Formulators Association of India for many years. He was also the Chairman of the FICCI Crop Protection Committee.</p> <p>In view of his very distinct contributions to the uplifting of farmers, and society at large, Mr. Agarwal is the recipient of several coveted awards, to name a few: National Safety Award – 3 times; Forbes Award – 200 Best under A Billion Companies in Asia Pacific, Lifetime achievement award by CHAI , FICCI and many more. He is also pursuing many social and religious activities for the benefit of society.</p> |



| Name of the Directors | Qualification | Experience | Competencies |
|---|---|-----------------|--|
| <p>Mr. Mahendra Kumar Dhanuka</p> <p>Vice Chairman & Managing Director</p> <p>Executive- Non Independent</p> | <p>B.Com (Hons) -Sri Ram College of Commerce, Delhi University.</p> | <p>49 years</p> | <p>Mr. Mahendra Kumar Dhanuka is working as Vice Chairman & Managing Director of the Company since its incorporation. He is an eminent personality and has a vast and rich experience of 49 years in the Agrochemicals Industry. He is proficient in Corporate Affairs, and his keen insight and judgment bring excellence to the Company's functioning, its Board, and Committees. He has deep commitment towards the achievement of organizational goals and has also played a key role in introducing corporate governance principles to the functioning of the Company. His foresight and business acumen have helped the Company achieve its goals.</p> <p>Acting as a member of the Audit Committee, he is excellently handling all the Financial Transactions of the Company and maintains tremendous control over minimizing frauds and malpractices in the Company. In his supervision Company has become debt-free, and there is no Long term borrowing in the Company.</p> <p>Presently, he is also acting as a member of the CSR Committee and is involved in various CSR initiatives related to water harvesting, environment sustainability, health care, hunger eradication and education.</p> |
| <p>Mr. Rahul Dhanuka</p> <p>Joint Managing Director</p> <p>Executive- Non Independent</p> | <p>Master in Business Administration -S.P. Jain Institute of Management & Research.</p> | <p>25 Years</p> | <p>He has a distinguished Corporate career of more than 25 years. Being Director Marketing, he has tremendously contributed in taking sales to new heights. The Company has a Pan India presence and around 6500 distributors and dealers. 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 to the organization, implementing ERP, and strategic business relationships with all the collaborators. As a member of the Stakeholders' Relationship Committee of the Company, he takes a keen interest in ensuring that no effort is spared to maintain good stakeholders' relationships and to address grievances speedily. Being the Chairperson of the Risk Management Committee of the Board of the Company he ensures that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.</p> <p>As his role transcends the entire operations of the Company, the Board of Directors of Dhanuka Agritech Limited has appointed him as Chief Operating Officer (COO) of the Company w.e.f 21st May 2021 and further redesignated him as Joint Managing Director on 10th February 2023.</p> |
| <p>Mr. Mridul Dhanuka</p> <p>Non-Executive- Non Independent</p> | <p>B.Tech(Chemical Engineering)-Pune University MBA-NITIE, Mumbai.</p> | <p>18 Years</p> | <p>He has a distinguished corporate career of 18 years. He is associated with Dhanuka since 2005. His technical expertise has supported to enlargement of 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 thus improving profitability. He is instrumental in driving various initiatives with the support of senior leadership teams to achieve the set milestones of the organization. Under his exuberant personality and ambitious leadership, the Company expanded its production facilities, setting up state of the art world-class manufacturing facility at Keshwana. He was responsible for successfully realigning the entire supply chain vertical from procurement to sales. He has successfully improved the efficiency and productivity of all the manufacturing facilities of Dhanuka, thereby making a positive contribution to the company's profitability. Continuing the legacy, he led the organization's major projects, bringing Dhanuka closer to its aspiration of “Transforming India through Agriculture.”</p> |



| Name of the Directors | Qualification | Experience | Competencies |
|---|--|------------|---|
| Mr. Harsh Dhanuka Executive Director – Alliances and Supply Chain | MBA- Monash Graduate Business School, Monash University, Melbourne, Australia. | 16 Years | <p>Mr. Harsh Dhanuka has been associated as Vice President –Marketing in the past and associated with Dhanuka for the past 16 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&D, before moving to Sales Division, where he spent 7+ years. He handled multiple roles in the 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 the International Relationships of Dhanuka and working on getting new patented products and technologies to benefit Indian farmers. He has initiated and pioneered the Sales Excellence department, which is now a key function for performance management of the Sales Department and supports in Farmer outreach. He is also working on expanding Dhanuka's business by tying up with Indian Corporates and other Institutional Customers to add a new Revenue stream for the Company. He is also a Member of Risk Management Committee and Stakeholders Relationship Committee of the Board of Directors of the Company.</p> <p>Mr. Harsh Dhanuka has been assigned additional responsibility to look after the affairs of Dahej Unit of the Company.</p> |
| Mr. Ashish Saraf Executive Director- Non Independent | B.Com-Shaheed Bhagat Singh College, Delhi University. | 35 Years | <p>Mr. Ashish Saraf is empowered with an astute understanding of various industries and their dynamics through his expertise, which spans over more than three decades in several corporate and business segments. In March 2017 he came to the Board of Dhanuka Agritech Ltd. as a Whole time Director. He brings his age-long expertise and holistic acumen to Dhanuka Agritech by overseeing its CSR, Admin, HR, and Safety Security operations. He is also proficient in and has spearheaded teams in streamlining policies and procedures, organizing, optimization of given resources.</p> <p>He has garnered accolades and business management expertise as the Promoter & CEO of M/s. Narayan International, New Delhi, (International Trade, Consultancy & Liaising) from 1988 to 2013.</p> <p>Thereafter, he contributed his skills and holistic acumen to M/s. Mauria Udyog Ltd. (Terry Towel) as a COO, Management Consultant, and liaison with various Govt. Dept. / Ministries from October 2013 to January 2017. He is a Commerce graduate from Delhi University with schooling from Modern School, Delhi.</p> |
| Mr. Priya Brat- 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. | 54 Years | <p>He has a distinguished career in the State Bank of India and headed various important assignments related to Industrial Credit, Forex Management, Project Appraisal, Loan Syndication and Merchant Banking. Mr. Brat plays a vital role in the Board's effective functioning and has made commendable suggestions from time to time. Being from a Banking background and having rich experience in the 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.</p> |



| Name of the Directors | Qualification | Experience | Competencies |
|--|---|------------|--|
| Mr. Sachin Kumar Bhartiya Non-Executive - Independent Director | Fellow Chartered Accountant B.Com- University of Calcutta | 22 Years | <p>Sachin Bhartiya is a Founding Partner and Chief Investment Advisor at Lighthouse Advisors, a consumer-focused private equity firm investing in India for over 16 years. Lighthouse has over half a billion dollars of assets under management and has invested in over 29 companies across consumer brands, digital transformation, healthcare, and specialty manufacturing. Lighthouse's marquee investments include leading Indian brands like Bikaji Foods, Nykaa, Duroflex Mattresses, Fabindia, Ferns N Petals, Cera Sanitaryware, Dhanuka Agritech, Kama Ayurveda, Poly Medicare, Shaily Engineering, Tynor Orthotics, Unibic Foods, Wow! Momo, among others.</p> <p>Prior to joining Lighthouse, Sachin spent eight years in the Indian banking sector. His deep understanding and appreciation for changing consumer behaviour and consumption patterns across rural and urban India has helped Lighthouse spot many successful investment ideas early on. Sachin currently sits on the boards of following Lighthouse investee companies, namely Bikaji Foods, one of the largest ethnic snacks companies in India, Indian Herbs the largest herbal medicine and feed supplement company in India, Dhanuka Agritech, the second largest agro-chemical company in India. Previously, he held board positions at Shaily Engineering, a specialty manufacturing plastic product company, Unibic Foods, a premium cookies company, Suraksha Diagnostic, eastern India's largest diagnostic chain, and Stylam Industries, a leading building materials company, which have all been successfully exited.</p> |
| Mr. Vinod Kumar Jain Non-Executive Independent Director | B.Com -Sri Ram College of Commerce, Delhi University. | 48 Years | <p>He is having rich and multifaceted experience of more than 48 years. With his innovative ideas and skills, he has taken his business of cotton yarn to new heights. He is also Secretary of the 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 a member of the Audit Committee and provides his valuable guidance relating to the Company's business operations and financial matters.</p> |
| Mr. Sanjay Saxena Non-Executive Independent Director | <ul style="list-style-type: none"> ❖ Cost and Management Accountant- Institute of Cost & Management Accountants of India (ICMA) ❖ B.Com- Delhi University ❖ PG Diploma (Urban Management and Planning with distinction) Institute for Housing and Urban Development Studies (IHS), Erasmus University, Rotterdam, The Netherlands Diploma in Advance Software Application - Computers Point, New Delhi. | 35 Years | <p>Mr. Sanjay Saxena brings a wealth of international experience spanning 35 years. Throughout his career, he has successfully contributed to over 175 government projects across 35 countries, covering a diverse range of areas. His expertise lies in designing and implementing these projects effectively to ensure their success. Mr. Saxena has collaborated extensively with renowned multilateral and bilateral development agencies such as The World Bank, Asian Development Bank, African Development Bank, UNDP, UNOPS, UNICEF, DFID, and USAID. His ability to lead highly skilled multidisciplinary international teams and engage with various stakeholders, including public, private, community, and non-governmental entities, has proven instrumental in delivering reform and capacity building projects and programs in a timely and high-quality manner. In addition to his project work, Mr. Saxena has organized and facilitated over 200 national and international conferences, seminars, training workshops, and study tours focusing on governance themes. These events serve as platforms for sharing best practices and knowledge exchange. He is also a prolific author, with more than 170 published books on e-governance, MIS, and ICT. These books are widely adopted as course material for graduate and postgraduate programs in over 700 colleges and universities throughout India. He is founder and continues to lead Total Synergy Consulting, a consultancy firm specializing in research and advisory services for governments and international multilateral development banks (IMDBs).</p> <p>Mr. Saxena is associated with Dhanuka for the past four years. He is Chairman of the Stakeholders' Relationship Committee and member of Nomination and Remuneration Committee and the Risk Management Committee. His diversified experience has proved very beneficial for the Board. He has made valuable suggestions on various operational, and strategic matters. As a Stakeholders' Relationship Committee Chairman, he ensures that the Company / RTA speedily addresses transfer, transmission, Demat, Remat requests.</p> |



| Name of the Directors | Qualification | Experience | Competencies |
|---|---|------------|--|
| <p>Ms. Namrata Gupta</p> <p>Non-Executive Independent Director</p> | <ul style="list-style-type: none"> ❖ M.Com-Kurukshetra University ❖ M.A.-Psychology ❖ PGD-(Psychological Counselling) and M. Phil- Organisational Behaviour - Institute of Psychotherapy and Management Sciences. | 13 Years | <p>She has over 13 years of experience in Relationship Counselling, Master practitioner in the Neuro-Linguistic program, and worked with people individually and in groups and helped them develop a strong positive self-image, improve communication, and resolve conflicts.</p> <p>She is associated with Dhanuka as a Women Independent Director from 2019. Ms. Namrata advises the Company on human behavior, inter personal relationship & managing stress.</p> |
| <p>Mr. Bajrang Lal Bajaj</p> <p>Non-Executive Independent Director</p> | <ul style="list-style-type: none"> ❖ Fellow Chartered Accountant (Rank Holder) ❖ Fellow Company Secretary (Gold Medalist) ❖ Fellow Member of Indian Management Association <p>Association with the Chambers of Commerce & Industry (Present/Past)</p> <ul style="list-style-type: none"> ❖ FICCI- Industry Committee ❖ FICCI- Finance and Banking Committee ❖ FICCI- Foreign trade Committee ❖ Several Committees of PHDCCI | 33 Years | <p>He has over 33 years of rich experience in Corporate Finance, Cross Border Business Development, M&A & General Management, and Offers advisory services.</p> <p>He is the Managing Director of M/s. Dynamic Orbits Consultancy Pvt. Ltd, looking for mergers/ acquisitions/ JVs and cross-border business development for Indian and global Corporate.</p> <p>Industry Experience- Automobiles, Chemicals, Power, Textile, IT, Services, International Business and Investment Banking. Handled functions like-Strategy, Business Development, Operations, and CEO positions.</p> |
| <p>Mr Siraj Azmat Chaudhry</p> <p>Non-Executive Independent Director</p> | <ul style="list-style-type: none"> ❖ MBA from the Indian Institute of Foreign Trade (IIFT) ❖ Graduate from Shri Ram College of Commerce, University of Delhi. ❖ He is a member of CDC Group's Food & Agriculture Advisory Council. ❖ He is a member of the non-statutory advisory council of AB InBev, India and the Food & Agri Advisory Council at CDC Group plc. ❖ He has been past Chair of the National Committee on Food Processing at FICCI | 35 Years | <p>Mr. Siraj Chaudhry is an industry expert, thought leader, innovator and a leading voice in the agriculture and food industry. He has worked extensively with industry, the social sector, and the Government on transformational and numerous nation-building projects.</p> <p>Mr. Siraj has over 35 years of experience in building, turning around, acquiring and divesting businesses. Mr. Siraj Chaudhry is presently Country Chairman, SATS India. Until recently he was Non-Executive Director and Chairman of National Commodity Management Ltd., (NCML) prior to which as the MD & CEO of NCML and was leading the organization into greater diversification and expanding the company footprint across the country as a trusted and preferred Agri Supply chain and solutions company. Mr. Siraj was the Chairman of Cargill India, the Indian arm of Cargill Inc., where he led the build and expansion of Cargill's Food Business in India. Under his leadership, Cargill's Food Business became 5,000 Cr. entity in edible oils, flour, corn products, and food ingredients. He was instrumental in transforming a traditional B2B business into an FMCG company of repute. He is credited with pioneering edible oil fortification as a practice, recognized by Fortune Magazine as a Change the World activity.</p> <p>Mr. Siraj also serves as an Independent Director on the Boards of Tata Consumers Products Ltd., Tata Coffee Ltd., Bikaji Foods International Limited and Jubilant Ingrevia Ltd. He has, in the past, been an Independent Director on the Board of IndusInd Bank and has served as the Co-chair of the National Committee for Agriculture at FICCI.</p> |

| Name of the Directors | Qualification | Experience | Competencies |
|-----------------------|---------------|------------|---|
| | | | <p>He is a member of CDC Group's Food & Agriculture Advisory Council. He is also a member of the non-statutory advisory council of AB InBev, India and the Food & Agri Advisory Council at CDC Group plc. He has been past Chair of the National Committee on Food Processing at FICCI and the National Alliance for Edible Oil Fortification, a joint initiative by CII and GAIN to address malnutrition through food fortification.</p> <p>In the past, he has also served as the President of the Food Industry Skill Council under the NSDC. He has chaired the Agriculture and Food Committee at the American Chamber of Commerce and the Agriculture and Food Committee of USIBC in India.</p> <p>He is the recipient of numerous awards and recognitions, including Pride of Uttar Pradesh by Lucknow Management Association and Pioneer for Edible Oil Fortification by FSSAI.</p> <p>He holds an MBA degree from the Indian Institute of Foreign Trade (IIFT) and is a graduate of SRCC, University of Delhi</p> |

Expertise/ Skills of Directors

| S. No. | Name of Director | Expertise / Skills |
|--------|----------------------------|--|
| 1 | Mr. Ram Gopal Agarwal | Wide Management and Leadership Experience, Functional and Managerial Experience, Diversity and Personal Values, Education and Research, Social Reforms and betterment of the nation in areas of Trade and Industry and Decision Making. |
| 2 | Mr. Mahendra Kumar Dhanuka | Wide Management and Leadership Experience, Business Development, Finance and Banking matters, standardization of systems and processes across the organization, Corporate Governance, Investor Relation, Supply Chain and Decision Making. |
| 3 | Mr. Rahul Dhanuka | Strategic Marketing, Brand transformation, Business development and spearheading new projects, IT reforms, Human Resources and Decision Making. |
| 4 | Mr. Mridul Dhanuka | Standardization of systems and processes across the organization, Contract Drafting & Negotiations, Litigation Management Dispute Resolution, M&A Statutory Compliances and Intellectual Property Rights (IPR) etc. |
| 5 | Mr. Harsh Dhanuka | Technical procurement planning and foreign alliances, Technology matters and Business Administration, Alliances & Supply Chain, Corporate Quality and Safety Functions and Spreading New Projects. |
| 6 | Mr. Ashish Saraf | Human Resources, Supply Chain and Business Administration. |
| 7 | Mr. Priya Brat | Finance and allied fields, Contract Drafting and Negotiations, Litigation Management Dispute Resolution, Finance and Banking Matters. |
| 8 | Mr. Sachin Kumar Bhartiya | Strategic private equity investment and Business Management, Investment Banking, Corporate Advisory and Project Appraisal. |
| 9 | Mr. Vinod Kumar Jain | Business Development, Human Resource and Supply Chain Management. |
| 10 | Mr. Bajrang Lal Bajaj | Corporate Governance, Banking and Finance matter, Capital Market Activity and Investor Relation. |
| 11 | Mr. Sanjay Saxena | IT reforms, Human Resources, Education and Research and Social Reforms. |
| 12 | Ms. Namrata Gupta | Human Resources, Advanced Management and Skill Development. |
| 13 | Mr. Siraj Azmat Chaudhry | Wide Management and Leadership experience, Technical planning, Business development and spearheading new projects |



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

The Board has confirmed that all the Independent Directors fulfill all the conditions specified in the Companies Act and Listing Regulations, and are Independent of the Management. All the Independent Directors have given confirmation stating that they meet the criteria of Independence mentioned in the Companies Act and Listing Regulations.

(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.

No Independent Director has given resignation before the expiry of his/her tenure, during the Financial Year 2022-23.

(iv) Changes among Directors:

Except the demise of Mr. Arun Kumar Dhanuka, Whole Time Director on 30th January, 2023, there is no other change among the Board of Directors of the Company, during the Financial Year 2022-23.

(v) Changes among Senior Management:

During the Financial Year 2022-23 following changes were made in the Senior Management of the Company:

| S.No | Name | Date of Joining/ Resignation | Designation | Department |
|------|--------------------------|---------------------------------|--------------------|------------------------|
| 1. | Mr. Manoj Kumar Varshney | 14/06/2022 (Appointment) | Sr General Manager | Marketing |
| 2. | Mr. Abu Khalid | 12/08/2022 (Appointment) | Sr General Manager | Quality |
| 3. | Mr. Manik Pratap Gole | 17/08/2022 (Appointment) | Vice President | Operations |
| 4. | Mr. Raghunath Duvvuri | 3/09/2022 (Appointment) | General Manager | Exports |
| 5. | Mr. Kapil Mehrotra | 6/02/ 2023 (Appointment) | General Manager | Information Technology |
| 6. | Mr. Sandeep Salke | 15/03 2023 (Resignation) | General Manager | Bio- Pesticides |

(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 38th AGM:

1. Mr. Ram Gopal Agarwal
2. Mr. Mridul Dhanuka

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 38th 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 that 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
- Risk Management Committee



➤ **Audit Committee:**

The Audit Committee of the Board is constituted in line with 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. The Committee met five times during the Financial Year 2022-23 on the following dates: 23rd May 2022; 2nd August, 2022; 1st November, 2022, 20th December, 2022 and 10th February, 2023. The necessary quorum was present during all the Meetings.

Constitution and Attendance

| Name | Designation and Category | Meeting(s) Held during Tenure | Meetings Attended |
|----------------------------|--|-------------------------------|-------------------|
| Mr. Priya Brat | Chairman- Non-Executive Independent | 5 | 5 |
| Mr. Mahendra Kumar Dhanuka | Member- Executive Non Independent | 5 | 5 |
| Mr. Vinod Kumar Jain | Member- Non-Executive Independent | 5 | 4 |
| Mr. Sachin Kumar Bhartiya | Member- Non-Executive Independent | 5 | 3 |

Company Secretary being secretary to the Committee, attended all the Meetings.

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

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 that 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 before 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 the exercise of judgment.
 - ❖ Qualifications in draft Audit Report.
 - ❖ Significant adjustments made in the Financial Statements arising out of the 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 any 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 the 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 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 the 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 Information:
 1. Management Discussion and Analysis of financial condition and results of operation.
 2. Statement of Significant 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 Meeting 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 offense 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 with the Company.
- 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 the Compliance Officer with regard to compliance with the Internal Code of Conduct of the Company to Regulate, Monitor and Report Trading by Designated Persons.

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

➤ **Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee of the Board is constituted in line with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 and the Rules notified by the Central Government in this regard.

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 the Board of Directors. This Committee also evaluates the performance of Independent Directors, the Committee(s) and the Board as a whole from time to time based upon descriptive performance evaluation forms. Non-Independent Directors conduct a detailed evaluation of the performance of Independent Directors based upon a pre-filled questionnaire setting out expectations from Independent Directors and their actual performance on same. The Committee met two times during the Financial Year on 23rd May, 2022 and 10th February, 2023. The necessary quorum was present during both the Meetings.

Constitution and Attendance:

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

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



Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee:

- (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 the 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) For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may;
 - a) Use the services of external agencies, if required;
 - b) Consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) Consider the time commitments of the candidates.
- (4) To formulate criteria for performance evaluation of Independent Directors and the Board;
- (5) Devise a policy on Board diversity;
- (6) 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.
- (7) Review and re-assess the adequacy of these terms of reference periodically and recommend any proposed changes to the Board for approval from time to time;
- (8) 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.

Nomination and 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 amend it from time to time. The Policy ensures that due regard is given to the Company's financials and the interest of Shareholders and that levels of remuneration are sufficient to attract and retain exceptional employees who can take the Company forward.

The said Policy is available on its website i.e. www.dhanuka.com under the Investors Section.

Remuneration paid During Financial Year 2022-23

❖ To Non-Executive Directors

(Rs. in Lacs)

| S. No. | Name of the Directors | Commission | Sitting Fee |
|--------|---------------------------|------------|-------------|
| 1. | Mr. Priya Brat | Nil | 5.20 |
| 2. | Mr. Vinod Kumar Jain | Nil | 4.20 |
| 3. | Mr. Siraj Ajmat Chaudhry | Nil | 2.00 |
| 4. | Mr. Sanjay Saxena | Nil | 3.40 |
| 5. | Mr. Sachin Kumar Bhartiya | Nil | 3.30 |
| 6. | Ms. Namrata Gupta | Nil | 3.10 |
| 7. | Mr. Bajrang Lal Bajaj | Nil | 1.60 |
| 8. | Mr Mridul Dhanuka | Nil | 2.00 |

❖ **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.

(Rs. in Crore)

| S. No. | Name of the Directors | Salary and Allowances | Commission | Superannuation | P.F. | Total |
|--------|--|-----------------------|------------|----------------|------|-------|
| 1. | Mr. Ram Gopal Agarwal Chairman | 1.86 | 3.76 | - | 0.08 | 5.70 |
| 2. | Mr. Mahendra Kumar Dhanuka Vice Chairman & Managing Director | 1.26 | 3.76 | - | 0.08 | 5.10 |
| 3. | *Mr. Arun Kumar Dhanuka Whole-time Director | 0.80 | 3.09 | - | 0.06 | 3.95 |
| 4. | Mr. Rahul Dhanuka Joint Managing Director | 1.12 | 3.76 | - | 0.08 | 4.96 |
| 5. | Mr. Harsh Dhanuka Executive Director – Alliances & Supply Chain | 0.77 | 1.51 | - | 0.07 | 2.35 |
| 6. | Mr. Ashish Saraf Whole-time Director | 0.27 | - | - | 0.01 | 0.28 |

*Demise of Mr. Arun Kumar Dhanuka, Whole-Time Director of the Company on 30.01.2023

A declaration was made by the Executive Directors (belongs to the Promoter Group) to fix the upper cap on their remuneration as per the below given details, as submitted to the stock exchanges on 29th July, 2022.

| S.No | Name of Director | Designation | Maximum limit (upper Cap) on Remuneration for the next 5 financial years i.e. from 2022-23 to 2026-27 |
|------|----------------------------|---|---|
| 1. | Mr. Ram Gopal Agarwal | Chairman & Whole-time Director | Rs. 10 Crore per annum |
| 2. | Mr. Mahendra Kumar Dhanuka | Managing Director & Whole-time Director | Rs. 10 Crore per annum |
| 3. | Mr. Rahul Dhanuka | Joint Managing Director & Whole-time Director | Rs. 7.5 Crore per annum |
| 4. | Mr. Harsh Dhanuka | Whole-time Director | Rs. 5 Crore per annum |

No sitting fees were paid to any Executive Director. The Non-Executive Directors were paid sitting fees of Rs. 60,000/- for each Board Meeting attended and Rs. 30,000/- for each Committee Meeting attended.

The Board in its Meeting dated 1st November 2022 revised the Sitting Fees payable to Non-Executive Directors for attending the Board Meeting from Rs. 60,000/- (Rupees Sixty Thousand only) to Rs. 80,000/- (Rupees Eighty Thousand only) and for attending the Audit Committee Meeting from Rs. 30,000/- (Rupees Thirty Thousand only) to Rs. 40,000/- (Rupees Forty Thousand only) effective from 1st November, 2022 for both (i.e. Board and Audit Committee). Accordingly, the revised Sitting Fees were paid for the Board and Audit Committee Meetings held from 1st November, 2022.



❖ **Details of Equity Shares Held by Directors as on 31st March, 2023**

| Name of the Directors | Number of Equity Shares |
|----------------------------|-------------------------|
| Mr. Ram Gopal Agarwal | 189031 |
| Mr. Rahul Dhanuka | 201403 |
| Mr. Mahendra Kumar Dhanuka | 27604 |
| Mr. Mridul Dhanuka | 27604 |
| *Mr. Arun Kumar Dhanuka | 36503 |
| Mr. Harsh Dhanuka | 27604 |

*Demise on 30th January, 2023. The process of transmission of shares is under process.

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. Mridul Dhanuka, who holds 27604 (Twenty Seven Thousand Six Hundred & Four) Equity Shares.

➤ **Stakeholders' Relationship Committee:**

The Stakeholders' Relationship Committee of the Board is constituted in line with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 179 of the Companies Act, 2013 and the Rules notified by the Central Government in this regard.

The Committee met once during the Financial Year on 1st November, 2022. The necessary quorum was present during the Meeting.

Constitution and Attendance:

| Name | Designation and Category | Meeting(s) Held during Tenure | Meetings Attended |
|-------------------|-------------------------------------|-------------------------------|-------------------|
| Mr. Sanjay Saxena | Chairman, Non-Executive Independent | 1 | 1 |
| Ms. Namrata Gupta | Member, Non-Executive Independent | 1 | 1 |
| Mr. Rahul Dhanuka | Member, Executive Non Independent | 1 | 1 |
| Mr. Harsh Dhanuka | Member, Executive Non Independent | 1 | 0 |

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

Terms of Reference:

The Stakeholders' Relationship Committee:

- (1) 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;
- (3) Review of measures taken for the 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:

Mr. Jitin Sadana, Company Secretary & Compliance Officer

Dhanuka Agritech Limited (CIN:L24219DL1985PLC020126)
Global Gateway Towers, MG Road,
Near Guru Dronacharya Metro Station,
Gurgram, Haryana-122002

Number of Shareholders Complaints received: During the Financial Year 2022-23, the Company has received **139** correspondences. **101** correspondences were received by RTA including **one** 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 2022-23, Eleven (11) Meetings of the Banking, Finance and Operations Committee of the Board of Directors were held on:

20th April 2022, 1st June 2022, 13th July 2022, 23rd August 2022, 17th September 2022, 21st October 2022, 1st November 2022, 14th December 2022, 1st February 2023, 13th February 2023, and 13th March 2023.

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 | 11 | 11 |
| Mr. Mahendra Kumar Dhanuka | Member- Executive Non Independent | 11 | 10 |
| *Mr. Arun Kumar Dhanuka | Member- Executive Non Independent | 11 | 8 |
| Mr. Rahul Dhanuka | Member- Non-Executive Non Independent | 11 | 10 |
| Mr. Harsh Dhanuka | Member- Executive Non Independent | 11 | 11 |

* Demise of Mr. Arun Dhanuka, Member of the Committee on 30th January, 2023.

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

Terms of Reference:

- (1) Approval for opening/closing/operating bank accounts, including modification of authorities for operating them;
- (2) Approval of all borrowings, including those from banks/financial/private institutions etc. including availing ad-hoc funds for the working capital purpose, accepting sanction of loans and giving security for the same;
- (3) Approval for investing surplus funds of the Company /providing guarantee/giving loan in whatsoever manner;
- (4) Approval for applying for licenses, registrations, etc. to all Central / State / Local Government / Semi-Government / Private Departments, to deal with and represent the Company before various Regulatory and other Authorities, to initiate and defend any legal proceedings, by/against the Company before any court including High Court and Supreme Court, to authorize the person to execute Power of Attorney on behalf of Company;
- (5) Approval for acceptance of security deposits in the routine course of business of the Company;
- (6) Approval for availing Bank guarantees;
- (7) To authorize any person to execute and sign any type of agreement, Memorandum of Understanding, Documents, Affidavits, Power of Attorney and/or any other document for and/or on behalf of the Company;
- (8) To authorize to file first information report(FIR), suit, complaint, petition, application, written statement etc with any quasi-judicial authorities, judicial authorities, any government, semi-government or any other department or authorities for or on behalf of the Company.



- (9) To purchase or take on lease any kind of property/land/asset for the company.
- (10) To sell, lease or dispose of any property/building/asset of the Company.
- (11) To give authorization pertaining to incorporation of any of subsidiary and/or to enter into joint venture / strategic partnership.
- (12) Any other activity relating to aforesaid matters subject to all applicable laws including power to delegate such of its functions, from time to time, as may be considered necessary.
- (13) The Committee may also exercise any other power which is not mentioned above and is not specifically prohibited under any laws, rules and regulations.

➤ **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 2022-23, CSR Committee Meeting was held on 23rd May, 2022. All the Members were present except Mr. Ram Gopal Agarwal, Chairman of the Committee.

Constitution and Attendance:

| Name | Designation and Category | Meeting(s) Held during Tenure | Meetings Attended |
|----------------------------|-------------------------------------|-------------------------------|-------------------|
| Mr. Ram Gopal Agarwal | Chairman- Executive Non Independent | 1 | 0 |
| *Mr. Arun Kumar Dhanuka | Member- Executive Non Independent | 1 | 1 |
| Mr. Bajrang Lal Bajaj | Member- Non Executive Independent | 1 | 1 |
| #Mr. Mahendra Kumar Dhnuka | Member | NA | NA |
| #Mr. Ashish Saraf | Member | NA | NA |

*Demise of Mr. Arun Kumar Dhanuka, Member of the Committee on 30th January, 2023

Mr. Mahendra Kumar Dhanuka and Mr. Ashish Saraf were appointed as member(s) of the CSR Committee on 23rd May, 2022.

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

Terms of Reference:

- (1) 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;
- (2) Recommend the amount of expenditure to be incurred on CSR activities; and
- (3) Monitor the CSR Policy of the Company from time to time.
- (4) Prepare Annual Action Plan on CSR Activities.
- (5) To review and approve Annual Report on CSR as prescribed under the Companies Act 2013 and rules made thereunder.

The Company is involved in various CSR activities.

The Company has a CSR Policy. 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 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, malnutrition, conservation of water, and deployment of water for agriculture and human use.

The thrust is on training and educating farmers and the 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 communities holistically. The Company's CSR Policy is available on the Company's website and other details about CSR spending are part of the Directors' Report.

Further, the Ministry of Corporate Affairs has notified the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021 and also notified the CSR provisions brought by the Companies (Amendment) Act, 2020 vide its notification dated 22nd January 2021. Therefore in accordance with the rules, the Company has revised its CSR Policy on 29th July 2021 which is made available at our website www.dhanuka.com

During the Financial Year 2022-23, the Corporate Social Responsibility Committee and the Board approved the construction of a waiting hall at All India Institute of Medical Sciences (AIIMS) as an Ongoing Project.

➤ **Risk Management Committee:**

Keeping in view of the provision of Clause 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top 500 listed entities, determined based on market capitalization, as at the end of the immediate previous Financial Year, shall constitute a Risk Management Committee, wherein the majority of members shall consist of members of the Board of Directors. This Committee shall meet at least once a year. The Board shall define the role and responsibility of the Risk Management Committee and may delegate monitoring and reviewing of the Risk Management Plan to the Committee.

During the Financial Year 2022-23, Two Committee Meeting were held on 13th July, 2022 and 22nd December, 2022.

Constitution and Attendance:

| Name | Designation and Category | Meeting(s) held during Tenure | Meetings Attended |
|------------------------|-------------------------------------|-------------------------------|-------------------|
| Mr. Rahul Dhanuka | Chairman- Executive Non Independent | 2 | 1 |
| Mr. Sanjay Saxena | Member- Non-Executive Independent | 2 | 2 |
| Mr. Harsh Dhanuka | Member- Executive Non Independent | 2 | 2 |
| Mr. Vinod Kumar Bansal | Chief Financial Officer | 2 | 1 |

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

Terms of Reference:

- (1) Formulate, monitor and review risk management policy and plan, inter-alia, covering identification of internal and external risks specifically faced by the listed entity, in particular financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks etc.
- (2) Measures for risk mitigation including systems and processes for internal control of identified risks.
- (3) Prepare Business Continuity Plan.
- (4) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- (5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- (6) Approve addition/ deletion of banks and other financial intermediaries and recognized exchanges from time to time for carrying out Treasury Transactions and delegate the said power to such person as may be deemed fit.
- (3) Carry out any other function as is referred by the Board from time to time or required under the relevant provisions of applicable laws, regulations and various circulars issued by the regulatory authorities, from time to time.



III. GENERAL BODY MEETINGS/POSTAL BALLOT:

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

37th ANNUAL GENERAL MEETING (2021-22) – 2ndth August 2022

Venue: Held Through Video Conferencing

Special Resolutions Passed-

1. Re-appointment of Mr. Sanjay Saxena (DIN: 01257965) as an Independent Director of the Company, for second term of 5 years.
2. Re-appointment of Mr. Ram Gopal Agarwal (DIN:00627386) as Whole Time Director under the designation Chairman of the Company, for a further period of 5 years.
3. Payment of remuneration to Mr. Rahul Dhanuka as Whole-Time Director in terms of Regulation 17(6)(e) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

36th ANNUAL GENERAL MEETING (2020-21) – 29th July 2021

Venue: Held Through Video Conferencing

Special Resolutions Passed-

Approval of Commission payable to Mr. Mridul Dhanuka(DIN:00199441) Non-Executive Director of the Company for the Financial Year 2021-22.

35th ANNUAL GENERAL MEETING (2019-20) – 15th September 2020

Venue: Held Through Video Conferencing

Special Resolutions Passed-

1. Loan to M/s. Dhanuka Laboratories Limited (DLL).
2. Change in designation of Mr. Mridul Dhanuka (DIN:00199441) as Non-executive Director of the Company and to approve the change in his remuneration.
3. Re-appointment of Mr. Sachin Kumar Bhartiya as an Independent Director for the Second Term of 5 years.
4. Buyback of Equity Shares of the Company through Tender Offer route

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

Details of Resolution passed through Postal Ballot

During the Financial Year ended March 31, 2022, 2 (Two) Ordinary Resolutions were passed for:

- R1-** Re-appointment of Mr. Rahul Dhanuka as Whole Time Director of the Company, for further period of five years from 1st May, 2022.
- R2-** Re-appointment of Mr. Ashish Saraf as Whole Time Director of the Company, for further period of five years from 24th March, 2022.

IV. MEANS OF COMMUNICATION:

- a) **Results:** Unaudited Standalone, as well as Consolidated Quarterly as well as Annual Standalone & Consolidated 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 the 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.
- b) **Website:** The Company's website (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 uploaded 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).

- 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. As per MCA General Circular No. 20/2020 issued on 5th May, 2020 as amended from time to time, the financial statements (including the Board's Report, Auditor's Report or other documents required to be attached therewith), shall be sent only by email to the members and all other person so entitled. Therefore, the Company will not dispatch the physical copy of the Annual Report. 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 Vice Chairman & Managing Director, or Compliance Officer of the Company. This information is also posted on the website of the Company.

V. GENERAL SHAREHOLDERS' INFORMATION:

a) **38th Annual General Meeting for the Financial Year ended 31st March, 2023**

Day & Date: Wednesday, 2nd August, 2023

Time: 11:00 A.M.

Via Video Conferencing

b) **Date of Book Closure:** Saturday, 22nd July, 2023 to Wednesday, 2nd August, 2023

c) **Financial Year:** 1st April, 2022 to 31st March, 2023

d) **Dividend**

The Board in its Meeting held on 25th May, 2023, has proposed Dividend @100% i.e. Rs. 2/- per Equity Share for each Equity Share having Face Value of Rs. 2/- for the FY 2022-23. The said Dividend is subject to Shareholders' approval in their 38th Annual General Meeting scheduled to be held on 2nd August, 2023.

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

Dividend Transferred:

During the Financial Year under review, the Company has transferred Unclaimed Final Dividend for FY 2014-15 amounting to Rs. 13,08,767/- (Rupees Thirteen Lakh Eight Thousand Seven Hundred Sixty Seven only) and 1st Interim Dividend for the FY 2015-16 amounting to Rs. 7,61,725/- (Rupees Seven Lakh Sixty One Thousand Seven Hundred Twenty Five only) to the Investors 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, the Company has not declared any Final Dividend during the Financial Year 2015-16. Therefore no amount of Dividend will be transferred in IEPF in the Financial Year 2023-24. The Dividend for the 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 encashed their Dividend warrants relating to the Dividends specified below are requested to immediately send their request for the issue of duplicate warrants/payment of Unpaid Dividends. The details of the Dividends specified below are available on the website of the Company www.Dhanuka.com. Once the 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. <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 31.03.2023 (Amount in Rs.) | Tentative Date for Transfer |
|--------|----------------|------------------|---------------------|------------|--|-----------------------------|
| 1 | 2016-17 | Final | 10.08.2017 | 30% | 223701.80 | 15.09.2024 |
| 2 | 2017-18 | Interim | 14.02.2018 | 100% | 535618.00 | 22.03.2025 |
| 3 | 2017-18 | Final | 10.08.2018 | 175% | 955031.00 | 17.09.2025 |
| 4 | 2018-19 | Final | 12.08.2019 | 30% | 197775.20 | 19.09.2026 |
| 5 | 2019-20 | Interim | 13.02.2020 | 600% | 2665776.00 | 21.03.2027 |
| 6 | 2020-21 | Final | 29.07.2021 | 100% | 349959.40 | 04.09.2028 |
| 7 | 2021-22 | Interim | 02.02.2022 | 400% | 1024937.00 | 11.03.2029 |
| 8 | 2021-22 | Final | 02.08.2022 | 300% | 938582.00 | 08.09.2029 |
| | Total | | | | 6891380.4 | |

g) Mandatory Transfer of Shares to Demat Account of Investor 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 to date are 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 |
| 4 | 7,750 Shares for the year 2011-12 | 13.09.2019 |
| 5 | 20 Shares for the year 2012-13 | 11.03.2020 |
| 6 | 4500 Equity Shares for the year 2012-13 | 05.11.2020 |
| 7 | 500 Equity Shares for the year 2013-14 | 22.10.2021 |

Details of such shares are available on the website of the Company under the Investors Section. Shares that 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 2023-24 the following unclaimed Shares are due to be transferred to IEPF Account:

33,750 Equity Shares for the Financial Year 2015-16.



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.

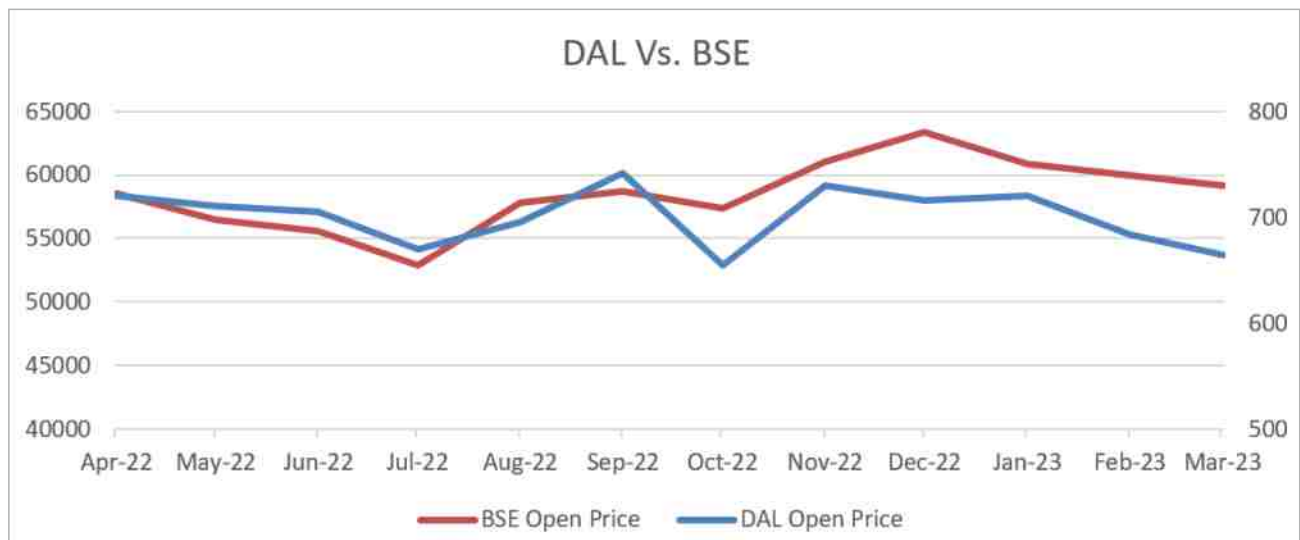
Scrip Code: DHANUKA

Annual listing fees for the Financial Year 2023-24 have been paid to the above Stock Exchange(s).

i) Market Price Data:

(1) BSE:

| Month | DAL Open Price | BSE Open Price | % Change in BSE Price | % Change in DAL Price |
|--------|----------------|----------------|-----------------------|-----------------------|
| Apr-22 | 720.4 | 58530.73 | -3.59% | -1.44% |
| May-22 | 710 | 56429.45 | -1.49% | -0.62% |
| Jun-22 | 705.6 | 55588.27 | -4.90% | -5.05% |
| Jul-22 | 670 | 52863.34 | 9.38% | 3.75% |
| Aug-22 | 695.15 | 57823.1 | 1.53% | 6.62% |
| Sep-22 | 741.2 | 58710.53 | -2.23% | -11.63% |
| Oct-22 | 655 | 57403.92 | 6.38% | 11.44% |
| Nov-22 | 729.9 | 61065.58 | 3.75% | -1.93% |
| Dec-22 | 715.8 | 63357.99 | -3.92% | 0.56% |
| Jan-23 | 719.8 | 60871.24 | -1.43% | -4.97% |
| Feb-23 | 684 | 60001.17 | -1.44% | -10.08% |
| Mar-23 | 664.03 | 59136.48 | -0.01% | -1.95% |

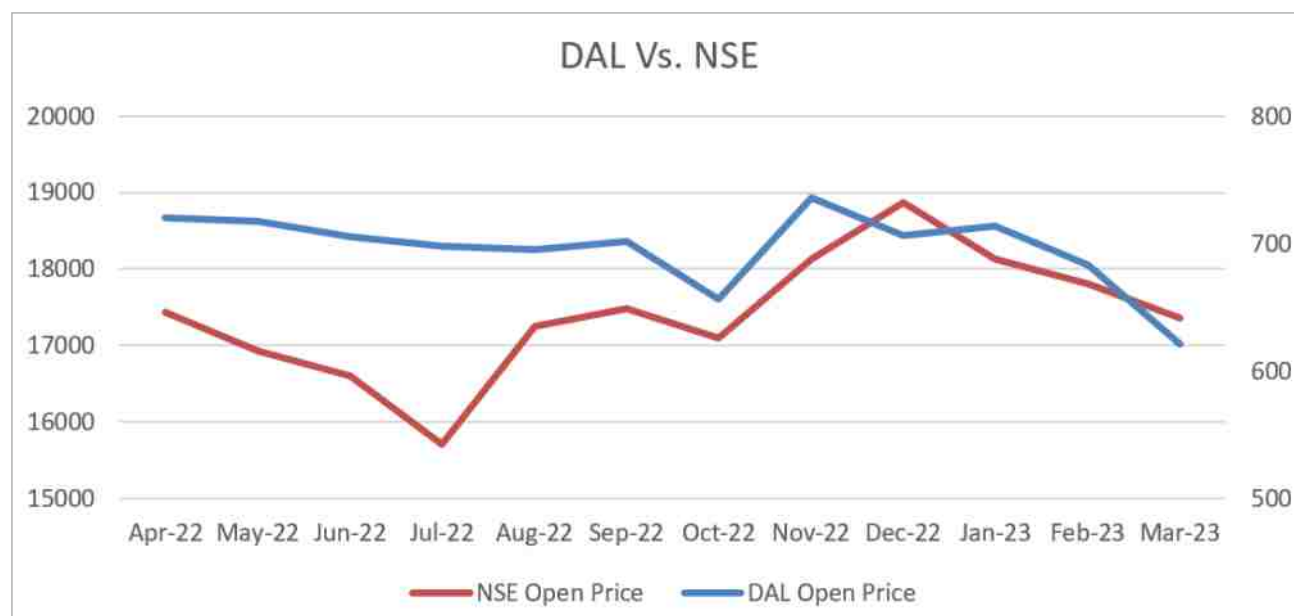


(*Open Price of the first trading day of each Month has been taken)



(2) NSE:

| Month | DAL Open Price | % Change in DAL Price | NSE Open Price | % Change in NSE Price |
|--------|----------------|-----------------------|----------------|-----------------------|
| Apr-22 | 719.9 | -0.40% | 17436.9 | -2.94% |
| May-22 | 717 | -1.68% | 16924.45 | -1.95% |
| Jun-22 | 704.95 | -0.99% | 16594.4 | -5.37% |
| Jul-22 | 697.95 | -0.42% | 15703.7 | 9.80% |
| Aug-22 | 695 | 1.01% | 17243.2 | 1.41% |
| Sep-22 | 702 | -6.47% | 17485.7 | -2.19% |
| Oct-22 | 656.55 | 12.09% | 17102.1 | 6.01% |
| Nov-22 | 735.9 | -4.06% | 18130.7 | 4.09% |
| Dec-22 | 706 | 1.13% | 18871.95 | -3.92% |
| Jan-23 | 714 | -4.31% | 18131.7 | -1.77% |
| Feb-23 | 683.25 | -9.11% | 17811.6 | -2.53% |
| Mar-23 | 665.05 | -1.05% | 17360.1 | 0.44% |



(*Open Price of the first trading day of each Month has been taken)

j) **Financial Calendar**

| | |
|--|--|
| Financial reporting for the first quarter ending on 30 th June, 2023; | Within 45 days of the end of the quarter |
| Financial reporting for the second quarter ending on 30 th September, 2023; | Within 45 days of the end of the quarter |
| Financial reporting for the third quarter ending on 31 st December, 2023; | Within 45 days of the end of the quarter |
| Financial reporting for the Financial Year ending on 31 st March, 2024; | Within 60 days of the end of the Financial Year |
| Annual General Meeting for the Financial Year ending on 31 st March, 2024. | Within 6 months of the end of the Financial Year |



k) Share Transfer System:

M/s. 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. The RTA also receives shares for dematerialization from the Shareholders. RTA dematerializes such Shares within the stipulated time, issue the letter(s) of confirmation to the Shareholders and inform the same to the Company for record.

l) Investor's Correspondence:

All inquiries 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 the non-receipt of Dividends 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, rt@abhipra.com

n) Plant(s) Locations:

1. Ajanta Industrial Estate, Vasnalyava, Sanand, District Ahmedabad, Gujarat.
2. SIICOP Industrial Estate, Battal Ballian, Udhampur (J&K)
3. Keshwana Industrial Area, Kotputli, Keshwana, Rajasthan
4. Dahej Industrial Estate, Amod Road, Dahej Dist. ,Gujarat

o) Dematerialization of Shares and Liquidity:

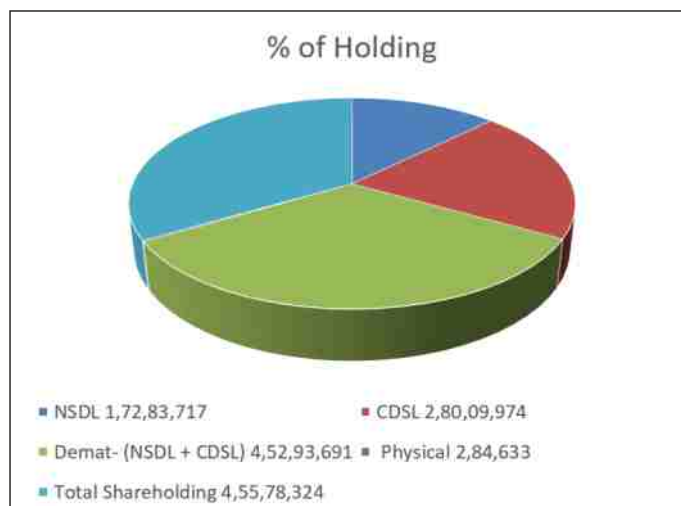
In compliance with the SEBI Circular dated 30th September, 2011, 100% of the Company's Promoters and Promoter-Group Shareholding is in Demat mode. As on 31st March, 2023, 4,52,93,691 Equity Shares of the Company were held in dematerialized form. The Company's Equity Shares are actively traded on the 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 31.03.2023

| Segments | Holding | % of Holding |
|-----------------------------|--------------------|---------------|
| NSDL | 1,72,83,717 | 37.92% |
| CDSL | 2,80,09,974 | 61.46% |
| Demat- (NSDL + CDSL) | 4,52,93,691 | 99.38% |
| Physical | 2,84,633 | 0.62% |
| Total Shareholding | 4,55,78,324 | 100% |

The Company's total numbers of Equity Shares are 4,55,78,324, having a Face Value of Rs.2/- each.

During the Financial Year 2022-23, Company has bought back its 10,00,000 Equity Shares having Face Value of Rs. 2/- each representing 2.15% of the Paid-up Equity Share Capital of the Company as on March 31, 2023.





SHAREHOLDING PATTERN AS ON 31st MARCH, 2023:

| Class of Investors | No. of Shares held | % of Paid-Up Capital |
|-----------------------------|--------------------|----------------------|
| Promoters & Promoters Group | 3,19,88,876 | 70.19 |
| Mutual Funds/UTI | 61,02,538 | 13.39 |
| Indian Public | 35,33,340 | 7.75 |
| Foreign Portfolio Investors | 18,49,098 | 4.05 |
| Insurance Companies | 14,76,198 | 3.24 |
| Clearing Members | 3,115 | 0.01 |
| Alternative Investment Fund | - | - |
| Corporate Bodies | 3,24,468 | 0.71 |
| Non-Resident Indians | 1,73,239 | 0.38 |
| Others | 1,27,452 | 0.28 |
| TOTAL | 4,55,78,324 | 100.00 |

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2023:

| S.No | Qty Slab | No of Share holders | Holder % | Share Qty | Share Qty % |
|------|-----------------|---------------------|------------|-----------------|-------------|
| 1 | Upto 100 | 32647 | 87.72067 | 715206 | 1.56918 |
| 2 | 101 - 500 | 3483 | 9.35863 | 861342 | 1.88981 |
| 3 | 501 - 1000 | 578 | 1.55305 | 466843 | 1.02427 |
| 4 | 1001 - 2000 | 246 | 0.66099 | 361770 | 0.79373 |
| 5 | 2001 - 5000 | 155 | 0.41648 | 477779 | 1.04826 |
| 6 | 5001 - 10000 | 45 | 0.12091 | 319062 | 0.70003 |
| 7 | 10001 - 20000 | 20 | 0.05374 | 254415 | 0.55819 |
| 8 | 20001 - 30000 | 13 | 0.03493 | 341656 | 0.7496 |
| 9 | 30001 - 40000 | 3 | 0.00806 | 106465 | 0.23359 |
| 10 | 40001 - 50000 | 3 | 0.00806 | 132550 | 0.29082 |
| 11 | 50001 - 100000 | 2 | 0.00537 | 175139 | 0.38426 |
| 12 | 100001 - 500000 | 14 | 0.03762 | 2651888 | 5.81831 |
| 13 | Above 500000 | 8 | 0.0215 | 38714209 | 84.93996 |
| | Total | 37217 | 100 | 45578324 | 100 |

p) Foreign Exchange Risk

1. The Company's derivative instruments comprise forward contracts which are not intended for trading or speculation purposes and are used only to hedge the Company's import liabilities.
2. 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 at Page No. 42(c) (i) to the Standalone Financial Statements.

q) Credit Ratings

ICRA is maintaining its credit rating to [ICRA]AA (pronounced ICRA double A) for fund-based limits and accorded [ICRA]A1+ (pronounced ICRA A one plus) 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 the Audit Committee, the Board and the Members, during the Financial Year 2022-23.



The Policy for Related Party Transactions (updated on 02nd February 2022), is available on the Company's website at the following link <https://www.dhanuka.com/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, 2023. These transactions are not in conflict with the Company's interests.

There was no material Related Party Transaction during the year ended 31st March, 2023.

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 the 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 from time to time and 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, 2023 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:

The 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, and 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 at the following link <https://www.dhanuka.com/corporate-governance>.

No complaint 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:

The 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 comprised of the following Persons:

Ms. Swati Chaudhary (Presiding Officer),

Mr. Abhishek Bejoy (Member),

Ms. Anita Mehta (Member)

Ms. Vaishali Rastogi (External Member)

Status of Complaints is as follows:

Number of Complaints Filed during Financial Year 2022-23- Nil

Number of Complaints disposed of during Financial Year 2022-23- Nil

Number of Complaints pending at the end of Financial Year 2022-23- Nil

The Policy framed for the prevention of Sexual Harassment of Women at the Workplace is available on the Company's website at the following link <https://www.dhanuka.com/corporate-governance/key-policies>.

h) Details of the familiarization program of the Independent Directors are available on the website of the Company <https://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 / Ministry of Corporate Affairs or any other such authority

M/s. Tarun Saini & Associates, Company Secretaries in Practice has duly verified and checked that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI /



Ministry of Corporate Affairs or any other such authority. Based on the 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 Auditors is a part

During Financial Year 2022-23, Rs. 24,79,000/- (Twenty Four Lakh Seventy Nine Thousand 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) Weblink for various Policies

The details of various other policies applicable to the Company are available in the Corporate Governance Section under the Investors tab on the Company's website. (<https://www.dhanuka.com/corporate-governance/key-policies>).

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

Compliance Certificate from the 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 has been annexed to the Directors' 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 2022-23 issued by M/s R & D, Company Secretaries are annexed to the Directors' 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 31st March, 2023.

B) Separate posts of Chairman and Managing Director

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

Mr. Rahul Dhanuka has been designated as Joint Managing Director of the Company with effect from 10th February, 2023.

Mr. Mahendra Kumar Dhanuka has been designated as Vice Chairman & Managing Director of the Company with effect from 25th May, 2023.

C) Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

D) The Company has two Wholly Owned Subsidiaries. However, no subsidiary is a Material Subsidiary Company.

The Board of Directors of Dhanuka Agritech Limited in its meeting held on 2nd February 2021 had approved the dissolution/ liquidation of its wholly owned subsidiary Dhanuka Agri-solutions Private Limited, Bangladesh (DASPL). The resolution for voluntary winding-up was passed on 29th September 2022 in the Extraordinary General Meeting of DASPL and the RJSC (Office of the Registrar of Joint Stock Companies and Firms), Bangladesh registered the returns of winding-up on 10th May 2023. DASPL shall be deemed to be dissolved on the expiration of three months from the above registration i.e. 10th August 2023.

There is no business activity started in Dhanuka Chemicals Private Limited.

E) The Company has complied with all the requirements of Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 except regulation 24(1), which does not apply 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") confirms 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.

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 31st March, 2023, as to compliance with the Code of Conduct.

Sd/-

Mahendra Kumar Dhanuka
Managing Director
DIN: 00628039

Date: 25th May, 2023

Place: Gurugram

CERTIFICATE IN RELATION TO DIN STATUS OF DIRECTOR AS ON 31st MARCH 2023

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

UDIN: F011067E000481680

To,

The Members
DHANUKA AGRITECH LIMITED
82, Abhinash Mansion, 1st Floor Joshi Road,
Karol Bagh New Delhi, Delhi-110005

Corporate Office: Global Gateway Towers MG Road, Near Guru Dronacharya Metro Station Gurgaon 122002

I have examined the relevant registers, records, forms, 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 and Corporate office at Global Gateway Towers MG Road, Near Guru Dronacharya Metro Station Gurgaon 122002 HR IN (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.

I have conducted verification & examination of records as facilitated by the Company for the purpose of issuing this certificate.

On the Basis of all relevant documents as considered necessary furnished to me by the Company & its officers and after going through the Directors identification number (DIN) status of all directors at the portal www.mca.gov.in, 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 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by Ministry of Corporate Affairs, by the Securities and Exchange Board of India.



List of Directors as on 31st March 2023

| S.No. | DIN | Name of director | Designation | Date of appointment in Company | DIN Status as per MCA Portal under Tab (Enquire DIN Status) |
|-------|----------|------------------------|---------------------|--------------------------------|---|
| 1 | 07767324 | Ashish Saraf | Whole time Director | 24-03-2017 | Approved |
| 2 | 00041909 | Bajrang Lal Bajaj | Director | 21-05-2019 | Approved |
| 3 | 00199516 | Harsh Dhanuka | Whole time Director | 21-05-2019 | Approved |
| 4 | 00628039 | Mahendra Kumar Dhanuka | Managing Director | 13-02-1985 | Approved |
| 5 | 00199441 | Mridul Dhanuka | Director | 23-05-2011 | Approved |
| 6 | 08358673 | Namrata Gupta | Director | 21-05-2019 | Approved |
| 7 | 00041859 | Priya Brat | Director | 28-10-2002 | Approved |
| 8 | 00150140 | Rahul Dhanuka | Managing Director | 28-01-2002 | Approved |
| 9 | 00627386 | Ram Gopal Agarwal | Whole time Director | 10-03-1992 | Approved |
| 10 | 02122147 | Sachin Kumar Bhartiya | Director | 13-09-2010 | Approved |
| 11 | 01257965 | Sanjay Saxena | Director | 22-05-2018 | Approved |
| 12 | 00161853 | Siraj Azmat Chaudhry | Director | 22-07-2020 | Approved |
| 13 | 01185937 | Vinod Kumar Jain | Director | 24-03-2005 | Approved |

While issuing this certificate, we have ensured to Comply with all norms/directions in relation to Confidentiality Norms, best professional standards and Practices issued by ICSI time to time.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the Responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Tarun Saini and Associates
Company Secretaries

Sd/-
CS Tarun Saini
M. No.: 11067
COP.No.: 11990
UDIN:F011067E000481680

Date: 13th June, 2023
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 March 31, 2023, 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 Responsibilities

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 March 31, 2023.

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 March 31, 2023.

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

Restriction on use

The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

Sd/-
Jalaj Soni
Partner

Place: Gurugram
Dated: 25th May 2023

Membership No. 528799
UDIN: 23528799BGWHWS1330



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

We, Mahendra Kumar Dhanuka, Vice Chairman & Managing Director and Vinod Kumar Bansal, Chief Financial Officer of Dhanuka Agritech Limited ("the Company"), hereby certify that:

- A. We have reviewed the Financial Statements and the Cash Flow Statement of the Company for the Financial Year ended 31st March, 2023 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 violate 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 31st March, 2023;
 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**

For Dhanuka Agritech Limited

**Sd/-
M.K. Dhanuka
Vice Chairman &
Managing Director**

Place: Gurugram
Date: 25th May, 2023



INDEPENDENT AUDITOR'S REPORT

To the members of Dhanuka Agritech Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone financial statements of **DHANUKA AGRITECH LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2023, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as 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:

| Sr. No. | Key Audit Matters | Auditor's Response |
|---------|---|---|
| 1. | <p>Estimation of provision for sales returns, discounts, rebates, schemes and incentives on sales impacting revenue from sale of products</p> <p>Revenue from sale of products is presented net of returns, discounts, rebates, schemes and incentives in the Standalone 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>Our audit procedures included the following:</p> <ul style="list-style-type: none"> 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. 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. 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. 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. |



Information other than the Standalone 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, but does not include the Consolidated Financial Statements, Standalone financial statements and our auditor's reports thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's Responsibility for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, 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 Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to the standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 financial statements or, if such disclosures



are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended from time to time.
- e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h) With respect to the 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 31 March 2023 on its financial position in its Standalone financial statements – Refer Note no. 36 to the Standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or



- loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note 15 & Note 49 to the Standalone Financial Statements
- i. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- ii. The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Sd/-
Jalaj Soni
Partner
Membership No.:528799

UDIN: 23528799BGWHWQ5877

Place: New Delhi
Date: May 25,2023



Annexure A” to the Independent Auditors' Report

The Annexure as referred in paragraph (1) 'Report on Other Legal and Regulatory Requirements' of our Independent Auditors' Report to the members of **DHANUKA AGRITECH LIMITED** on the standalone financial statements for the year ended 31 March 2023, we report that:

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment. The Company has also maintained proper records showing full particulars of intangibles assets.
- (b) The Company has a regular program of physical verification of its Property, Plant and Equipment and right of use assets so to cover all the assets in a phased manner, which in our opinion, is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment and right of use assets. In accordance with this program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the management during the year and no material discrepancies were noticed on such verification as compared to the books of accounts.
- (c) According to the information and explanation given to us and on the basis of examination of title deeds / sale deeds / transfer deeds / conveyance deeds / possession letters / allotment letters 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 as at the balance sheet date.
- (d) According to the information and explanations given to

us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended March 31, 2023.

- (e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
 - ii. (a) The physical verification of the inventory has been conducted at reasonable intervals by the management during the year. As far as we could ascertain and according to information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
 - (b) The Company has been sanctioned working capital limits in excess of Rs. Five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. As disclosed in Note 16 to the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
 - iii. (a) According to the information and explanations given to us and based on examination of books of the Company, during the year the Company has provided loans, advances in the nature of loans, guarantee and provided security as follows:

(Rs. In lakhs)

| Particulars | Guarantees | Security | Loans | Advances in nature of loans |
|--|------------|----------|-------|-----------------------------|
| Aggregate amount granted/ provided during the year | | | | |
| (i) Subsidiaries | - | - | - | - |
| (ii) Joint Ventures | - | - | - | - |
| (iii) Associates | - | - | - | - |
| (iv) Others | - | - | 2,000 | - |
| Balance outstanding as at balance sheet date in respect of above cases: | | | | |
| (i) Subsidiaries | - | - | - | - |
| (ii) Joint Ventures | - | - | - | - |
| (iii) Associates | - | - | - | - |
| (iv) Others | - | - | - * | - |

* Amount is appearing net of provisions and includes balances given in the previous years but outstanding at the close of the financial year ended March 31, 2023.



- (b) During the year, the investments made and terms and conditions of grant of all loans to companies are, prima facie not prejudicial to the Company's interest.
- (c) In respect of loans granted, the schedule of repayment of principal and payment of interest has been stipulated and the repayment of principal amounts and receipts of interest has been regular as per stipulation except for loan outstanding amounting to Rs. 574.19 lacs in respect of four parties which has been fully provided for in the books of account.
- (d) There are no amounts which are overdue for more than ninety days in respect of above-mentioned loans, except for loan outstanding amounting to Rs. 574.19 lacs in respect of four parties which has been fully provided for in the books of account and according to information and explanations given to us, reasonable steps have been taken by the company for recovery of the principal and interest.
- (e) There were no loans granted which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) The Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment to during the year.
- iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has complied with the provisions of Section 185 and Section 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or deemed 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 Goods and Service Tax, Provident Fund, Employees' State Insurance, Sales Tax, Income Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues with the appropriate authorities, to the extent applicable.
- (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 aforesaid statutory dues payable as at 31 March 2023 for a period of more than six months from the date they became payable except Provident Fund amount of Rs. 0.71 Lakhs.
- (c) According to the records and information and explanations given to us, there are no dues in respect of statutory dues referred to in vii (a) above which have not been deposited on account of any dispute except as given below:

| Name of Statute | Nature of Dues | Period (F.Y.) to which the amount relates | Amount Demanded (Excluding interest) (₹ in Lakhs) | Amount paid (₹ in Lakhs) | Forum where dispute is pending |
|-----------------------------|---|---|---|--------------------------|---------------------------------|
| The Central Excise Act,1994 | Excise Duty | 1996 | 9.41 | - | Additional/ Deputy Commissioner |
| The Central Excise Act,1994 | Excise Duty (Net of Expenses recognized of Rs. 46.90 lakhs) | Jan 2014- Sep 2015 | 310.41 | - | CESTAT, Chandigarh |
| The Central Excise Act,1994 | Excise Duty (Net of Expenses recognized of Rs. 23.80 Lakhs) | April 2012-Sep 2016 | 108.90 | - | CESTAT, Ahmedabad |



| Name of Statute | Nature of Dues | Period (F.Y.) to which the amount relates | Amount Demanded (Excluding interest) (₹ in Lakhs) | Amount paid (₹ in Lakhs) | Forum where dispute is pending |
|--|---|---|---|--------------------------|--|
| The Central Excise Act, 1994 | Excise Duty | Oct 2015- March 2016 | 103.23 | 10.32 | CESTAT, Chandigarh |
| The Central Excise Act, 1994 | Excise Duty | June 2010-Jan 2014 | 105.85 | 10.59 | CESTAT, Chandigarh |
| The Service Tax Act, 1994 | Service Tax (Net of Expenses recognized of Rs. 65.20 Lakhs) | Jan 2005 to Aug 2007 | 75.05 | - | Additional/ Deputy Commissioner, Delhi |
| The Service Tax Act, 1994 | Service Tax | Oct 2008 to March 2009 | 36.00 | 1.80 | Joint Commissioner, Gujarat |
| The Central Sales Tax Act, 1944 and State VAT Act | VAT | 2012-13 | 138.15 | 46.00 | Joint Commissioner, Gujarat |
| The Foreign Trade (Development & Regulation) Act, 1992 | Terminal Excise Duty | 2015-16 and 2016-17 | 2,980.00 | - | Gujarat High Court |
| Income Tax Act, 1961 | Income Tax | 2016-17 | 168.64 | 168.64 | ITAT |
| CGST Act, 2017 | GST | 2021-22 | 7.54 | 7.54 | Appellate Deputy Commissioner |
| Income Tax Act, 1961 | Income Tax Penalty | 2016-17 | 322.22 | 244.65 | CIT (A) Delhi |

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) 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 loans or borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lenders.
- (c) According to the information and explanations given to us and on examination of the books of the company, the company has not taken any term loans during the year and hence, reporting under clause 3 (ix)(c) of the order is not applicable.
- (d) On overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been utilised during the year for long term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The company does not have any joint venture or associate companies.
- (f) According to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The company does not have any joint venture or associate companies.
- x. (a) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the requirement to report on clause (x)(a) of the order is not applicable to the company.



- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence, the requirement to report on clause (x)(b) of the order is not applicable to the Company.
- xi. (a) 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 being noticed or reported during the year, nor have we been informed of such case by the management.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, and details of such transactions have been disclosed in the Standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under section 133 of the Companies Act, 2013.
- xiv. (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued during the year and till the date of this report, for the period under audit have been considered by us, in determining the nature, timing and extent of our audit procedures.
- 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 its directors. Accordingly, reporting under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The provision of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable on the Company. Accordingly, the requirement to report under clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.
- (b) There is no Core Investment Company as a part of the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016), hence, the requirement to report on clause 3 (xvi)(d) of the Order is not applicable to the company.
- xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses either in the current financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly, requirement to report on Clause 3(xviii) is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in Note 46 to the financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund specified in Schedule VII to the Companies Act, in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) According to the information and explanation provided to us, in respect of ongoing projects the Company has



transferred corporate social responsibility (CSR) amount as at the end of the year, to a special account within a period of 30 days from the end of the financial year in compliance with the provision of section 135 (6) of the Act.

For S S KOTHARI MEHTA & COMPANY

Chartered Accountants
Firm Registration No. 000756N

Sd/-

Jalaj Soni

Partner

Membership No. 528799

UDIN: 23528799BGWHWQ5877

Place: New Delhi

Date: May 25, 2023

"Annexure B" to the Independent Auditor's Report of even date on the Standalone 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 with reference to standalone financial statements of **DHANUKA AGRITECH LIMITED** ("the Company") as of 31 March 2023 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 with reference to financial statements of the Company.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023, 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/-

Jalaj Soni

Partner

Membership No.528799

UDIN: 23528799BGWHWQ5877

Place: New Delhi

Date: May 25,2023



Standalone Balance Sheet as at March 31, 2023

(₹ In lacs)

| | Particulars | Note No. | As at March 31, 2023 | As at March 31, 2022 |
|-----------|---|----------|-------------------------|-------------------------|
| I | Assets | | | |
| 1 | Non-current assets | | | |
| a | Property, Plant and Equipment | 4 | 16,341.63 | 15,712.35 |
| b | Capital work in progress | 5 | 15,321.63 | 4,834.72 |
| c | Other Intangible assets | 6 | 119.49 | 154.63 |
| d | Financial Assets | | | |
| | i) Investments | 7 | 15,892.04 | 13,983.44 |
| | ii) Loans | 8 | 40.59 | 10.72 |
| | iii) Other financial assets | 9 | 2,593.07 | 439.21 |
| e | Other non-current assets | 13 | 606.14 | 616.64 |
| | Total Non-Current assets | | 50,914.59 | 35,751.71 |
| 2 | Current assets | | | |
| a | Inventories | 10 | 34,506.56 | 34,718.41 |
| b | Financial Assets | | | |
| | i) Investments | 7 | 9,577.04 | 19,606.32 |
| | ii) Trade receivables | 11 | 33,903.99 | 28,249.16 |
| | iii) Cash and cash equivalents | 12 | 347.91 | 147.60 |
| | iv) Bank balances other than (iii) above | 12 | 80.08 | 95.09 |
| | v) Loans | 8 | 47.07 | 72.70 |
| | vi) Other financial assets | 9 | 6,694.86 | 9,047.16 |
| c | Other current assets | 13 | 4,457.61 | 3,530.71 |
| | Total Current assets | | 89,615.12 | 95,467.15 |
| | Total Assets | | 1,40,529.71 | 1,31,218.86 |
| II | EQUITY AND LIABILITIES | | | |
| 1 | Equity | | | |
| a | Equity Share Capital | 14 | 911.57 | 931.57 |
| b | Other Equity | 15 | 1,05,219.02 | 95,110.42 |
| | Total equity | | 1,06,130.59 | 96,041.99 |
| | LIABILITIES | | | |
| 2 | Non-current liabilities | | | |
| a | Financial Liabilities | | | |
| | i) Lease Liability | | 2,566.21 | 2,735.36 |
| | ii) Other financial liabilities | 18 | 1,515.31 | 1,425.13 |
| b | Provisions | 19 | 285.44 | 23.80 |
| c | Deferred tax liabilities (Net) | 20 | 239.03 | 556.20 |
| | Total non-current liabilities | | 4,605.99 | 4,740.49 |
| 3 | Current liabilities | | | |
| a | Financial Liabilities | | | |
| | i) Borrowings | 16 | 380.84 | 96.24 |
| | ii) Lease Liability | | 404.64 | 349.06 |
| | iii) Trade payables | 17 | | |
| | -Total Outstanding dues of Micro Enterprises and Small Enterprises | | 434.89 | 1,085.79 |
| | -Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | | 17,088.41 | 16,385.96 |
| | iv) Other financial liabilities | 18 | 7,487.21 | 9,092.00 |
| b | Other current liabilities | 21 | 2,931.09 | 2,298.90 |
| c | Provisions | 19 | 21.13 | - |
| d | Current Tax Liabilities (Net) | 22 | 1,044.92 | 1,128.43 |
| | Total current liabilities | | 29,793.13 | 30,436.38 |
| | Total Equity and Liabilities | | 1,40,529.71 | 1,31,218.86 |
| | Accompanying notes form an integral part of the financial statements | 1 to 50 | | |

As per our report of even date attached

For S S KOTHARI MEHTA & COMPANY

Chartered Accountants
Firm Registration No : 000756N

Sd/-

JALAJ SONI

Partner

Membership No : 528799

Place : Gurugram

Dated : 25th May, 2023

For and on behalf of the Board of Directors

Sd/-

M.K.DHANUKA

Vice Chairman &
Managing Director
DIN : 00628039

Sd/-

RAHUL DHANUKA

Joint Managing Director
DIN : 00150140

Sd/-

V.K.BANSAL

Chief Financial Officer
M. No. : 86263

Sd/-

JITIN SADANA

Company Secretary
FCS No. : F 7612



Standalone Statement of Profit & Loss for the year ended March 31, 2023

(₹ In lacs)

| | Particulars | Note No. | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
|------|---|----------|-----------------------------------|-----------------------------------|
| I | Revenue from Operations | 23 | 1,70,022.00 | 1,47,777.52 |
| II | Other Income | 24 | 4,475.60 | 3,358.70 |
| III | Total Revenue (I+II) | | 1,74,497.60 | 1,51,136.22 |
| IV | EXPENSES | | | |
| | Cost of materials consumed | 25 | 92,544.83 | 80,384.94 |
| | Purchase of Stock In Trade | 26 | 19,587.89 | 14,614.42 |
| | Changes in inventories of finished goods, Stock-in-Trade and work-in-progress | 27 | (587.27) | (1,090.62) |
| | Employee Benefit Expenses | 28 | 12,625.87 | 12,050.28 |
| | Finance Costs | 29 | 311.80 | 320.27 |
| | Depreciation and Amortization Expense | 30 | 1,760.67 | 1,627.75 |
| | Other Expenses | 31 | 17,981.14 | 15,480.91 |
| | Total Expenses | | 1,44,224.93 | 1,23,387.95 |
| V | Profit Before Exceptional Items and Tax (III-IV) | | 30,272.67 | 27,748.27 |
| VI | Exceptional items | | - | - |
| VII | Profit before Tax (V-VI) | | 30,272.67 | 27,748.27 |
| VIII | Tax Expenses | 32 | | |
| | Current Tax | | 7,704.93 | 7,143.32 |
| | Tax of earlier year provided / (written back) | | (465.88) | - |
| | Deferred Tax | | (317.17) | (273.27) |
| IX | Profit for the year | | 23,350.79 | 20,878.22 |
| X | Other Comprehensive Income | 33 | | |
| A | (i) Items that will not be reclassified to profit or loss | | 10.71 | 190.95 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | (2.69) | - |
| 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 | Total Comprehensive Income (IX+X) | | 23,358.81 | 21,069.17 |
| XII | Earnings per Equity Share | | | |
| | 1) Basic (in ₹) | 34 | 50.35 | 44.82 |
| | 2) Diluted (in ₹) | 34 | 50.35 | 44.82 |
| | Accompanying notes form an integral part of the financial statements | 1 to 50 | | |

As per our report of even date attached

For S S KOTHARI MEHTA & COMPANY

Chartered Accountants
Firm Registration No : 000756N

Sd/-
JALAJ SONI

Partner
Membership No : 528799
Place : Gurugram
Dated : 25th May, 2023

For and on behalf of the Board of Directors

Sd/-
M.K.DHANUKA
Vice Chairman &
Managing Director
DIN : 00628039

Sd/-
RAHUL DHANUKA
Joint Managing Director
DIN : 00150140

Sd/-
V.K.BANSAL
Chief Financial Officer
M. No. : 86263

Sd/-
JITIN SADANA
Company Secretary
FCS No. : F 7612



Standalone Statement of Changes in Equity for the year ended March 31, 2023

(₹ In lacs)

| a. EQUITY SHARE CAPITAL | | | | | |
|--|--|--------------------------------------|---|------------------------------|--|
| As at March 31, 2023 | | | | | |
| Balance as at April 1, 2022 | Changes in Equity Share Capital due to prior period errors | Restated balance as at April 1, 2022 | Changes in equity share capital during the year (Refer Note-14) | Balance as at March 31, 2023 | |
| 931.57 | - | 931.57 | (20.00) | 911.57 | |
| As at March 31, 2022 | | | | | |
| Balance as at April 1, 2021 | Changes in Equity Share Capital due to prior period errors | Restated balance as at April 1, 2021 | Changes in equity share capital during the year | Balance as at March 31, 2022 | |
| 931.57 | - | 931.57 | - | 931.57 | |
| b. OTHER EQUITY | | | | | |
| Particulars | Reserves & Surplus | | | | |
| | Capital Reserve | Capital Redemption Reserve | Retained earnings | Total | |
| Balance as at April 1, 2021 | 95.47 | 68.82 | 78,534.79 | 78,699.08 | |
| Total comprehensive income for the year ended 31 March, 2022 | | | | | |
| -Profit for the year | - | - | 20,878.22 | 20,878.22 | |
| -Other comprehensive income for the year | - | - | 190.95 | 190.95 | |
| -Changes in accounting policy or prior period errors | - | - | - | - | |
| Total comprehensive income | - | - | 21,069.17 | 21,069.17 | |
| -Dividend paid during the year | - | - | (4,657.83) | (4,657.83) | |
| Balance as at March 31, 2022 | 95.47 | 68.82 | 94,946.13 | 95,110.42 | |
| Balance as at April 1, 2022 | 95.47 | 68.82 | 94,946.13 | 95,110.42 | |
| Total comprehensive income for the year ended 31 March, 2023 | | | | | |
| -Profit for the year | - | - | 23,350.79 | 23,350.79 | |
| -Other comprehensive income for the year | - | - | 8.02 | 8.02 | |
| -Changes in accounting policy or prior period errors | - | - | - | - | |
| Total comprehensive income | - | - | 23,358.81 | 23,358.81 | |
| -Amount Utilised for Buy back of equity shares (Refer Note-14) | - | - | (8,480.00) | (8,480.00) | |
| -Amount Transferred to Capital Redemption Reserve on Buy back of equity shares (Refer Note-14) | - | 20.00 | (20.00) | - | |
| -Tax paid on Buy back of Equity Shares (Refer Note-14) | - | - | (1,975.51) | (1,975.51) | |
| -Dividend paid during the year | - | - | (2,794.70) | (2,794.70) | |
| Balance as at March 31, 2023 | 95.47 | 88.82 | 1,05,034.73 | 1,05,219.02 | |

As per our report of even date attached

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

Sd/-
JALAJ SONI

Partner
Membership No : 528799
Place : Gurugram
Dated : 25th May, 2023

For and on behalf of the Board of Directors

Sd/-
M.K.DHANUKA
Vice Chairman &
Managing Director
DIN : 00628039

Sd/-
RAHUL DHANUKA
Joint Managing Director
DIN : 00150140

Sd/-
V.K.BANSAL
Chief Financial Officer
M. No. : 86263

Sd/-
JITIN SADANA
Company Secretary
FCS No. : F 7612



Standalone Statement of Cash Flows for the year ended March 31, 2023

(₹ In lacs)

| | PARTICULARS | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
|-----------|--|--------------------------------------|--------------------------------------|
| A. | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Profit / (Loss) Before Tax | 30,272.67 | 27,748.27 |
| | Adjustments for | | |
| | Depreciation, amortization and impairment expenses | 1,760.67 | 1,627.75 |
| | Net (Gain)/Loss on Sale of Property, Plant and Equipment | (2,146.19) | (62.36) |
| | Finance Costs | 311.80 | 320.27 |
| | Interest Income | (1,800.05) | (1,386.80) |
| | Dividend Income from Investments | - | (25.00) |
| | Net (Gain)/Loss on Sale of Investments | (264.65) | (464.12) |
| | Net (Gain)/Loss on Investments measured at fair value through profit or loss | (183.06) | (842.77) |
| | Allowance for Bad and Doubtful debts & Advances | 130.27 | 249.78 |
| | Property, Plant and Equipment Written off | 13.31 | 19.48 |
| | Liabilities No Longer Required, Written Back | (2.22) | (18.19) |
| | Forex Fluctuation on Translation of Assets & Liabilities | (36.64) | 33.74 |
| | Operating Profit/(loss) before Working Capital changes | 28,055.91 | 27,200.05 |
| | (Increase) / Decrease in Trade Receivables | (5,786.87) | (4,072.51) |
| | (Increase) / Decrease in Current financial assets - Loans | 25.63 | (4.24) |
| | (Increase) / Decrease in Non Current financial assets - Loans | (29.87) | (1.18) |
| | (Increase) / Decrease in Other Current financial assets | 294.22 | (561.97) |
| | (Increase) / Decrease in Other Non Current financial assets | 22.98 | 43.23 |
| | (Increase) / Decrease in Other Current assets | (926.90) | 496.94 |
| | (Increase) / Decrease in Other Non Current assets | (1.39) | 187.80 |
| | (Increase)/Decrease in Inventories | 211.85 | (9,057.65) |
| | Increase / (Decrease) in Trade Payables | 88.52 | 6,590.50 |
| | Increase / (Decrease) in Other Current Financial Liabilities | (2,024.61) | (1,454.17) |
| | Increase / (Decrease) in Other Non Current Financial Liabilities | 90.17 | 85.47 |
| | Increase / (Decrease) in Other Current Provisions | 21.13 | (24.71) |
| | Increase / (Decrease) in Other Non Current Provisions | 272.34 | 114.63 |
| | Increase / (Decrease) in Other Current Liabilities | 635.13 | (2,518.62) |
| | Cash generated (used) in /from Operations before tax | 20,948.24 | 17,023.57 |
| | Net Direct Taxes paid (Net of Refunds) | (7,325.25) | (6,596.15) |
| | Net cash flow (used) in/ from Operating Activities | 13,622.99 | 10,427.42 |
| B. | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | Acquisition of Property, Plant and Equipment (Including Adjustment on account of Intangible Assets, Capital work in Progress, Capital Creditors and Capital Advances) | (12,417.64) | (5,982.17) |
| | Proceeds from sale of Property, Plant and Equipment | 2,425.27 | 165.92 |
| | Loan Given to Corporate and Other | (2,000.00) | (1,100.00) |
| | Repayment of Loan Given to Corporate and Other | 2,071.52 | 5,000.00 |
| | Investment and Redemption in Bank Deposits (Net) | 198.83 | 952.85 |
| | Purchase and sale of Investments (Net) | 8,496.88 | (4,581.29) |
| | Interest Received | 1,481.71 | 1,258.55 |
| | Dividend Income from Investments | - | 25.00 |
| | Net cash flow (used) in/ from Investing Activities | 256.57 | (4,261.14) |
| | Net cash (used) in/ from Operating and Investing Activities | 13,879.56 | 6,166.28 |



Standalone Statement of Cash Flows for the year ended March 31, 2023

(₹ In lacs)

| | PARTICULARS | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
|-----------|---|--------------------------------------|--------------------------------------|
| C. | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | Short Term Borrowings (Net) | 284.60 | (739.60) |
| | Payment of Principal portion of Lease Liabilities | (381.84) | (362.29) |
| | Payment of Dividend | (2,794.70) | (4,657.83) |
| | Buy Back of Shares | (8,500.00) | - |
| | Taxes on Buy Back of Shares | (1,975.51) | - |
| | Interest Paid | (311.80) | (320.27) |
| | Net cash (used) in/ from Financing Activities | (13,679.25) | (6,079.99) |
| | Net cash (used) in/ from Operating, Investing & Financing Activities | 200.31 | 86.29 |
| | Opening balance of Cash and Cash equivalent | 147.60 | 61.31 |
| | Closing balance of Cash & Cash equivalent | 347.91 | 147.60 |

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

| | | | |
|--|---------------------------------|---------------|---------------|
| | | | |
| | i) Cash Balance on Hand | 37.47 | 37.22 |
| | ii) Balance with Banks : | | |
| | - In Current Accounts | 310.44 | 97.63 |
| | - Cheques in hand | - | 12.75 |
| | Total | 347.91 | 147.60 |

Change in liability arising from financing activities

| Particulars | Current Borrowings | Interest Paid | Lease Liabilities | Buy Back of Equity Shares | Dividend Paid |
|-------------------------------------|--------------------|---------------|-------------------|---------------------------|---------------|
| Balance as at April 1, 2021 | 835.84 | - | 4,007.15 | - | - |
| Cash Flows | (739.60) | (16.75) | (665.81) | - | (4,657.83) |
| Lease Liabilities Accruals | - | - | (560.44) | - | - |
| Dividend Distribution Accruals | - | - | - | - | 4,657.83 |
| Finance Cost Accruals | - | 16.75 | 303.52 | - | - |
| Balance as at March 31, 2022 | 96.24 | - | 3,084.42 | - | - |
| Cash Flows | 284.60 | (28.75) | (664.89) | (10,475.51) | (2,794.70) |
| Lease Liabilities Accruals | - | - | 268.27 | - | - |
| Dividend Distribution Accruals | - | - | - | 10,475.51 | 2,794.70 |
| Finance Cost Accruals | - | 28.75 | 283.05 | - | - |
| Balance as at March 31, 2023 | 380.84 | - | 2,970.85 | - | - |

As per our report of even date attached

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

Sd/-
JALAJ SONI
Partner
Membership No : 528799
Place : Gurugram
Dated : 25th May, 2023

For and on behalf of the Board of Directors

Sd/-
M.K.DHANUKA
Vice Chairman &
Managing Director
DIN : 00628039

Sd/-
RAHUL DHANUKA
Joint Managing Director
DIN : 00150140

Sd/-
V.K.BANSAL
Chief Financial Officer
M. No. : 86263

Sd/-
JITIN SADANA
Company Secretary
FCS No. : F 7612



Notes to Standalone Financial Statements for the year ended March 31, 2023

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 Global Gateway Towers, MG Road, Near Guru Dronacharya Metro Station, 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 25, 2023.

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 Lakhs, unless otherwise indicated.

d. 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.

e. 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.

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



Notes to Standalone Financial Statements for the year ended March 31, 2023

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:

| | |
|--|-------------|
| • 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.



Notes to Standalone Financial Statements for the year ended March 31, 2023

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

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 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



Notes to Standalone Financial Statements for the year ended March 31, 2023

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 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



Notes to Standalone Financial Statements for the year ended March 31, 2023

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 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,



Notes to Standalone Financial Statements for the year ended March 31, 2023

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.

IV. Revenue from electricity generation

Revenue from electricity generation is recognized on the basis of electricity units generated and invoice raised on monthly basis.

V. Insurance claims

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

VI. Government Grants

Government grants and subsidies are recognised where there is reasonable assurance that the grant/subsidies will be received and all attached conditions will be complied with. The Grants are presented under the head other operating income.

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.



Notes to Standalone Financial Statements for the year ended March 31, 2023

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

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 Company:

- has a legally enforceable right to set off the recognized amounts; and
- 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



Notes to Standalone Financial Statements for the year ended March 31, 2023

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, Vice Chairman & Managing Director, Joint Managing Director and CFO have been identified as CODM by the Company. Refer Note 38 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 company are segregated.

p. Lease

The Company's lease asset classes primarily consist of leases for Building and Vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Company as a lessee

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

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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



Notes to Standalone Financial Statements for the year ended March 31, 2023

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

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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.

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

Final 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. Interim dividends are recognized on declaration by the Board of Directors.

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 Statements for the year ended March 31, 2023

(₹ In lacs)

| 4. PROPERTY, PLANT AND EQUIPMENT | | | | | | | | | | |
|-------------------------------------|-----------------|------------------|-------------------|----------------------|---------------|-------------------|------------------|--------------------|------------------|--|
| Particulars | Land-Freehold | Buildings | Plant & Equipment | Furniture & Fixtures | Vehicles | Office Equipments | Power Gen. Plant | Right-of-use Asset | Total | |
| Gross Carrying Amount | | | | | | | | | | |
| As at April 01, 2021 | 3,386.92 | 9,191.36 | 3,292.93 | 178.32 | 375.27 | 688.12 | 950.74 | 4,588.16 | 22,651.82 | |
| Additions | 121.18 | 1,164.45 | 423.25 | 32.96 | 61.15 | 140.99 | - | 224.05 | 2,168.03 | |
| Disposals/Adjustments | (25.65) | (523.57) | (283.03) | (18.45) | (10.88) | (47.71) | - | (913.93) | (1,823.22) | |
| Balance as at March 31, 2022 | 3,482.45 | 9,832.24 | 3,433.15 | 192.83 | 425.54 | 781.40 | 950.74 | 3,898.28 | 22,996.63 | |
| Balance as at April 1, 2022 | 3,482.45 | 9,832.24 | 3,433.15 | 192.83 | 425.54 | 781.40 | 950.74 | 3,898.28 | 22,996.63 | |
| Additions | 9.72 | 750.22 | 1,137.28 | 124.70 | 22.61 | 327.12 | - | 293.71 | 2,665.36 | |
| Disposals/Adjustments | (165.77) | (148.58) | (47.53) | (12.50) | (13.16) | (39.29) | - | (164.06) | (590.89) | |
| Balance as at March 31, 2023 | 3,326.40 | 10,433.88 | 4,522.90 | 305.03 | 434.99 | 1,069.23 | 950.74 | 4,027.93 | 25,071.10 | |
| Accumulated Depreciation | | | | | | | | | | |
| As at April 01, 2021 | - | 2,508.87 | 1,817.12 | 133.94 | 223.57 | 503.35 | 415.58 | 548.21 | 6,150.64 | |
| Depreciation for the year | - | 510.29 | 278.63 | 12.54 | 48.34 | 114.33 | 61.87 | 559.27 | 1,585.27 | |
| Disposals/Adjustments | - | (94.72) | (165.87) | (13.12) | (0.84) | (39.21) | - | (137.87) | (451.63) | |
| Balance as at March 31, 2022 | - | 2,924.44 | 1,929.88 | 133.36 | 271.07 | 578.47 | 477.45 | 969.61 | 7,284.28 | |
| Depreciation for the year | - | 532.33 | 348.23 | 45.47 | 47.21 | 143.88 | 54.71 | 547.18 | 1,719.01 | |
| Disposals/Adjustments | - | (41.05) | (35.27) | (10.66) | (11.90) | (32.86) | - | (142.08) | (273.82) | |
| Balance as at March 31, 2023 | - | 3,415.72 | 2,242.84 | 168.17 | 306.38 | 689.49 | 532.16 | 1,374.71 | 8,729.47 | |
| Net carrying amount | | | | | | | | | | |
| Balance as at March 31, 2022 | 3,482.45 | 6,907.80 | 1,503.27 | 59.47 | 154.47 | 202.93 | 473.29 | 2,928.67 | 15,712.35 | |
| Balance as at March 31, 2023 | 3,326.40 | 7,018.16 | 2,280.06 | 136.86 | 128.61 | 379.74 | 418.58 | 2,653.22 | 16,341.63 | |

Notes:

- Refer note 16(a) for information on movable assets which are pledged as security by the Company to banks
- Right-of-use Asset includes (Refer Note-37)



Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ In lacs)

| Particulars | Right-of-use Asset | | |
|-------------------------------------|--------------------|---------------|-----------------|
| | Buildings | Vehicles | Total |
| Gross Carrying Amount | | | |
| Balance as at April 1, 2021 | 4,420.87 | 167.29 | 4,588.16 |
| Additions | 224.05 | - | 224.05 |
| Disposals/Adjustments | (853.33) | (60.60) | (913.93) |
| Balance as at March 31, 2022 | 3,791.59 | 106.69 | 3,898.28 |
| Balance as at April 1, 2022 | 3,791.59 | 106.69 | 3,898.28 |
| Additions | 293.71 | - | 293.71 |
| Disposals/Adjustments | (164.06) | - | (164.06) |
| Balance as at March 31, 2023 | 3,921.24 | 106.69 | 4,027.93 |
| Accumulated Depreciation | | | |
| Balance as at March 31, 2021 | 453.24 | 94.98 | 548.21 |
| Depreciation for the year | 523.71 | 35.56 | 559.27 |
| Disposals/Adjustments | (77.27) | (60.60) | (137.87) |
| Balance as at March 31, 2022 | 899.68 | 69.94 | 969.61 |
| Depreciation for the year | 523.89 | 23.29 | 547.18 |
| Disposals/Adjustments | (142.08) | - | (142.08) |
| Balance as at March 31, 2023 | 1,281.49 | 93.23 | 1,374.71 |
| Net carrying amount | | | |
| Balance as at March 31, 2022 | 2,891.92 | 36.75 | 2,928.67 |
| Balance as at March 31, 2023 | 2,639.76 | 13.46 | 2,653.22 |

c. Refer note-39 for transactions with Related Party

(₹ In lacs)

| 5. CAPITAL WORK IN PROGRESS | | Amount |
|---|--|------------------|
| Particulars | | |
| As at April 01, 2021 | | 759.40 |
| Additions | | 5,325.51 |
| Less: Amount capitalized in Property, Plant and Equipment | | (1,250.19) |
| Balance as at March 31, 2022 | | 4,834.72 |
| As at April 01, 2022 | | 4,834.72 |
| Additions | | 11,557.29 |
| Less: Amount capitalized in Property, Plant and Equipment | | (1,070.38) |
| Balance as at March 31, 2023 | | 15,321.63 |

a Ageing for capital work-in-progress balance as at March 31, 2023 is as follows :

| Particulars | Amount in capital work-in-progress for a period of | | | | Total |
|----------------------|--|-----------|-----------|----------|-----------|
| | <1 Year | 1-2 Years | 2-3 Years | >3 Years | |
| Projects in Progress | 10,855.77 | 4,465.86 | - | - | 15,321.63 |

Ageing for capital work-in-progress balance as at March 31, 2022 is as follows :

| Particulars | Amount in capital work-in-progress for a period of | | | | Total |
|----------------------|--|-----------|-----------|----------|----------|
| | <1 Year | 1-2 Years | 2-3 Years | >3 Years | |
| Projects in Progress | 4,811.13 | 23.59 | - | - | 4,834.72 |



Notes to Standalone Financial Statements for the year ended March 31, 2023

b Ageing for capital work-in-progress balance as at March 31, 2023 is as follows :

| Particulars | To be completed in | | | |
|----------------------------|--------------------|-----------|-----------|----------|
| | < 1 Year | 1-2 Years | 2-3 Years | >3 Years |
| Projects in Progress-Dahej | 13,727.60 | - | - | - |

(₹ In lacs)

| 6. OTHER INTANGIBLE ASSETS | | |
|-------------------------------------|--|-------------------------------|
| Particulars | | Amount (Computer Software) |
| Gross Carrying Amount | | |
| As at April 01, 2021 | | 398.58 |
| Additions | | 6.10 |
| Disposals/Adjustments | | (5.48) |
| Balance as at March 31, 2022 | | 399.20 |
| As at April 01, 2022 | | 399.20 |
| Additions | | 6.52 |
| Disposals/Adjustments | | - |
| Balance as at March 31, 2023 | | 405.72 |
| Accumulated Amortization | | |
| As at April 1, 2021 | | 205.66 |
| Charge for the year | | 42.48 |
| Disposals/Adjustments | | (3.57) |
| Balance as at March 31, 2022 | | 244.57 |
| As at April 1, 2022 | | 244.57 |
| Charge for the year | | 41.66 |
| Disposals/Adjustments | | - |
| Balance as at March 31, 2023 | | 286.23 |
| Net Carrying Amount | | |
| Balance as at March 31, 2022 | | 154.63 |
| Balance as at March 31, 2023 | | 119.49 |



Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ In lacs)

| 7. INVESTMENTS | As at | Amount | As at | Amount |
|--|---------------------|----------|---------------------|----------|
| | March 31, 2023 | | March 31, 2022 | |
| | No. of Shares/Units | | No. of Shares/Units | |
| NON CURRENT | | | | |
| Investment in Equity Instruments | | | | |
| a. Unquoted-Investment in Subsidiary at cost | | | | |
| Shares of M/s Dhanuka Agri-solutions Pvt. Ltd. | - | - | 1,500.00 | 0.09 |
| Shares of M/s Dhanuka Chemicals Pvt. Ltd. | 10,000.00 | 1.00 | 10,000.00 | 1.00 |
| Investment in Preference Shares | | | | |
| a. Unquoted- At Fair Value through Profit & Loss | | | | |
| Compulsorily convertible Preference Shares of M/s Iotechworld Avigation Pvt. Ltd. | 1,858.00 | 3,000.00 | 1,239.00 | 2,000.54 |
| Investment in debentures or bonds | | | | |
| a. Quoted- At Fair Value through Profit & Loss | | | | |
| NCD - Face Value of ₹ 1000000/- each in Shriram Transport Finance Company Limited | - | - | 50.00 | 551.30 |
| NCD - Face Value of ₹ 1000000/- each in Muthoot Fincorp Limited | - | - | 30.00 | 306.57 |
| NCD - Face Value of ₹ 1000000/- each in Navi Finserv Private Limited | - | - | 30.00 | 297.25 |
| NCD - Face Value of ₹ 1000000/- each in Shri Ram Finance Limited | 50.00 | 519.10 | - | - |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in State Bank of India | - | - | 25.00 | 262.41 |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in Union Bank of India | 50.00 | 500.93 | 50.00 | 516.06 |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in Canara Bank | 50.00 | 500.31 | 50.00 | 510.06 |
| Perpetual Bonds- Face Value of ₹ 10000000/- each in State Bank of India | 5.00 | 495.48 | 5.00 | 522.57 |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in Bank of Baroda | 30.00 | 300.47 | 30.00 | 307.04 |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in Bank of Baroda | 20.00 | 201.85 | 20.00 | 209.33 |
| Perpetual Bonds- Face Value of ₹ 10000000/- each in Bank of Baroda | 5.00 | 497.95 | 5.00 | 515.45 |
| Perpetual Bonds- Face Value of ₹ 10000000/- each in Tata Motors Finance Limited | 5.00 | 491.98 | 5.00 | 513.50 |
| b. Quoted- At Amortised Cost | | | | |
| 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 |
| c. Unquoted- At Amortised Cost | | | | |
| Units of Annuities In Senior Secured Estate Fund | 2,27,457.08 | 227.46 | 2,80,070.85 | 280.07 |
| Units of IIFL Real Estate Fund-Series 2 | 47,09,658.52 | 219.51 | 47,09,658.52 | 219.51 |
| Units of Religare Credit Investment Trust | - | - | - | 0.88 |
| Units of ICICI Prudential Real Estate | 27,020.21 | 46.09 | 56,696.12 | 65.66 |
| Units of IIFL Real Estate Fund-Series 3 | 18,50,000.00 | 61.15 | 18,50,000.00 | 64.16 |
| d. Unquoted- At Fair Value through Profit & Loss | | | | |
| Units of UTI Structured Debt Opportunities Fund | 1,45,017.77 | 129.44 | 2,21,458.63 | 224.25 |
| Investment in Mutual Funds | | | | |
| a. Quoted- At Fair Value through Profit & Loss | | | | |
| Units of Bharat Bond ETF | 1,00,000.00 | 1,249.99 | 1,00,000.00 | 1,203.08 |
| Units of Bharat Bond ETF | 99,994.00 | 1,114.17 | 99,994.00 | 1,076.56 |



Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ In lacs)

| | As at March 31, 2023 | | Amount | As at March 31, 2022 | |
|--|-------------------------|------------------|--------------|-------------------------|--------|
| | No. of Shares/Units | | | No. of Shares/Units | Amount |
| Units of Edelweiss NIFTY PSU Bond Plus SDL Index Fund | 99,99,500.03 | 1,106.98 | 99,99,500.03 | 1,074.00 | |
| Units of Bharat Bond ETF | 99,995.00 | 1,042.86 | 99,995.00 | 1,010.08 | |
| Units of UTI Nifty SDL Plus AAA PSU Bond Apr 2026 75:25 Index Fund | 49,54,073.46 | 501.29 | - | - | |
| Tata Nifty SDL Plus AAA PSU Bond Dec 2027 60:40 Index Fund | 47,95,739.26 | 501.89 | - | - | |
| Mirae Asset Nifty AAA PSU Bond Plus SDL Apr 2026 50:50 Index Fund | 19,39,823.67 | 200.27 | - | - | |
| Mirae Asset Nifty SDL Jun 2028 Index Fund | 29,99,850.01 | 299.99 | - | - | |
| Axis Fixed Term Plan-Series 113 (1228 Days) | 49,99,750.00 | 501.38 | - | - | |
| Investment in Debt Instruments | | | | | |
| a. Unquoted- At Amortised Cost | | | | | |
| FDR with ICICI Home Finance Company Ltd. | - | 500.00 | - | 500.00 | |
| FDR with Bajaj Finance Ltd. | - | 500.00 | - | 500.00 | |
| FDR with Mahindra & Mahindra Financial Services Ltd. | - | 500.00 | - | 500.00 | |
| Total Non Current Investment | | 16,278.70 | | 14,298.58 | |
| Less: Allowance for doubtful debts | | 386.66 | | 315.14 | |
| Total Non Current Investment | | 15,892.04 | | 13,983.44 | |
| Aggregate amount of quoted investments and Market Value thereof | | 11,094.06 | | 9,942.42 | |
| Aggregate amount of quoted investments and Book Value thereof | | 11,094.06 | | 9,942.42 | |
| Aggregate amount of unquoted investments | | 5,184.64 | | 4,356.16 | |
| Aggregate amount of impairment in value of investments | | 386.66 | | 315.14 | |
| CURRENT | | | | | |
| Investment in Equity Instruments | | | | | |
| a. Quoted- At Fair Value through Profit & Loss | | | | | |
| Units of ABSL Arbitrage Fund-Direct Growth Plan | - | - | 46,28,412.48 | 1,053.15 | |
| Units of Axis Arbitrage Fund-Direct Growth Plan | - | - | 65,27,983.62 | 1,056.65 | |
| Units of Edelweiss Arbitrage Fund-Direct Growth Plan | - | - | 63,98,901.91 | 1,054.76 | |
| Units of ICICI Prudential Equity Arbitrage Fund-Direct Growth Plan | - | - | 35,78,534.88 | 1,048.17 | |
| Units of Kotak Equity Arbitrage Fund-Direct Growth Plan | - | - | 33,28,717.29 | 1,054.17 | |
| Units of Nippon India Arbitrage Fund-Direct Growth Plan | - | - | 46,05,984.41 | 1,051.46 | |
| Units of Tata Arbitrage Fund-Direct Growth Plan | - | - | 87,67,722.67 | 1,050.86 | |
| Units of UTI Arbitrage Fund-Direct Growth Plan | - | - | 35,41,939.97 | 1,052.71 | |
| Units of HDFC Arbitrage Fund-Direct Growth Plan | - | - | 63,92,316.07 | 1,028.08 | |
| Units of SBI Arbitrage Opp Fund-Direct Growth Plan | - | - | 50,84,017.96 | 1,432.11 | |
| Units of IDFC Arbitrage Fund-Direct Growth Plan | - | - | 36,80,494.99 | 1,027.35 | |
| Investment in debentures or bonds | | | | | |
| a. Quoted- At Fair Value through Profit & Loss | | | | | |
| NCD - Face Value of ₹ 1000000/- each in Muthoot Fincorp Limited | 30.00 | 327.07 | - | - | |
| NCD - Face Value of ₹ 1000000/- each in Navi Finserv Private Limited | 30.00 | 322.71 | - | - | |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in State Bank of India | 25.00 | 253.36 | - | - | |
| NCD - Face Value of ₹ 1000000/- each in Nuvama Wealth Finance Limited | 50.00 | 552.65 | - | - | |
| NCD - Face Value of ₹ 1000000/- each in Mindspace Business Parks REIT | - | - | 50.00 | 552.65 | |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in HDFC Bank | - | - | 25.00 | 270.49 | |



Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ In lacs)

| | As at March 31, 2023 | | As at March 31, 2022 | |
|--|-------------------------|-----------------|-------------------------|------------------|
| | No. of Shares/Units | Amount | No. of Shares/Units | Amount |
| Investment in Mutual Funds | | | | |
| a. Quoted- At Fair Value through Profit & Loss | | | | |
| Units of UTI Liquid Cash Plan-Direct Growth Plan | 39,031.15 | 1,440.02 | 69,929.34 | 2,439.16 |
| Units of Axis Liquid Fund-Direct Growth Plan | 1,00,447.39 | 2,512.08 | 25,543.06 | 603.86 |
| Units of ABSL Liquid Fund-Direct Growth Plan | 8,70,681.44 | 3,161.30 | 4,82,427.54 | 1,655.33 |
| Units of Tata Liquid Fund-Direct Growth Plan | 28,378.99 | 1,007.85 | - | - |
| Units of Nippon India Liquid Fund-Direct Growth Plan | - | - | 17,405.11 | 906.46 |
| Units of Nippon India Fixed Horizon Fund-XXXIX-Series 2 | - | - | 20,00,000.00 | 268.90 |
| Investment in Debt Instruments | | | | |
| a. Unquoted- At Amortised Cost | | | | |
| FDR with LIC Housing Finance Ltd. | - | - | - | 500.00 |
| FDR with Housing Development Finance Corporation Ltd. | - | - | - | 500.00 |
| Total Current Investment | | 9,577.04 | | 19,606.32 |
| Aggregate amount of quoted investments and Market Value thereof | | 9,577.04 | | 18,606.32 |
| Aggregate amount of quoted investments and Book Value thereof | | 9,577.04 | | 18,606.32 |
| Aggregate amount of unquoted investments | | - | | 1,000.00 |
| Aggregate amount of impairment in value of investments | | - | | - |

8. LOANS

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Unsecured, Considered good unless otherwise stated | | |
| Non Current | | |
| Loans to employees | | |
| Loans considered good-Unsecured | 40.59 | 10.72 |
| Loan to Subsidiary# | | |
| Loans which have significant increase in Credit Risk | - | 13.42 |
| Less: Allowance for doubtful debts | - | (13.42) |
| TOTAL | 40.59 | 10.72 |
| Current | | |
| Loans to employees | | |
| Unsecured, Considered good | 47.07 | 72.70 |
| Loans to corporates and others | | |
| Loans which have significant increase in Credit Risk | 574.19 | 450.00 |
| Loans-Credit impaired | - | 195.71 |
| Less: Allowance for doubtful debts | (574.19) | (645.71) |
| TOTAL | 47.07 | 72.70 |
| Footnotes : | | |
| a. #Refer Note-39. | | |
| 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. | | |



Notes to Standalone Financial Statements for the year ended March 31, 2023

| 9. OTHER FINANCIAL ASSETS | | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Unsecured, Considered good unless otherwise stated | | |
| Non Current | | |
| Fixed Deposits With Banks* | 2,124.53 | 112.65 |
| Interest Accrued On Loans and Investment | 147.59 | - |
| Security Deposits | | |
| Unsecured, Considered good | 320.95 | 326.56 |
| Doubtful | 33.29 | 34.79 |
| Less: Allowance for doubtful debts | (33.29) | (34.79) |
| | 2,593.07 | 439.21 |
| Current | | |
| Fixed Deposits With Banks* | 93.53 | 2,304.24 |
| Interest Accrued On Loans and Investment | 307.31 | 154.68 |
| Claim Receivable | 6,258.81 | 6,554.55 |
| Security Deposits | | |
| Unsecured, Considered good | 35.21 | 33.69 |
| | 6,694.86 | 9,047.16 |
| Footnotes : | | |
| a. *Includes interest accrued thereon. Lien marked against the Overdraft facility taken from bank as shown under the head "Borrowings" | | |
| 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, 2023 | As at March 31, 2022 |
| | | |
| Raw materials* | 11,782.48 | 12,060.27 |
| Packing materials** | 1,978.55 | 2,508.09 |
| Work in Progress | 748.49 | 806.01 |
| Finished Goods*** | 14,976.71 | 15,543.11 |
| Stock in Trade**** | 4,942.67 | 3,731.48 |
| Store and spares | 77.66 | 69.45 |
| TOTAL | 34,506.56 | 34,718.41 |
| Footnotes : | | |
| a. The method of valuation of inventories has been stated in note no 3(f) | | |
| b. Refer note 16(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 ₹ 1107.89 lacs [March 31,2022 : ₹ 2439.62 lacs] | | |
| d. **: Stock of Packing Materials includes value of goods in transit of ₹ 58.21 lacs [March 31,2022 : ₹ 82.73 lacs] | | |
| e. ***: Stock of Finished Goods includes value of goods in transit of ₹ 117.23 lacs [March 31,2022 : ₹ 195.35 lacs] | | |
| f. ****: Stock in Trade includes value of goods in transit of ₹ 79.53 lacs [March 31,2022 : ₹ 13.77 lacs] | | |



Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ In lacs)

| 11 TRADE RECEIVABLES | | As at March 31, 2023 | As at March 31, 2022 | | | | |
|---|--|---|--------------------------|------------------|------------------|---------------------|------------------|
| Unsecured, Considered good* | | 33,707.61 | 28,114.14 | | | | |
| Trade Receivables which have significant increase in Credit Risk | | 880.04 | 688.41 | | | | |
| Less: Allowance for doubtful debts (expected credit loss allowance) (Refer Note-42) | | (683.66) | (553.39) | | | | |
| TOTAL | | 33,903.99 | 28,249.16 | | | | |
| Footnotes : | | | | | | | |
| a. | *Of the above, trade receivable from related parties are given below : | | | | | | |
| | Unsecured, considered good (Refer note-39) | 0.83 | 1.27 | | | | |
| b. | Ageing for Trade Receivables outstanding | | | | | | |
| As at March 31, 2023 | | | | | | | |
| | | Outstanding for following periods from due date of payment | | | | | |
| Particulars | Not Due | < 6 months | 6 months - 1 year | 1-2 Years | 2-3 Years | > 3 Years | Total |
| Particulars | Not Due | < 6 months | 6 months - 1 year | 1-2 Years | 2-3 Years | > 3 Years | Total |
| (i) Undisputed Trade receivables – considered good | 27,733.48 | 5,798.45 | 153.51 | 18.23 | 0.93 | 3.01 | 33,707.61 |
| (ii) Undisputed Trade Receivables –which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables –credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | 3.34 | 39.65 | 86.65 | 114.80 | 109.92 | 525.68 | 880.04 |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Less: Loss Allowance | | | | | | | (683.66) |
| Total | | | | | | | 33,903.99 |
| As at March 31, 2022 | | | | | | | |
| | | Outstanding for following periods from due date of payment | | | | | |
| Particulars | Not Due | < 6 months | 6 months - 1 year | 1-2 Years | 2-3 Years | > 3 Years | Total |
| Particulars | Not Due | < 6 months | 6 months - 1 year | 1-2 Years | 2-3 Years | > 3 Years | Total |
| (i) Undisputed Trade receivables – considered good | 22,977.58 | 5,007.48 | 51.46 | 16.78 | 13.18 | 47.66 | 28,114.14 |
| (ii) Undisputed Trade Receivables –which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables –credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | 0.01 | 24.74 | 54.83 | 111.13 | 180.52 | 317.18 | 688.41 |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Less: Loss Allowance | | | | | | | (553.39) |
| Total | | | | | | | 28,249.16 |

c. Refer note 16(a) for information on Trade Receivable pledged as security by the company to banks

d. 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, 2023 | As at March 31, 2022 |
|--|--|----------------------|----------------------|
| Cash & Cash Equivalents | | | |
| Balance With Banks In Current Account | | 310.44 | 97.63 |
| Cash on Hand | | 37.47 | 37.22 |
| Cheques / Drafts In Hand | | - | 12.75 |
| | | 347.91 | 147.60 |
| Bank Balance other than Cash and Cash Equivalents | | | |
| Balance With Banks In Unpaid Equity Dividend Account** | | 80.08 | 95.09 |
| | | 80.08 | 95.09 |
| Footnotes : | | | |
| a. | **Earmarked against the corresponding unclaimed dividend liabilities as shown under the head "Other financial liabilities" | | |



Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ In lacs)

| 13. OTHER ASSETS | | | |
|--|---|-------------------------|-------------------------|
| Unsecured, Considered good unless otherwise stated | | As at March 31, 2023 | As at March 31, 2022 |
| Non Current | | | |
| Capital Advance | | 444.44 | 456.32 |
| Receivables from Govt. Authorities | | 77.30 | 77.30 |
| Deposits with Public Authorities | | 61.11 | 58.99 |
| Prepaid expenses | | 4.72 | 13.88 |
| Other Advances** | | 18.57 | 10.15 |
| | | 606.14 | 616.64 |
| Current | | | |
| Prepaid expenses | | 243.66 | 209.48 |
| Advances To Vendor* | | 814.10 | 331.81 |
| Receivables from Govt. Authorities | | 3,192.55 | 2,951.57 |
| DEPB Licence In Stock | | - | 0.14 |
| Compensated Absences Fund | | 152.10 | - |
| Other Advances** | | 55.20 | 37.71 |
| | | 4,457.61 | 3,530.71 |
| Footnotes : | | | |
| a. | *Net of Provision for Bad debts of ₹ 5.20 lacs [March 31,2022 : ₹ 17.20 lacs] | | |
| b. | **Includes advances given to employees | | |

| 14. EQUITY SHARE CAPITAL | | | |
|--|---|-------------------------|-------------------------|
| | | As at March 31, 2023 | As at March 31, 2022 |
| | | No. of Shares/Units | No. of Shares/Units |
| Authorized Share capital | | | |
| 14,21,00,000 equity shares of ₹2/- each | | 2,842.00 | 2,842.00 |
| 5,80,000 Redeemable Non Cumulative Preference Shares of ₹10/- each | | 58.00 | 58.00 |
| Issued, subscribed and fully paid up | | | |
| 4,55,78,324 equity shares of ₹2/- each | | 911.57 | 931.57 |
| [Last Year 4,65,78,324 equity shares of ₹2/- each] | | 911.57 | 931.57 |
| Notes: | | | |
| a. | Reconciliation of the shares outstanding at the beginning and at the end of the year | | |

| | As at March 31, 2023 | | As at March 31, 2022 | |
|---------------------------------------|-------------------------|---------------|-------------------------|---------------|
| | No of shares | Amount | No of shares | Amount |
| Opening | 4,65,78,324 | 931.57 | 4,65,78,324 | 931.57 |
| Issued during the period | - | - | - | - |
| Shares Extinguished on buy back* | 10,00,000 | 20.00 | - | - |
| Closing at the end of the year | 4,55,78,324 | 911.57 | 4,65,78,324 | 931.57 |

*The Board of Directors of the Company in its meeting held on 1st November 2022, has approved the proposal for Buy Back of 10,00,000 (Ten Lacs Only) Equity Shares of the Company for an amount of Rs.85 Crores (Rupees Eighty Five Crore only) excluding transaction costs at a price of Rs. 850/- (Rupees Eight Hundred Fifty only) per Equity Share, through the tender offer route. Pursuant to the above, the Company has bought back its 10,00,000 (Ten Lacs only) fully paid-up equity shares, representing 2.15% of the total issued capital and extinguished those Equity Shares on 17th January 2023. Consequently, Paid up Share Capital has been reduced by Rs.20,00,000 (Rupees Twenty lacs only).

The aggregate number of equity shares bought back during a period of five financial years immediately preceding the financial year ended 31 March 2023 is 35 Lacs equity shares (31 March 2022: 25 Lacs equity shares)



Notes to Standalone Financial Statements for the year ended March 31, 2023

| 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 | | | | | |
| Name of Shareholder | As at March 31, 2023 | | As at March 31, 2022 | | |
| | No. of Shares (In Lacs) | % holding | No. of Shares (In Lacs) | % holding | |
| M/s Triveni Trust | 259.63 | 56.96% | 264.59 | 56.80% | |
| M/s Pushpa Dhanuka Trust | 46.23 | 10.14% | 47.11 | 10.11% | |
| M/s DSP Blackrock Trustee Co. Pvt Ltd | 41.13 | 9.03% | 40.27 | 8.65% | |
| 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 | | | | | |
| e. Disclosure of Shareholding of Promoters | | | | | |
| As at March 31, 2023 | | | | | |
| Promoter Name | As at March 31, 2023 | | As at March 31, 2022 | | % change during the Year |
| | No. of Shares | % holding | No. of Shares | % holding | |
| Ram Gopal Agarwal | 189,031 | 0.41% | 192,642 | 0.41% | 0.00% |
| Mahendra Kumar Dhanuka | 27,604 | 0.06% | 28,131 | 0.06% | 0.00% |
| Total | 216,635 | 0.47% | 220,773 | 0.47% | 0.00% |
| As at March 31, 2022 | | | | | |
| Promoter Name | As at March 31, 2022 | | As at March 31, 2021 | | % change during the Year |
| | No. of Shares | % holding | No. of Shares | % holding | |
| Ram Gopal Agarwal | 192,642 | 0.41% | 342,642 | 0.74% | -0.33% |
| Mahendra Kumar Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Total | 220,773 | 0.47% | 370,773 | 0.80% | -0.33% |
| f. Disclosure of Shareholding of Promoters Group | | | | | |
| As at March 31, 2023 | | | | | |
| Name | As at March 31, 2023 | | As at March 31, 2022 | | % change during the Year |
| | No. of Shares | % holding | No. of Shares | % holding | |
| Triveni Trust | 2,59,62,770 | 56.96% | 2,64,58,763 | 56.80% | 0.16% |
| Pushpa Dhanuka Trust | 46,23,063 | 10.14% | 47,11,382 | 10.11% | 0.03% |
| Manish Dhanuka | 2,65,607 | 0.58% | 2,70,681 | 0.58% | 0.00% |
| Rahul Dhanuka | 2,01,403 | 0.44% | 2,05,250 | 0.44% | 0.00% |
| Mahendra Kumar Dhanuka HUF | 1,73,730 | 0.38% | 1,77,048 | 0.38% | 0.00% |
| Satya Narain Agarwal | 1,66,147 | 0.36% | 1,72,081 | 0.37% | 0.00% |
| Abhishek Dhanuka | 80,139 | 0.18% | 83,000 | 0.18% | 0.00% |
| Satyanarain Agarwal HUF | 38,850 | 0.09% | 40,237 | 0.09% | 0.00% |
| Arun Kumar Dhanuka* | 36,503 | 0.08% | 37,200 | 0.08% | 0.00% |
| Akangsha Dhanuka | 29,074 | 0.06% | 29,629 | 0.06% | 0.00% |
| Harsh Dhanuka | 27,604 | 0.06% | 28,131 | 0.06% | 0.00% |



Notes to Standalone Financial Statements for the year ended March 31, 2023

| Name | As at March 31, 2023 | | As at March 31, 2022 | | % change during the Year |
|---------------------------------|----------------------|---------------|----------------------|---------------|--------------------------|
| | No. of Shares | % holding | No. of Shares | % holding | |
| Megha Dhanuka | 27,604 | 0.06% | 28,131 | 0.06% | 0.00% |
| Mridul Dhanuka | 27,604 | 0.06% | 28,131 | 0.06% | 0.00% |
| Uma Dhanuka | 27,604 | 0.06% | 28,131 | 0.06% | 0.00% |
| Urmila Dhanuka | 27,604 | 0.06% | 28,131 | 0.06% | 0.00% |
| Madhuri Dhanuka | 27,356 | 0.06% | 27,878 | 0.06% | 0.00% |
| Seema Dhanuka | 12,726 | 0.03% | 12,969 | 0.03% | 0.00% |
| Arjun Dhanuka | 8,475 | 0.02% | 8,636 | 0.02% | 0.00% |
| Mamta Dhanuka | 8,208 | 0.02% | 8,364 | 0.02% | 0.00% |
| Mridul Dhanuka HUF | 52 | 0.00% | 52 | 0.00% | 0.00% |
| Ram Gopal Agarwal HUF | 52 | 0.00% | 52 | 0.00% | 0.00% |
| Golden Overseas Private Limited | 26 | 0.00% | 26 | 0.00% | 0.00% |
| Pushpa Dhanuka | 19 | 0.00% | 19 | 0.00% | 0.00% |
| Arun Kumar Dhanuka HUF | 11 | 0.00% | 11 | 0.00% | 0.00% |
| Gobind Lal Dhanuka HUF | 10 | 0.00% | 10 | 0.00% | 0.00% |
| Total | 3,17,72,241 | 69.71% | 3,23,83,943 | 69.53% | 0.18% |

As at March 31, 2022

| Name | As at March 31, 2022 | | As at March 31, 2021 | | % change during the Year |
|---------------------------------|----------------------|---------------|----------------------|---------------|--------------------------|
| | No. of Shares | % holding | No. of Shares | % holding | |
| Triveni Trust | 2,64,58,763 | 56.80% | 2,84,25,299 | 61.03% | -4.22% |
| Pushpa Dhanuka Trust | 47,11,382 | 10.11% | 50,73,762 | 10.89% | -0.78% |
| Manish Dhanuka | 2,70,681 | 0.58% | 2,70,681 | 0.58% | 0.00% |
| Rahul Dhanuka | 2,05,250 | 0.44% | 2,05,250 | 0.44% | 0.00% |
| Mahendra Kumar Dhanuka HUF | 1,77,048 | 0.38% | 1,77,048 | 0.38% | 0.00% |
| Satya Narain Agarwal | 1,72,081 | 0.37% | 22,081 | 0.05% | 0.32% |
| Abhishek Dhanuka | 83,000 | 0.18% | 83,000 | 0.18% | 0.00% |
| Satyanarain Agarwal HUF | 40,237 | 0.09% | 40,237 | 0.09% | 0.00% |
| Arun Kumar Dhanuka* | 37,200 | 0.08% | 37,200 | 0.08% | 0.00% |
| Akangsha Dhanuka | 29,629 | 0.06% | 29,629 | 0.06% | 0.00% |
| Harsh Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Megha Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Mridul Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Uma Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Urmila Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Madhuri Dhanuka | 27,878 | 0.06% | 27,878 | 0.06% | 0.00% |
| Seema Dhanuka | 12,969 | 0.03% | 12,969 | 0.03% | 0.00% |
| Arjun Dhanuka | 8,636 | 0.02% | 8,636 | 0.02% | 0.00% |
| Mamta Dhanuka | 8,364 | 0.02% | 8,364 | 0.02% | 0.00% |
| Mridul Dhanuka HUF | 52 | 0.00% | 52 | 0.00% | 0.00% |
| Ram Gopal Agarwal HUF | 52 | 0.00% | 52 | 0.00% | 0.00% |
| Golden Overseas Private Limited | 26 | 0.00% | 26 | 0.00% | 0.00% |
| Pushpa Dhanuka | 19 | 0.00% | 19 | 0.00% | 0.00% |
| Arun Kumar Dhanuka HUF | 11 | 0.00% | 11 | 0.00% | 0.00% |
| Gobind Lal Dhanuka HUF | 10 | 0.00% | 10 | 0.00% | 0.00% |
| Total | 3,23,83,943 | 69.53% | 3,45,62,859 | 74.20% | -4.68% |

*Ceased to be part of Promoters Group due to his sad demise on 30th Jan, 2023. The transmission of shares to the legal heir is under process.



Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ In lacs)

| 15. OTHER EQUITY | | |
|---|-------------------------|-------------------------|
| Reserves and Surplus | As at March 31, 2023 | As at March 31, 2022 |
| Capital Reserve | | |
| Balance at the beginning of the Financial year | 95.47 | 95.47 |
| Addition during the Financial year | - | - |
| Deduction during the Financial year | - | - |
| | 95.47 | 95.47 |
| Capital Reserve includes profit on merger of entities | | |
| Capital Redemption Reserve | | |
| Balance at the beginning of the Financial year | 68.82 | 68.82 |
| Addition during the Financial year | 20.00 | - |
| Deduction during the Financial year | - | - |
| | 88.82 | 68.82 |
| Capital Redemption Reserve created on buy back of Equity shares | | |
| Retained Earnings | | |
| Balance at the beginning of the Financial year | 94,946.13 | 78,534.79 |
| Addition during the Financial year | 23,350.79 | 20,878.22 |
| Less: Amount Utilised for Buy back of equity shares | (8,480.00) | - |
| Less: Amount Transferred to Capital Redemption Reserve on Buy back of equity shares | (20.00) | - |
| Less: Tax paid on Buy back of equity shares | (1,975.51) | - |
| Add/ (Less): | | |
| Remeasurements of the defined benefit plans through OCI | 10.71 | 190.95 |
| Tax Impact of Remeasurements of the defined benefit plans through OCI | (2.69) | - |
| Dividend paid | (2,794.70) | (4,657.83) |
| | 1,05,034.73 | 94,946.13 |
| Total | 1,05,219.02 | 95,110.42 |

Retained Earnings represents undistributed profits of the company which can be distributed to its 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.

| Detail of Dividend Paid | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| a.) Dividend Paid | | |
| Final Dividend Declared for F.Y. 2021-22 [Dividend Paid ₹ 6.00/- per share] | 2,794.70 | - |
| Final Dividend Declared for F.Y. 2020-21 [Dividend Paid ₹ 2.00/- per share] | - | 931.57 |
| Interim Dividend Declared for F.Y. 2021-22 [Dividend Paid ₹8.00/- per share] | - | 3,726.26 |
| | 2,794.70 | 4,657.83 |
| b.) Proposed Dividend | | |

After the reporting date, the Board of Directors of the Company has recommended a final dividend of ₹ 2 per Equity share amounting to ₹ 911.57 Lacs for the financial year 2022-23.

The final dividend proposed by the Directors are subject to approval at the annual general meeting. The final dividend 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 final dividends are approved by the equity shareholders in the general meeting.



Notes to Standalone Financial Statements for the year ended March 31, 2023

16. BORROWINGS (CURRENT)

(₹ In lacs)

| | As at March 31, 2023 | As at March 31, 2022 |
|--|--|-------------------------|
| Secured | | |
| From Banks-Loan Repayable on Demand | | |
| Cash Credit limits from Banks | - | - |
| Over Draft Against Pledge of FDR | 380.84 | 96.24 |
| | 380.84 | 96.24 |
| Footnotes : | | |
| a. | Cash Credit Limits from Banks are secured by hypothecation of stocks of raw materials, work in process, finished goods, book debts, other current assets and other movable fixed assets on pari-passu basis and by joint and several guarantee of the Directors of the Company. Loan from Banks are repayable on demand. | |
| b. | Overdraft facilities has been taken from bank against Lien mark of Fixed Deposits as shown under the head "Other Current & Non Current Financial Assets" and carried interest @ 5.53% p.a. (March 31, 2022 @ 4.49% p.a.) | |

17. TRADE PAYABLES

(₹ In lacs)

| | As at March 31, 2023 | As at March 31, 2022 |
|---|---|-------------------------|
| Trade Payables | | |
| Total Outstanding dues of micro enterprises and small enterprises | 434.89 | 1,085.79 |
| Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises* | 17,088.41 | 16,385.96 |
| | 17,523.30 | 17,471.75 |
| Footnotes : | | |
| a. | *Includes amount due to related parties amounting to ₹ 364.34 Lacs (March 31, 2022 ₹ 269.58 Lacs)-Refer Note-39 | |
| b. | Refer note 40 for information on total outstanding dues of micro enterprises and small enterprises | |
| c. | Ageing of Trade Payables | |

As at March 31, 2023

| Particulars | Outstanding for following periods from the date of transaction | | | | Total |
|---|--|--------------|--------------|--------------|------------------|
| | < 1 year | 1-2 Years | 2-3 Years | > 3 Years | |
| (I) Micro Small and Medium Enterprise (MSME) | 434.89 | - | - | - | 434.89 |
| (ii) Creditors other than micro enterprises and small enterprises | 17,017.77 | 27.24 | 19.40 | 24.00 | 17,088.41 |
| (iii) Disputed dues -MSME | - | - | - | - | - |
| (iv) Disputed dues -Others | - | - | - | - | - |
| Total | 17,452.66 | 27.24 | 19.40 | 24.00 | 17,523.30 |

As at March 31, 2022

| Particulars | Outstanding for following periods from the date of transaction | | | | Total |
|---|--|--------------|--------------|--------------|------------------|
| | < 1 year | 1-2 Years | 2-3 Years | > 3 Years | |
| (i) Micro Small and Medium Enterprise (MSME) | 1,085.79 | - | - | - | 1,085.79 |
| (ii) Creditors other than micro enterprises and small enterprises | 16,303.09 | 23.44 | 44.95 | 14.48 | 16,385.96 |
| (iii) Disputed dues -MSME | - | - | - | - | - |
| (iv) Disputed dues -Others | - | - | - | - | - |
| Total | 17,388.88 | 23.44 | 44.95 | 14.48 | 17,471.75 |



Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ In lacs)

| 18. OTHER FINANCIAL LIABILITIES | | As at March 31, 2023 | As at March 31, 2022 | |
|--|--|-------------------------|-------------------------|-------------------------|
| Non Current | | | | |
| Security Received from Customers* | | 1,515.31 | 1,425.13 | |
| | | 1,515.31 | 1,425.13 | |
| Current | | | | |
| Unclaimed Dividend** | | 80.08 | 95.09 | |
| Capital Creditors | | 921.26 | 485.70 | |
| Other Payable*** | | 6,485.87 | 8,511.21 | |
| | | 7,487.21 | 9,092.00 | |
| Footnotes : | | | | |
| 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. | | | |
| 19. PROVISIONS | | As at March 31, 2023 | As at March 31, 2022 | |
| Provision For Employee Benefits | | | | |
| Non Current | | | | |
| Provision for Gratuity | | 194.61 | 13.23 | |
| Provision for Compensated absences | | 90.83 | 10.57 | |
| | | 285.44 | 23.80 | |
| Current | | | | |
| Provision for Compensated absences | | 21.13 | - | |
| | | 21.13 | - | |
| Footnotes : | | | | |
| a. | Refer note 35(b) for information on Defined benefit plans-Gratuity | | | |
| b. | Refer note 35(c) for information on Other employee benefits-Compensated absences | | | |
| 20 DEFERRED TAX LIABILITIES (NET) | | As at March 31, 2023 | As at March 31, 2022 | |
| Deffered Tax Liabilities | | 667.37 | 918.39 | |
| Deffered Tax Assets | | (428.34) | (362.19) | |
| | | 239.03 | 556.20 | |
| | | As at April 1, 2021 | Recognized in P&L | As at March 31, 2022 |
| Deferred tax (assets)/liabilities are attributable to the following items : | | | | |
| Deferred Tax Liabilities | | | | |
| Property, plant and equipment & Intangible assets | | 653.54 | (30.19) | 623.35 |
| Investments | | 456.44 | (161.40) | 295.04 |
| Total-(A) | | 1,109.98 | (191.59) | 918.39 |
| Deferred Tax Assets | | | | |
| Trade Receivables and Other Receivables | | (246.23) | (35.29) | (281.52) |
| Lease Liability | | (34.28) | (46.39) | (80.67) |
| Total-(B) | | (280.51) | (81.68) | (362.19) |
| Net Deferred Tax Liability | | 829.47 | (273.27) | 556.20 |



Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ In lacs)

| | As at April 1, 2022 | Recognized in P&L | As at March 31, 2023 |
|--|------------------------|----------------------|-------------------------|
| Deferred tax (assets)/liabilities are attributable to the following items : | | | |
| Deferred Tax Liabilities | | | |
| Property, plant and equipment & Intangible assets | 623.35 | (118.52) | 504.83 |
| Investments | 295.04 | (132.50) | 162.54 |
| Total-(A) | 918.39 | (251.02) | 667.37 |
| Deferred Tax Assets | | | |
| Trade Receivables and Other Receivables | (281.52) | (29.77) | (311.29) |
| Lease Liability | (80.67) | (36.38) | (117.05) |
| Total-(B) | (362.19) | (66.15) | (428.34) |
| Net Deferred Tax Liability | (A+B) | (317.17) | 239.03 |

21. OTHER LIABILITIES

| | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------|----------------------|----------------------|
| Current | | |
| Advances from customers | 1,377.56 | 1,031.88 |
| Statutory dues payable | 1,553.53 | 1,267.02 |
| | 2,931.09 | 2,298.90 |

22. CURRENT TAX LIABILITIES (NET)

| | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Income Tax payable (Net of advance tax) | 1,044.92 | 1,128.43 |
| | 1,044.92 | 1,128.43 |

23. REVENUE FROM OPERATIONS

| | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
|--|----------------|--------------------------------------|--------------------------------------|
| a. Revenue From Operations | | | |
| Sales of products | | | |
| Finished Goods | | | |
| -Agrochemical | | 1,39,739.29 | 1,22,875.60 |
| Traded Goods | | | |
| -Agrochemical | | 28,504.51 | 23,283.84 |
| | (A) | 1,68,243.80 | 1,46,159.44 |
| Other operating revenues | | | |
| Income From Power Generation Plant | | 168.26 | 168.17 |
| Scrap Sales | | 544.79 | 356.07 |
| Tax Incentive from Govt. | | 1,065.15 | 1,093.84 |
| | (B) | 1,778.20 | 1,618.08 |
| Total Revenue | (A)+(B) | 1,70,022.00 | 1,47,777.52 |
| b. Reconciliation of Revenue from contract with customers : | | | |
| Revenue as per contracted price | | 1,79,833.53 | 1,56,819.75 |
| Less : Discounts & Rebates | | 9,811.53 | 9,042.23 |
| Revenue from contract with customers | | 1,70,022.00 | 1,47,777.52 |
| c. Contract balances : | | | |
| The following table provides information about receivables, contract assets and contract liabilities from contracts with customers : | | As at March 31, 2023 | As at March 31, 2022 |
| Trade Receivables* | | 33,903.99 | 28,249.16 |
| | | 33,903.99 | 28,249.16 |
| Contract Liabilities | | | |
| Advances from Customers | | 1,377.56 | 1,031.88 |
| | | 1,377.56 | 1,031.88 |

* Trade receivables are non-interest bearing and are generally on credit terms of 90 to 120 days.



Notes to Standalone Financial Statements for the year ended March 31, 2023

| | | | | |
|----|---|--|-------------------------|-------------------------|
| d. | The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) is as follows : | | | |
| | | | As at March 31, 2023 | As at March 31, 2022 |
| | Advances from customers* | | 1,377.56 | 1,031.88 |
| | | | 1,377.56 | 1,031.88 |
| | Advance from customers relates to payments received in advance of performance under the contract. Advances from customers are recognized as revenue as (or when) the Company performs under the contract. | | | |
| | *For March 31, 2023, management expects that the entire transaction price allocated to the unsatisfied contracts at end of the year will be recognised as revenue during the next year | | | |

24. OTHER INCOME

| | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
|----|--|--------------------------------------|--------------------------------------|
| | Interest Income on Financial Assets at amortised cost | 1,800.05 | 1,386.80 |
| | Dividend Income | - | 25.00 |
| | Net Gain on sale of investments | 264.65 | 464.12 |
| | Net Gain on Investments measured at fair value through profit or loss | 183.06 | 842.77 |
| | Other Non-Operating Income | | |
| | Rent Received | 6.34 | 7.15 |
| | Miscellaneous Receipts | 73.09 | 552.31 |
| | Net Profit on disposal of property, plant and equipment | 2,146.19 | 62.36 |
| | Liabilities No Longer Required, Written Back | 2.22 | 18.19 |
| | | 4,475.60 | 3,358.70 |
| a. | Refer note-39 for transactions with Related Party | | |

25. COST OF MATERIALS CONSUMED

| | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
|----|---|--------------------------------------|--------------------------------------|
| | Raw Materials | | |
| | Inventories at the beginning of the financial year | 12,060.27 | 8,579.04 |
| | Add : Purchases | 83,524.46 | 75,591.65 |
| | Less : Inventories at the end of the financial year | (11,782.48) | (12,060.27) |
| | Cost of Raw Material Consumed | (A) 83,802.25 | 72,110.42 |
| | Packing Materials | | |
| | Inventories at the beginning of the financial year | 2,508.09 | 1,926.11 |
| | Add : Purchases | 8,213.04 | 8,856.50 |
| | Less : Inventories at the end of the financial year | (1,978.55) | (2,508.09) |
| | Cost of Packing Materials Consumed | (B) 8,742.58 | 8,274.52 |
| | | (A) + (B) | 80,384.94 |
| | Footnotes : | | |
| a. | Refer note-39 for transactions with Related Party | | |

26. PURCHASE OF STOCK IN TRADE

| | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
|--|---------------|--------------------------------------|--------------------------------------|
| | Agrochemicals | 19,587.89 | 14,614.42 |
| | | 19,587.89 | 14,614.42 |



Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ In lacs)

| 27. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS | | | |
|--|--|--|--|
| | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
| | Inventories at the end of the year | | |
| | Stock in Trade | 4,942.67 | 3,731.48 |
| | Work in Progress | 748.49 | 806.01 |
| | Finished Goods | 14,976.71 | 15,543.11 |
| | | 20,667.87 | 20,080.60 |
| | Inventories at the beginning of the year | | |
| | Stock in Trade | 3,731.48 | 4,419.21 |
| | Work in Progress | 806.01 | 596.56 |
| | Finished Goods | 15,543.11 | 13,974.21 |
| | | 20,080.60 | 18,989.98 |
| | (Increase)/Decrease in Inventories | (587.27) | (1,090.62) |
| | | | |
| 28. EMPLOYEE BENEFIT EXPENSES | | | |
| | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
| | Salaries, wages and bonus | 11,389.23 | 10,977.63 |
| | Contribution to Provident & Other funds | 413.11 | 406.48 |
| | Gratuity | 205.31 | 204.18 |
| | Compensated absences | 235.09 | 172.47 |
| | Staff Welfare Expenses | 383.13 | 289.52 |
| | | 12,625.87 | 12,050.28 |
| | Footnotes : | | |
| a. | Refer note 35(a) for information on Defined Contribution plan | | |
| b. | Refer note 35(b) for information on Defined benefit plan-Gratuity | | |
| c. | Refer note 35(c) for information on Other employee benefits-Compensated absences | | |
| d. | Refer note-39 for transactions with Related Party | | |
| | | | |
| 29. FINANCE COSTS | | | |
| | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
| | Interest on bank overdraft & working capital limits | 19.58 | 10.29 |
| | Interest on lease liability | 283.05 | 303.52 |
| | Interest on Security Deposits & others | 9.17 | 6.46 |
| | | 311.80 | 320.27 |
| | | | |
| 30. DEPRECIATION AND AMORTIZATION EXPENSES | | | |
| | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
| | Depreciation on Property, Plant & Equipment (Refer Note-4) | 1,719.01 | 1,585.27 |
| | Amortization of Intangible Assets (Refer Note-6) | 41.66 | 42.48 |
| | | 1,760.67 | 1,627.75 |



Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ In lacs)

| 31. OTHER EXPENSES | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
|--------------------|--|--------------------------------------|--------------------------------------|
| | Power,fuel,electricity & water charges | 212.27 | 180.66 |
| | Consumable Stores | 121.51 | 97.47 |
| | Packing Charges | 467.88 | 526.32 |
| | Repair & Maintenance, Machinery | 141.65 | 114.92 |
| | Repair & Maintenance, Factory Building | 132.81 | 142.90 |
| | Incineration Charges | 2.05 | 6.89 |
| | Security Charges | 140.36 | 98.81 |
| | Laboratory expenses | 44.79 | 49.15 |
| | ISI Marking Fees | 7.19 | 7.45 |
| | R&D expenses | 245.03 | 384.77 |
| | Travelling and conveyance | 1,111.34 | 770.11 |
| | Communication Expenses | 102.27 | 106.29 |
| | Postage and Telegram | 34.94 | 27.95 |
| | Printing and Stationery | 51.19 | 53.11 |
| | Office and Godown Rent | 69.99 | 58.50 |
| | Rates and Taxes | 88.55 | 32.19 |
| | Insurance Charges | 483.26 | 456.90 |
| | Legal and Professional Charges | 837.67 | 796.81 |
| | Repair & Maintenance-Building | 208.05 | 219.11 |
| | Repair & maintenance-Other | 304.87 | 348.70 |
| | Security Charges-Offices | 37.05 | 26.40 |
| | Electricity & Water Charges | 53.67 | 47.27 |
| | Books and Periodicals | 1.01 | 0.96 |
| | Recruitment Expenses | 159.87 | 100.01 |
| | Fees and Subscription | 91.27 | 44.48 |
| | Charity and Donation | 3.31 | 7.74 |
| | Bank Charges | 13.18 | 23.39 |
| | Miscellaneous Expenses | 9.06 | 9.07 |
| | Directors' Sitting Fee | 24.70 | 23.55 |
| | Payment To Auditors (Refer Note 31.1) | 24.79 | 20.98 |
| | Vehicles Hiring & Maintenance | 1,616.92 | 1,347.37 |
| | Net Loss On Foreign Currency Transactions | 623.01 | 138.21 |
| | Property, Plant and Equipment Written off | 13.31 | 19.48 |
| | CSR Expenses (Refer Note 31.2) | 480.46 | 406.67 |
| | Education and Seminar | 1,167.86 | 603.20 |
| | Advertisement and Publicity | 1,509.87 | 1,209.27 |
| | Business Promotion Expenses | 210.04 | 198.30 |
| | Allowance for Bad and Doubtful Debts & Loans (Net) | 92.14 | 345.94 |
| | Freight & Cartage | 4,087.17 | 3,920.49 |
| | Field Assistant Expenses | 1,742.56 | 1,397.49 |
| | C&F Commission | 1,212.22 | 1,111.63 |
| | | 17,981.14 | 15,480.91 |
| 31.1 | Payment to Statutory Auditors | | |
| | Audit Fees | 17.00 | 15.00 |
| | Limited Review Fees | 3.00 | 3.00 |
| | Tax Audit Fees | 2.50 | 2.00 |
| | Certification & Other Matters | 1.50 | - |
| | Reimbursement of expenses | 0.79 | 0.98 |
| | TOTAL | 24.79 | 20.98 |



Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ In lacs)

| | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
|---|--|--|
| 31.2 Amount Spent on CSR Activities | | |
| Gross amount required to be spent by the company during the year | 480.35 | 403.61 |
| Amount spent during the year | | |
| Promotion of Education* | 136.43 | 356.93 |
| Promotion of Sports | 6.00 | 0.25 |
| Preventive Healthcare** | 119.37 | 28.73 |
| Animal Welfare | 5.00 | - |
| Eradicating Hunger | 13.50 | 8.25 |
| Water Harvesting | 7.60 | - |
| Livelihood Enhancement Projects | 113.11 | 1.00 |
| Environmental Sustainability | 55.85 | 11.51 |
| Amount unspent during the year*** | 23.60 | - |
| | 480.46 | 406.67 |
| Footnotes : | | |
| * | Includes Rs. 80.79 Lacs (PY Rs. 233.57 Lacs) towards transaction with related parties (Refer Note 39) | |
| ** | It includes Rs. 101.40 Lacs (March 31, 2022 Rs. Nil) towards ongoing project for construction of Waiting Hall at AIIMS Delhi | |
| *** | The unspent amount has been deposited in a separate bank account i.e., CSR Unspent Account within 30 days from end of FY 2022-23 | |
| 32. INCOME TAX EXPENSE | | |
| a. Income tax recognized in profit or loss | | |
| | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
| Current tax expense | | |
| Current Tax | 7,704.93 | 7,143.32 |
| Tax of earlier year provided / (written back) | (465.88) | - |
| Deferred tax expense | | |
| Origination and reversal of temporary differences | (317.17) | (273.27) |
| | 6,921.88 | 6,870.05 |
| b. Reconciliation of effective tax rate | | |
| | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
| Profit before tax | 30,272.67 | 27,748.27 |
| Tax using the Company's domestic tax rate i.e. 25.168% | 7,619.03 | 6,983.68 |
| Effect of Expenses not deductible for tax purpose | 108.98 | 146.88 |
| Effect of Income Exempt from tax | (19.81) | (19.81) |
| Effect of Concessions and Tax incentives | (0.46) | (0.46) |
| Effect of Lower tax Rate for the capital gains | (213.24) | (228.05) |
| Other | - | 48.06 |
| Adjustment in respect of current tax related to earlier years | (465.88) | - |
| Adjustment in respect of Deferred tax related to earlier years | (106.74) | (60.25) |
| Income tax Expenses recognised in the statement of profit and loss | 6,921.88 | 6,870.05 |



Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ In lacs)

| 33. OTHER COMPREHENSIVE INCOME | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
|---|---|--------------------------------------|--------------------------------------|
| (i) Items that will not be reclassified to profit or loss | | | |
| | Remeasurements of the defined benefit plans | 10.71 | 190.95 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | (2.69) | - |
| (i) Items that will be reclassified to profit or loss | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| | | 8.02 | 190.95 |
| 34. Earnings per share (EPS) | | | |
| | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
| Net Profit for Basic & Diluted EPS (₹ In Lacs) | | 23,350.79 | 20,878.22 |
| Number of Equity Shares at the beginning of the year | | 4,65,78,324.00 | 4,65,78,324.00 |
| Add: Shares issued during the year | | - | - |
| Less : Shares bought back during the year | | 10,00,000.00 | - |
| Total Number of Shares outstanding at the end of the year | | 4,55,78,324.00 | 4,65,78,324.00 |
| Weighted Average number of Equity Shares outstanding during the year | | 4,63,75,584.27 | 4,65,78,324.00 |
| Earnings per share - Basic (₹) | | 50.35 | 44.82 |
| Earnings per share - Diluted (₹) | | 50.35 | 44.82 |
| Face value per share (₹) | | 2.00 | 2.00 |



Notes to Standalone Financial Statements for the year ended March 31, 2023

35. 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 ₹ 411.45 lacs (Previous year ₹ 405.08 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.

I. Changes in the Present Value of Obligation

| Particulars | For the year ended | |
|---|--------------------|-----------------|
| | 31-Mar-23 | 31-Mar-22 |
| Present Value of Obligation as at the beginning | 1,828.30 | 1,818.22 |
| Current Service Cost | 204.36 | 201.94 |
| Interest Expense or Cost | 130.63 | 120.83 |
| Re-measurement (or Actuarial) (gain) / loss arising from: | | |
| - change in demographic assumptions | 40.13 | 47.90 |
| - change in financial assumptions | (34.24) | (77.09) |
| - experience variance (i.e. Actual experience vs assumptions) | (109.62) | (93.18) |
| Past Service Cost | - | |
| Benefits Paid | (225.47) | (190.32) |
| Present Value of Obligation as at the end | 1,834.09 | 1,828.30 |

II. Changes in the fair value of plan assets

| Particulars | For the year ended | |
|--|--------------------|-----------------|
| | 31-Mar-23 | 31-Mar-22 |
| Fair Value of Plan Assets as at the beginning | 1,815.07 | 1,784.62 |
| Investment Income | 129.67 | 118.60 |
| Employer's Contribution | 13.23 | 33.60 |
| Benefits Paid | (225.47) | (190.32) |
| Return on plan assets, excluding amount recognized in net interest expense | (93.02) | 68.57 |
| Fair Value of Plan Assets as at the end | 1,639.48 | 1,815.07 |



Notes to Standalone Financial Statements for the year ended March 31, 2023

The plan assets are managed by the Gratuity trust formed by the company. The management of 100% of the funds is entrusted with the 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-23 | 31-Mar-22 |
| Present Value of Obligation | 1,834.09 | 1,828.30 |
| Fair Value of Plan Assets | 1,639.48 | 1,815.07 |
| Surplus / (Deficit) | (194.61) | (13.23) |
| Effects of Asset Ceiling, if any | - | - |
| Net Asset / (Liability) | (194.61) | (13.23) |

IV. Bifurcation of present value of obligation at the end of the year

(₹ In lacs)

| Particulars | As at | |
|------------------------------------|-----------------|-----------------|
| | 31-Mar-23 | 31-Mar-22 |
| Current Liability (Short term) | 302.19 | 231.80 |
| Non-Current Liability (Long term) | 1,531.90 | 1,596.50 |
| Present Value of Obligation | 1,834.09 | 1,828.30 |

V. Expenses Recognized during the year

(₹ In lacs)

| Particulars | For the year ended | |
|---|--------------------|-----------------|
| | 31-Mar-23 | 31-Mar-22 |
| In Profit & loss : | | |
| Current Service Cost | 204.36 | 201.95 |
| Net Interest Cost/(Income) on the net defined benefit liability/(Asset) | 0.95 | 2.23 |
| Components of defined benefit costs recognised in profit & loss | 205.31 | 204.18 |
| In Other Comprehensive Income : | | |
| Actuarial (gains)/losses | | |
| -Change in demographic assumptions | 40.13 | 47.90 |
| -Change in financial assumptions | (34.24) | (77.09) |
| -Experience variance (i.e. Actual experience vs assumptions) | (109.62) | (93.19) |
| Return on plan assets, excluding amount recognised in net interest expense | 93.02 | (68.57) |
| Components of defined benefit costs recognised in other comprehensive income | (10.71) | (190.95) |

VI. Actuarial Assumptions

| Particulars | As at | |
|---|-----------|-----------|
| | 31-Mar-23 | 31-Mar-22 |
| Discount rate (per annum) | 7.40% | 7.15% |
| Salary growth rate (per annum) | 11.50% | 11.50% |
| Mortality rate {% of IALM 12-14 (P.Y. 12-14)} | 100.00% | 100.00% |
| Attrition / Withdrawal rate (per annum) | 5.00% | 5.00% |



Notes to Standalone Financial Statements for the year ended March 31, 2023

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-23 | | 31-Mar-22 | |
|---|--------------------|--------------------|--------------------|--------------------|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate (- / + 1%) (% change compared to base due to sensitivity) | 1,993.51 8.70% | 1,697.20 -7.50% | 2,005.40 9.70% | 1,676.72 -8.30% |
| Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity) | 1,702.57 -7.20% | 1,983.77 8.20% | 1,682.99 -7.90% | 1,994.15 9.10% |
| Attrition Rate (- / + 50% of attrition rates) (% change compared to base due to sensitivity) | 1,943.64 6% | 1,753.47 -4.40% | 1,955.88 7.00% | 1,735.37 -5.10% |
| Mortality Rate (- / + 10% of mortality rates) (% change compared to base due to sensitivity) | 1,835.25 0.10% | 1,832.96 -0.10% | 1,829.67 0.10% | 1,826.94 -0.10% |

VIII. Expected Contribution during the next annual reporting period

(₹ In lacs)

| | |
|--|--------|
| The Company's best estimate of Contribution during the next year | 440.63 |
|--|--------|

IX. Maturity profile of defined Benefit obligation

(₹ In lacs)

| Expected cash flows over the next (valued on undiscounted basis): | Amount |
|---|----------|
| 1 year | 302.19 |
| 2 to 5 years | 686.39 |
| 6 to 10 years | 717.91 |
| More than 10 years | 2,318.15 |

X. Method and assumption related terms

- 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.
- 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.
- 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.
- 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.
- 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 ₹ 235.09 Lacs (Previous year ₹ 172.47 Lacs) towards the compensated absences



Notes to Standalone Financial Statements for the year ended March 31, 2023

36. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In lacs)

| S.No. | Particular | As at March 31, 2023 | As at March 31, 2022 |
|-----------|---|-------------------------|-------------------------|
| I | Contingent Liabilities | | |
| a. | Claims against the company not acknowledged as debt* | | |
| | -Income Tax | 490.86 | 490.86 |
| | -Excise Duty (Net of Expenses recognized of Rs. 70.70 Lacs) | 637.81 | 637.81 |
| | -Service Tax (Net of Expenses recognized of Rs. 65.20 Lacs) | 111.05 | 111.05 |
| | -Sales Tax | 138.15 | 138.15 |
| | -Goods and Service Tax | 7.54 | 7.54 |
| | -Litigation pending in consumer forum | 135.21 | 124.51 |
| | -Other** | 2,980.00 | 2,980.00 |
| b. | Guarantees excluding financial guarantees | | |
| | -Bank Guarantees | 25.62 | 8.00 |
| c. | Other money for which the company is contingently liable | | |
| | -'C' forms pending against central sales tax | 0.01 | 0.01 |
| 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. Due to pending decision on the subject review petition and directions from EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts. | | |
| II | Commitments | | |
| | -Estimated amount of contracts remaining to be executed on capital account and not provided for {Net of advances ₹ 442.50 Lacs (March 31, 2022 : ₹ 443.85 Lacs)} | 5,980.32 | 2,070.89 |

* 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.

** Company has received Refund of Terminal Excise Duty (TED) during FY 2015-16 & FY 2016-17 from Director General of Foreign Trade (DGFT). In November-2019, company has received show cause notice from DGFT for recovery of erroneous payment of Terminal Excise Duty. Against this notice, company has filed writ before Gujarat High Court and the court has stayed the recovery of the notice. As on now the matter is pending before Gujarat High Court.

37. LEASES

The Company's lease asset primarily consists of leases for offices, warehouses and Vehicles having the various lease terms. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the cumulative effect of initially applying the standard recognised at the date of initial application, with right-of-use asset recognised at an amount equal to the lease liability, adjusted by the prepaid lease rent.

a. Right of Use

Following is carrying value of right of use assets and the movements thereof during the year ended are as under:-

(₹ In lacs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Opening Balance | 2,928.67 | 4,039.95 |
| Additions during the Year | 293.71 | 224.05 |
| Depreciation Charge | (547.18) | (559.27) |
| Early cancellation of lease | (21.98) | (776.06) |
| Carrying amount at the end of the year | 2,653.22 | 2,928.67 |



Notes to Standalone Financial Statements for the year ended March 31, 2023

b. Lease Liability

The following is the carrying value of lease liability and movement thereof during the year ended are as under:

(₹ In lacs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Opening Balance | 3,084.42 | 4,007.15 |
| -Additions during the Year | 292.95 | 221.11 |
| -Finance Cost accrued during the year | 283.05 | 303.52 |
| -Cash outflow/payment of Lease liability | (664.89) | (665.81) |
| -Early cancellation of lease | (24.68) | (781.55) |
| Carrying amount at the end of the year | 2,970.85 | 3,084.42 |

- c. The company has elected Para 6 of Ind AS-116 for short-term leases & recognised lease expense of ₹ 69.99 Lacs (Previous Year ₹ 58.5 Lacs) associated with these lease.
- d. The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application.
- e. The Maturity analysis of lease liabilities are disclosed in Note 42(b)

38. 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, Joint Managing Director 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, 2023.

39. RELATED PARTY DISCLOSURES

a. Nature of Related Party Relationship

I. Subsidiaries

- a.) Dhanuka Agri-Solutions Pvt. Limited Wholly owned Subsidiary (under liquidation)
- b.) Dhanuka Chemicals Pvt. Limited Wholly owned Subsidiary (W.e.f. 21st June, 2021)

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 Chief Operating Officer (w.e.f 21st May, 2021 till 9th Feb, 2023)
Joint Managing Director (w.e.f 10th Feb, 2023) and Executive Director
- e.) Sh. Mridul Dhanuka Non-Executive Director
- f.) Sh. Harsh Dhanuka Executive Director
- g.) Sh. Ashish Saraf Executive Director
- h.) Sh. Priya Brat Independent Non-Executive Director
- I.) Sh. Vinod Kumar Jain Independent Non-Executive Director
- j.) Sh. Sachin Kumar Bhartiya Independent Non-Executive Director
- k.) Sh. Sanjay Saxena Independent Non-Executive Director
- l.) Sh. Siraj Azmat Chaudhry Independent Non-Executive Director
- m.) Sh. Bajrang Lal Bajaj Independent Non-Executive Director



Notes to Standalone Financial Statements for the year ended March 31, 2023

| | |
|----------------------------|------------------------------------|
| n.) Smt. Namrata Gupta | Independent Non-Executive Director |
| o.) Sh. Vinod Kumar Bansal | Chief Financial Officer |
| p.) Sh. Jitin Sadana | Company Secretary |

III. Relatives of Key Management Personnel with whom transactions have taken place

| | |
|------------------------------|--|
| a.) Smt. Megha Dhanuka | Wife of Sh. Mridul Dhanuka |
| b.) Smt. Akangsha Dhanuka | Wife of Sh. Harsh Dhanuka |
| c.) Smt. Madhuri Dhanuka | Wife of Sh. Rahul Dhanuka |
| d.) Smt. Uma Dhanuka | Wife of Sh. Mahendra Kumar Dhanuka |
| e.) Smt. Mamta Dhanuka* | Wife of Sh. Arun Kumar Dhanuka |
| f.) Smt. Urmila Dhanuka | Wife of Sh. Ram Gopal Agarwal |
| g.) Sh. Arjun Dhanuka* | Son of Sh. Arun Kumar Dhanuka |
| h.) Sh. Satya Narain Agarwal | Brother of Sh. Ram Gopal Agarwal |
| l.) Sh. Manish Dhanuka * | Brother of Sh. Arun Kumar Dhanuka |
| j.) Smt. Pushpa Dhanuka* | Mother of Sh. Arun Kumar Dhanuka |
| k.) Smt. Seema Dhanuka* | Brother's wife of Sh. Arun Kumar 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.) Triveni Trust |
| g.) Agrihawk Technologies Private Limited |
| h.) Sikkim Agro Industries Limited |
| l.) 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 |
| p.) Synmedic Laboratories Pvt. Ltd. |
| q.) Mahendra Kumar Dhanuka HUF |
| r.) Pushpa Dhanuka Trust* |
| s.) Orchid Pharma Limited |
| t.) Satyanarain Agarwal HUF |
| u.) Ram Gopal Agarwal HUF |
| v.) Gobind Lal Dhanuka HUF* |
| w.) Arun Kumar Dhanuka HUF* |

*Sh. Arun Kumar Dhanuka ceased to be the Executive Director of the Company w.e.f. 30th Jan, 2023 due to his sad demise. Consequently, relatives of Sh. Arun Kumar Dhanuka and entities controlled by Sh. Arun Kumar Dhanuka or his relatives ceased to be related party of the Company w.e.f 30th Jan, 2023.



Notes to Standalone Financial Statements for the year ended March 31, 2023

b. The following transactions were carried out with related parties in the ordinary course of business:

(₹ In lacs)

| Name of Transaction | Type of Relation | 2022-23 | | | 2021-22 | | |
|--|------------------|-----------------------------|-------------------|------------------------------|-----------------------------|-------------------|------------------------------|
| | | Transaction during the year | | Balance outstanding Dr.(Cr.) | Transaction during the year | | Balance outstanding Dr.(Cr.) |
| | | Purchase/ Amount Received | Sales/Amount Paid | | Purchase/ Amount Received | Sales/Amount Paid | |
| Compensation to KMP | | | | | | | |
| Short term employee benefits | a(ii) | - | 2,425.77 | - | - | 2,840.11 | - |
| Post-employment benefits | | - | 44.79 | - | - | 46.00 | - |
| Sitting Fee to Non-Executive Directors | | - | 24.70 | - | - | 23.55 | - |
| Total | | - | 2,495.26 | (305.93) | - | 2,909.66 | (311.41) |
| Other Transactions | | | | | | | |
| Sales of Goods | a(iv)d | - | 0.08 | - | - | - | - |
| Purchase of Goods | a(iv)d | 25.85 | - | (30.50) | 63.10 | - | (34.12) |
| Purchase of Fixed Assets | a(iv) | 0.47 | - | - | - | - | - |
| Services Rendered-Rent | a(i) & a(iv) | - | 0.56 | 0.83 | - | 2.22 | 1.27 |
| Services Received-Rent | a(iii) & a(iv) | 497.00 | - | - | 488.38 | - | - |
| Loans Given to Subsidiary company | a(i)a | - | - | - | - | 1.86 | 13.42 |
| Security Deposits Received - Rent | a(iv) | 19.10 | - | - | - | - | - |
| Investment in Subsidiary Company | a(i) | - | - | 1.00 | - | 1.00 | 1.09 |
| Loans Given/ Repayment Received | a(iv)d | 2,000.00 | 2,000.00 | - | 5,000.00 | 1,100.00 | - |
| Interest on Loan | a(iv)d | 90.58 | - | - | 101.81 | - | - |
| Travel /Other expenses | a(iv)a | - | 4.96 | (5.64) | - | 4.89 | (5.57) |
| Contribution towards CSR | a(iv)e | - | 80.79 | - | - | 233.57 | - |
| Service received-C&F Commission | a(iv)a | 690.42 | - | (328.2) | 611.88 | - | (191.67) |
| Dividend paid | a(ii) | 31.17 | - | - | 51.95 | - | - |
| Dividend paid | a(iii) | 36.88 | - | - | 61.47 | - | - |
| Dividend paid | a(iv) | 1,883.25 | - | - | 3,138.76 | - | - |
| Buy Back of Equity Shares | a(ii) | 82.76 | - | - | - | - | - |
| Buy Back of Equity Shares | a(iii) | 120.92 | - | - | - | - | - |
| Buy Back of Equity Shares | a(iv) | 5,006.64 | - | - | - | - | - |

Note-Figures are shown net of GST, wherever applicable.

- The above post-employment benefits exclude gratuity which cannot be separately identified from the composite amount advised by the actuary.
- The above amount of services received – rent includes property tax reimbursement of Rs. 3.39 Lacs. (March 31, 2022 Nil)
- Out of total amount paid under contribution towards CSR, payment amounting to Rs. 80.79 Lacs (Previous year Rs. 228.57 Lacs) has been made to M/s Kalptaru Real Estate for construction of school building which is in the name of M/s Chiranji Lal Dhanuka Charitable Trust.
- The above amount of services rendered – rent is net of credit note issued amounting to Rs. 0.14 Lacs to IKO Overseas. (March 31, 2022 Nil)
- The Board of Directors of Dhanuka Agritech Limited in its meeting held on 02nd February, 2021 had approved the dissolution/ liquidation of this wholly owned subsidiary Dhanuka Agri-Solutions Private Limited (DASPL). The RJSC (Office of the Registrar of Joint Stock Companies and Firms), Bangladesh registered the returns of winding-up on 10th May 2023. DASPL shall be deemed to be dissolved on the expiration of three months from the above registration i.e. 10th August 2023. Outstanding loan balance of Rs. 13.42 Lacs and investment of Rs. 0.09 Lacs have been consequently written off.



Notes to Standalone Financial Statements for the year ended March 31, 2023

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 except as mentioned above for the year ended March 31, 2023 and March 31, 2022.

40. 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, 2023 | As at March 31, 2022 |
|--------|---|-------------------------|-------------------------|
| 1.) | Principal amount and Interest due thereon remaining unpaid to any supplier covered under MSMED Act as on 31st March | | |
| | Principal | 421.24 | 1,072.14 |
| | Interest | - | 0.04 |
| 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 | - | - |
| 4.) | The amount of interest accrued and remaining unpaid at the end of each accounting year. | 13.65 | 13.65 |
| 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. | - | - |

41. FINANCIAL INSTRUMENTS

I. Financial Assets-Fair values

(₹ In lacs)

| Particulars | Fair Value Hierarchy | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|-------------------------|
| 1. Financial assets designated at fair value through profit and loss | | | |
| a) Investment | | | |
| i) In Equity Instruments | Level-1 | - | 11,909.47 |
| ii) In Equity Instruments | Level-2 | - | - |
| iii) In Preference Shares | Level-1 | - | - |
| iv) In Preference Shares | Level-2 | 3,000.00 | 2,000.54 |
| v) In Mutual Funds | Level-1 | 14,640.07 | 10,237.43 |
| vi) In Debentures or Bond | Level-1 | 4,963.87 | 5,334.68 |
| vii) In Debt Instruments | Level-2 | 129.44 | 224.25 |
| 2. Financial assets designated at amortized cost | | | |
| a) Investment | | | |
| i) In Debentures or Bond* | | 2,734.70 | 3,882.30 |
| b) Trade receivables | | 33,903.99 | 28,249.16 |
| c) Cash & Cash Equivalents | | 347.91 | 147.60 |
| d) Other bank balances | | 80.08 | 95.09 |
| e) Loans** | | 87.66 | 83.42 |
| f) Other Financial Assets*** | | 9,287.92 | 9,486.37 |
| 3. Investment in subsidiary companies at cost | | 1.00 | 1.09 |

* Net of Provision for Doubtful Debts ₹ 386.66 Lacs (March 31, 2022 : ₹ 315.14 Lacs)

** Net of Provision for Doubtful Debts ₹ 574.19 Lacs (March 31, 2022 : ₹ 645.71 Lacs)

*** Net of Provision for Doubtful Debts ₹ 33.29 Lacs (March 31, 2022 : ₹ 34.79 Lacs)



Notes to Standalone Financial Statements for the year ended March 31, 2023

II. Financial Liabilities-Fair Value

(₹ In lacs)

| Particulars | Fair Value Hierarchy | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|----------------------|
| 1. Financial liability designated at amortized cost | | | |
| a) Borrowings | | 380.84 | 96.24 |
| b) Trade Payables | | | |
| -Total Outstanding dues of Micro Enterprises and Small Enterprises | | 434.89 | 1,085.79 |
| -Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | | 17,088.41 | 16,385.96 |
| c) Lease Liability | | 2,970.85 | 3,084.42 |
| d) Other Financial Liabilities | | 9,002.52 | 10,517.13 |

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.

42. 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 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:



Notes to Standalone Financial Statements for the year ended March 31, 2023

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, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Ageing of Gross Carrying Amount | | |
| Not due | 27,736.82 | 22,977.59 |
| 0-90 | 5,108.27 | 4,581.30 |
| 91-180 | 729.83 | 450.92 |
| 181-270 | 178.76 | 60.65 |
| 271-360 | 61.40 | 45.64 |
| Above 360 Days | 772.57 | 686.45 |
| Gross Carrying Amount | 34,587.65 | 28,802.55 |
| Expected credit losses (Loss allowance provision) | 683.66 | 553.39 |
| Net Carrying Amount | 33,903.99 | 28,249.16 |

Reconciliation of allowance for lifetime expected credit loss on customer balances: (₹ In lacs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|----------------------|----------------------|
| Opening Balance | 553.39 | 463.66 |
| Changes in loss allowance | 130.27 | 89.73 |
| Closing balance | 683.66 | 553.39 |

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, 2023 | | As at March 31, 2022 | |
|--|----------------------|---------------|----------------------|---------------|
| | Gross | ECL | Gross | ECL |
| There is no risk of default | 87.66 | - | 83.42 | - |
| There is a risk of Default | 574.19 | 574.19 | 450.00 | 450.00 |
| There is no reasonable expectation of recovery | - | - | 209.13 | 209.13 |
| Closing Balance | 661.85 | 574.19 | 742.55 | 659.13 |

Following is the movements in provision for ECL on loans to corporates and others:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|----------------------|----------------------|
| Opening Balance | 659.13 | 659.13 |
| Changes in loss allowance | 84.94 | - |
| Closing balance | 574.19 | 659.13 |



Notes to Standalone Financial Statements for the year ended March 31, 2023

Security Deposit

ECL for Security Deposit is measured considering 12 months ECL. The company provides ECL based on following provision matrix:

(₹ In lacs)

| Credit Risk Category | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|--------------|----------------------|--------------|
| | Gross | ECL | Gross | ECL |
| There is no risk of default | 356.16 | - | 360.25 | - |
| There is a risk of default | 33.29 | 33.29 | 33.29 | 33.29 |
| There is no reasonable expectation of recovery | - | - | 1.50 | 1.50 |
| Closing Balance | 389.45 | 33.29 | 395.04 | 34.79 |

Following is the movements in provision for ECL on Security Deposit:

(₹ In lacs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|----------------------|----------------------|
| Opening Balance | 34.79 | 1.50 |
| Changes in loss allowance | (1.50) | 33.29 |
| Closing balance | 33.29 | 34.79 |

Investment in Real Estate Funds

The company provides ECL based on following provision matrix:

(₹ In lacs)

| Credit Risk Category | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|---------------|----------------------|---------------|
| | Gross | ECL | Gross | ECL |
| There is risk of Defaults | 554.21 | 386.66 | 630.28 | 315.14 |
| There is no reasonable expectation of recovery | - | - | - | - |
| Closing Balance | 554.21 | 386.66 | 630.28 | 315.14 |

Following is the movements in provision for ECL on Investment in Real Estate Funds:

(₹ In lacs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|----------------------|----------------------|
| Opening Balance | 315.14 | 219.00 |
| Changes in loss allowance | 71.52 | 96.14 |
| Closing balance | 386.66 | 315.14 |

Financial assets other than Trade Receivables, Loans to corporate & others, Security Deposit and Investment in Real Estate Funds.

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 Statements for the year ended March 31, 2023

(₹ In lacs)

| Particulars | Total | Less than 1 year | 1-5 years | More than 5 years |
|---|-----------|------------------|-----------|-------------------|
| As at March 31, 2023 | | | | |
| Borrowings (Current) | 380.84 | 380.84 | - | - |
| Trade Payables | | | | |
| -Total Outstanding dues of Micro Enterprises and Small Enterprises | 434.89 | 434.89 | - | - |
| -Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 17,088.41 | 17,088.41 | - | - |
| Security Received from customers | 1,515.31 | - | - | 1,515.31 |
| Unclaimed Dividend | 80.08 | 80.08 | - | - |
| Capital Creditors | 921.26 | 921.26 | - | - |
| Lease Liability | 2,970.85 | 404.64 | 1,387.39 | 1,178.82 |
| Other payable | 6,485.87 | 6,485.87 | - | - |
| As at March 31, 2022 | | | | |
| Borrowings (Current) | 96.24 | 96.24 | - | - |
| Trade Payables | | | | |
| -Total Outstanding dues of Micro Enterprises and Small Enterprises | 1,085.79 | 1,085.79 | - | - |
| -Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 16,385.96 | 16,385.96 | - | - |
| Security Received from customers | 1,425.13 | - | - | 1,425.13 |
| Unclaimed Dividend | 95.09 | 95.09 | - | - |
| Capital Creditors | 485.70 | 485.70 | - | - |
| Lease Liability | 3,084.42 | 349.06 | 1,755.22 | 980.14 |
| Other payable | 8,511.21 | 8,511.21 | - | - |

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.

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:

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--------------------------|----------------------|---------------|----------------------|---------------|
| | (₹ in Lacs) | (FCY in Lacs) | (₹ in Lacs) | (FCY in Lacs) |
| Amount Receivable | | | | |
| USD | 153.41 | 1.87 | 163.05 | 2.15 |
| Amount Payable | | | | |
| USD | 3,309.70 | 40.26 | 5,256.66 | 69.34 |
| EURO | 98.57 | 1.10 | 116.41 | 1.38 |

Sensitivities were determined on the basis of a scenario in which the INR appreciated/depreciated by 5% against USD/EURO 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, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Increase in exchange rate by 5% | (157.81) | (254.68) |
| Decrease in exchange rate by 5% | 157.81 | 254.68 |



Notes to Standalone Financial Statements for the year ended March 31, 2023

(₹ In lacs)

| Particulars (EURO Impact on profit before tax and total equity) | As at March 31,2023 | As at March 31,2022 |
|--|------------------------|------------------------|
| Increase in exchange rate by 5% | (4.93) | (5.82) |
| Decrease in exchange rate by 5% | 4.93 | 5.82 |

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 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 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.

43. 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:

(₹ In lacs)

| Particulars | As at March 31,2023 | As at March 31,2022 |
|-----------------------------------|------------------------|------------------------|
| Borrowings (Non-Current) | - | - |
| Borrowings (Current) | 380.84 | 96.24 |
| Gross Debt | 380.84 | 96.24 |
| Less : Cash & Cash equivalents | 347.91 | 147.60 |
| Net Debt (a) | 32.93 | (51.36) |
| Total Equity (b) | 1,06,130.59 | 96,041.99 |
| Debt to Equity Ratio (a/b) | 0.00 | (0.00) |

44. 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 31,2023 | Amount As at March 31,2022 |
|-------------------------------------|----------|-------------------------------|-------------------------------|
| Iworld Business Solutions Pvt. Ltd. | Business | 300.00 | 300.00 |
| Prayag Polytech Pvt. Ltd. | Business | 124.19* | 195.71* |
| Tript Singh | Business | 100.00 | 100.00 |
| Sameer Kanwar | Business | 50.00 | 50.00 |

*Including interest accrued thereon.



Notes to Standalone Financial Statements for the year ended March 31, 2023

c. There are no guarantees issued by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

45. DISCLOSURE AS PER REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS

(₹ In lacs)

| Particulars | Amount As at March 31,2023 | Amount As at March 31,2022 | Maximum balance outstanding during the year 31.03.2023 | Maximum balance outstanding during the year 31.03.2022 |
|--|----------------------------|----------------------------|--|--|
| Loan to company in which Directors are interested | - | - | 2,000.00 | 5,000.00 |
| Dhanuka Laboratories Limited | | | | |

46. Ratios Analysis

| Ratio | Numerator | Denominator | As at March 31,2023 | As at March 31, 2022 | % Change | Reason for variance |
|----------------------------------|---|--|---------------------|----------------------|----------|--|
| Current Ratio | Current Assets | Current Liabilities | 3.01 | 3.14 | -4.14% | NA |
| Debt-Equity Ratio | Borrowing (Current + Non Current)+ Lease Liability (Current + Non Current) | Shareholder's Equity | 0.03 | 0.03 | -0.00% | NA |
| Debt Service Coverage Ratio | Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of property, plant and equipment etc. | Debt service = Interest & Lease Payments + Principal Repayments | 36.54 | 32.62 | 12.02% | NA |
| Return on Equity Ratio | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity | 23.10% | 23.77% | -2.82% | NA |
| Inventory turnover ratio | Cost of goods sold | Average Inventory | 3.22 | 2.92 | 10.27% | NA |
| Trade Receivables turnover ratio | Net Sales | Average Accounts Receivable | 5.47 | 5.63 | -2.84% | NA |
| Trade payables turnover ratio | Net Purchase | Average Trade Payables | 6.36 | 6.88 | -7.56% | NA |
| Net capital turnover ratio | Net Sales | Working Capital | 2.84 | 2.27 | 25.11% | In current year, inventory levels maintained despite increase in sales as compared to last year. Further, lower balances of investments in current year as compared to last year |
| Net profit ratio | Net Profit (After Tax) | Net Sales | 13.73% | 14.13% | -2.83% | NA |
| Return on Capital employed | Earnings before interest and taxes | Capital Employed = Tangible Net worth + Total Debt+ Deferred Tax liability + Lease Liability | 27.91% | 28.17% | -0.92% | NA |
| Return on investment | Income Generated from Invested Funds | Average Investments excluding Investment in Subsidiary | 3.55% | 5.35% | -33.64% | In Current Year, low Investment in high yielding instruments as compare to Last Year |



Notes to Standalone Financial Statements for the year ended March 31, 2023

47. Recent Pronouncement

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements

48. Other Statutory Information

- a.) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- b.) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- c.) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- d.) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- I. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - II. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- e.) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- I. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - II. provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- f.) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
- g.) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- h.) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- i.) The company do not have any transactions with companies stuck off.
- j.) The company have not been declared willful defaulter



Notes to Standalone Financial Statements for the year ended March 31, 2023

by any banks or any other financial institution at any time during the financial year.

- k.) The company has utilized the borrowings from banks & financial institutions for specific purpose for which it was taken during the year.
- l.) The company has been sanctioned working capital limit in excess of Rs. five crores in aggregate, at any point of time during the year from bank on the basis of security of current assets. The quarterly return /statement filed by company with the banks are in agreement with the books of account of the company of the respective quarters.

49. Subsequent Event

- a.) The Board of Directors have recommended Final Dividend of 100% i.e. Rs. 2.00 per equity share for the financial year 2022-23, subject to the approval of the Shareholders of the company in the ensuing Annual General Meeting.

50. Previous year figures have been regrouped/reclassified, wherever necessary. However, impact of these reclassifications, if any, are not material.

As per our report of even date attached

For S S KOTHARI MEHTA & COMPANY

Chartered Accountants
Firm Registration No : 000756N

Sd/-

JALAJ SONI

Partner
Membership No : 528799
Place : Gurugram
Dated : 25th May, 2023

For and on behalf of the Board of Directors

Sd/-

M.K.DHANUKA

Vice Chairman &
Managing Director
DIN : 00628039

Sd/-

RAHUL DHANUKA

Joint Managing Director
DIN : 00150140

Sd/-

V.K.BANSAL

Chief Financial Officer
M. No. : 86263

Sd/-

JITIN SADANA

Company Secretary
FCS No. : F 7612

Place : Gurugram
Dated : 25th May, 2023



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DHANUKA AGRITECH LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **DHANUKA AGRITECH LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise of the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the 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 (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements of the subsidiary as referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023 and of 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 in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provision of the Act. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have considered the matters described below to be the key audit matters for incorporation in our report.

| Sr. No. | Key Audit Matters | Auditor's Response |
|---------|---|--|
| 1. | <p>Estimation of provision for sales returns, discounts, rebates, schemes and incentives on sales impacting revenue from sale of products</p> <p>Revenue from sale of products is presented net of returns, discounts, rebates, schemes and incentives in the Standalone 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>Our audit procedures included the following:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> |



Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements, the standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated 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 cash flows and consolidated statement of changes in equity 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, read with relevant rules issued thereunder. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the

purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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 Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the group 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of Holding Company, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

i. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 0.39 lacs as at 31 March 2023 and total revenue of Rs. Nil, total comprehensive income (comprising of profit/(loss) and other comprehensive income) of Rs. (0.68) lacs and net cash outflow of Rs. 0.43 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary company 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 company, is based solely on the report of other auditor.

ii. We did not audit the financial statements of one subsidiary, incorporated outside India, whose financial statements reflect total assets of Rs Nil as at 31st March 2023 and total revenue of Rs. Nil, total comprehensive income (comprising of profit/(loss) and other comprehensive income) of Rs. 0.02 lacs and net cash outflow of Rs. 0.07 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 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 as mentioned in (i) and (ii) above are not material to the Group

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors



and financial statements/information certified by the management.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us and other auditor of subsidiary company incorporated in India, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit and on consideration of the report of the other auditors on financial statements and the other financial information of subsidiaries referred to in Other Matters paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law, relating to preparation of the aforesaid consolidated financial statements, have been kept so far as it appears from our examination of those books and reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the 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 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group, is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding company and subsidiary company incorporated in India, and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.

g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 and its subsidiary company incorporated in India, where applicable, to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 report of the other auditors on financial statements and also the other financial information of subsidiaries referred to in Other Matters paragraph:

i. The consolidated financial statements disclose impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group – Refer Note no.36 to the consolidated financial statements.

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

iii. In respect of Holding company, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund during the year ended 31 March 2023. In respect of other companies included in the group incorporated in India, there were no amounts which were required to be transferred, to the Investor Education and Protection Fund.

iv. a. The respective managements of the Holding Company and its subsidiary Companies incorporated in India have represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the holding company and its subsidiary to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the holding company and its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The respective management of the Holding Company and its Subsidiary Company incorporated in India has represented, that, to the best of its knowledge and belief, no funds have been received by the holding company and its subsidiary from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded



in writing or otherwise, that the holding company of the Holding Company and its Subsidiary Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances and based on audit reports of other auditors, nothing has come to our notice that caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 15 & Note 48 to the Consolidated Financial Statements and based on review of the report of other auditor and financial statements of the subsidiary company incorporated in India:

i. The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

ii. The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company and its subsidiaries, which are companies incorporated in India with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **S S KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm Registration No. 000756N

Sd/-

Jalaj Soni

Partner

Membership No. 528799

UDIN: 23528799BGWHWR8998

Place: New Delhi

Date: May 25, 2023



Annexure A' to the Independent Auditor's Report to the Members of DHANUKA AGRITECH LIMITED

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

In terms of paragraph 3(xxi) and 4 of the CARO 2020, in case of following company qualification or adverse remarks as stated by the auditors in CARO 2020, included in the consolidated financial statements of the Holding company are as under:

| Sr No | Name of the Entity | CIN | Holding Company/subsidiary/ Associate/ Joint Venture | Clause number of the CARO report which is qualified or adverse |
|-------|-----------------------------------|-----------------------|--|--|
| 1 | DHANUKA AGRITECH LIMITED | L24219DL1985PLC020126 | Holding Company | Clause (iii)(c), (iii)(d) and vii (a) |
| 2. | DHANUKA CHEMICALS PRIVATE LIMITED | U24110DL2021PTC382502 | Subsidiary Company | Clause xvii |

“Annexure B” to the Independent Auditor's Report of even date on the Consolidated 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 (f) of 'Report on Other Legal and Regulatory Requirements'

In conjunction with our audit of the consolidated financial statements of Dhanuka Agritech Limited (“the Holding Company”) as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, which is company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their



reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements of the Company.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor, as referred to in Other Matters paragraph, the Holding Company, its subsidiary company which is company incorporated in India, have, in all material respects, an adequate internal financial controls system with respect to financial statements and such internal financial controls with respect to financial statements were operating

effectively as at 31 March 2023, 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.

Other matters

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls **with reference to Financial Statements** in so far as it relates to the one subsidiary company which is company incorporated in India, is based on the corresponding reports of the auditor of such company incorporated in India. Our opinion is not modified in respect of this matter.

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

Sd/-

Jalaj Soni

Partner

Membership No. 528799

UDIN: 23528799BGWHWR8998

Place: New Delhi

Date: May 25, 2023



Consolidated Balance Sheet as at March 31, 2023

(₹ In lacs)

| | Particulars | Note No. | As at March 31, 2023 | As at March 31, 2022 |
|-----------|---|----------|----------------------|----------------------|
| I | Assets | | | |
| 1 | Non-current assets | | | |
| a | Property, Plant and Equipment | 4 | 16,341.63 | 15,712.35 |
| b | Capital work in progress | 5 | 15,321.63 | 4,834.72 |
| c | Other Intangible assets | 6 | 119.49 | 154.63 |
| d | Financial Assets | | | |
| | i) Investments | 7 | 15,891.04 | 13,982.35 |
| | ii) Loans | 8 | 40.59 | 10.72 |
| | iii) Other financial assets | 9 | 2,593.07 | 439.21 |
| e | Other non-current assets | 13 | 606.14 | 616.64 |
| | Total Non-Current assets | | 50,913.59 | 35,750.62 |
| 2 | Current assets | | | |
| a | Inventories | 10 | 34,506.56 | 34,718.41 |
| b | Financial Assets | | | |
| | i) Investments | 7 | 9,577.04 | 19,606.32 |
| | ii) Trade receivables | 11 | 33,903.99 | 28,249.16 |
| | iii) Cash and cash equivalents | 12 | 348.30 | 148.48 |
| | iv) Bank balances other than (iii) above | 12 | 80.08 | 95.09 |
| | v) Loans | 8 | 47.07 | 72.70 |
| | vi) Other financial assets | 9 | 6,694.86 | 9,047.16 |
| c | Other current assets | 13 | 4,457.61 | 3,530.71 |
| | Total Current assets | | 89,615.51 | 95,468.03 |
| | Total Assets | | 1,40,529.10 | 1,31,218.65 |
| II | EQUITY AND LIABILITIES | | | |
| 1 | Equity | | | |
| a | Equity Share Capital | 14 | 911.57 | 931.57 |
| b | Other Equity | 15 | 1,05,218.04 | 95,110.00 |
| | Total equity | | 1,06,129.61 | 96,041.57 |
| | LIABILITIES | | | |
| 2 | Non-current liabilities | | | |
| a | Financial Liabilities | | | |
| | i) Lease Liability | | 2,566.21 | 2,735.36 |
| | ii) Other financial liabilities | 18 | 1,515.31 | 1,425.13 |
| b | Provisions | 19 | 285.44 | 23.80 |
| c | Deferred tax liabilities (Net) | 20 | 239.03 | 556.20 |
| | Total non-current liabilities | | 4,605.99 | 4,740.49 |
| 3 | Current liabilities | | | |
| a | Financial Liabilities | | | |
| | i) Borrowings | 16 | 380.84 | 96.24 |
| | ii) Lease Liability | | 404.64 | 349.06 |
| | iii) Trade payables | 17 | | |
| | -Total Outstanding dues of Micro Enterprises and Small Enterprises | | 434.89 | 1,085.79 |
| | -Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | | 17,088.41 | 16,385.96 |
| | iv) Other financial liabilities | 18 | 7,487.58 | 9,092.21 |
| b | Other current liabilities | 21 | 2,931.09 | 2,298.90 |
| c | Provisions | 19 | 21.13 | - |
| d | Current Tax Liabilities (Net) | 22 | 1,044.92 | 1,128.43 |
| | Total current liabilities | | 29,793.50 | 30,436.59 |
| | Total Equity and Liabilities | | 1,40,529.10 | 1,31,218.65 |
| | Accompanying notes form an integral part of the financial statements | 1 to 51 | | |

As per our report of even date attached

For **S S KOTHARI MEHTA & COMPANY**

Chartered Accountants
Firm Registration No: 000756N

Sd/-
JALAJ SONI

Partner
Membership No : 528799
Place : Gurugram
Dated : 25th May, 2023

For and on behalf of the Board of Directors

Sd/-
M.K. DHANUKA
Vice Chairman & Managing Director
DIN: 00628039

Sd/-
V.K. BANSAL
Chief Financial Officer
M.No.: 86263

Sd/-
RAHUL DHANUKA
Joint Managing Director
DIN: 00150140

Sd/-
JITIN SADANA
Company Secretary
FCS No.: F 7612



Consolidated Statement of Profit & Loss for the year ended March 31, 2023

(₹ In lacs)

| | Particulars | Note No. | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
|------|---|----------|-----------------------------------|-----------------------------------|
| I | Revenue from Operations | 23 | 1,70,022.00 | 1,47,777.52 |
| II | Other Income | 24 | 4,475.60 | 3,358.70 |
| III | Total Revenue (I+II) | | 1,74,497.60 | 1,51,136.22 |
| IV | EXPENSES | | | |
| | Cost of materials consumed | 25 | 92,544.83 | 80,384.94 |
| | Purchase of Stock In Trade | 26 | 19,587.89 | 14,614.42 |
| | Changes in inventories of finished goods, Stock-in -Trade and work-in-progress | 27 | (587.27) | (1,090.62) |
| | Employee Benefit Expenses | 28 | 12,625.87 | 12,050.28 |
| | Finance Costs | 29 | 311.80 | 320.27 |
| | Depreciation and Amortization Expense | 30 | 1,760.67 | 1,627.75 |
| | Other Expenses | 31 | 17,981.70 | 15,469.65 |
| | Total Expenses | | 1,44,225.49 | 1,23,376.69 |
| V | Profit Before Exceptional Items and Tax (III-IV) | | 30,272.11 | 27,759.53 |
| VI | Exceptional items | | - | - |
| VII | Profit before Tax (V-VI) | | 30,272.11 | 27,759.53 |
| VIII | Tax Expenses | 32 | | |
| | Current Tax | | 7,704.93 | 7,143.32 |
| | Tax of earlier year provided / (written back) | | (465.88) | - |
| | Deferred Tax | | (317.17) | (273.27) |
| IX | Profit for the year | | 23,350.23 | 20,889.48 |
| X | Other Comprehensive Income | 33 | | |
| A | (i) Items that will not be reclassified to profit or loss | | 10.71 | 190.95 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | (2.69) | - |
| 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 | Total Comprehensive Income (IX+X) | | 23,358.25 | 21,080.43 |
| XII | Earnings per Equity Share | | | |
| | 1) Basic (in ₹) | 34 | 50.35 | 44.85 |
| | 2) Diluted (in ₹) | 34 | 50.35 | 44.85 |
| | Accompanying notes form an integral part of the financial statements | 1 to 51 | | |

As per our report of even date attached

For **S S KOTHARI MEHTA & COMPANY**

Chartered Accountants
Firm Registration No: 000756N

Sd/-
JALAJ SONI

Partner
Membership No : 528799
Place : Gurugram
Dated : 25th May, 2023

For and on behalf of the Board of Directors

Sd/-
M.K. DHANUKA
Vice Chairman & Managing Director
DIN: 00628039

Sd/-
V.K. BANSAL
Chief Financial Officer
M.No.: 86263

Sd/-
RAHUL DHANUKA
Joint Managing Director
DIN: 00150140

Sd/-
JITIN SADANA
Company Secretary
FCS No.: F 7612



Consolidated Statement of Changes in Equity for the year ended March 31, 2023

a. EQUITY SHARE CAPITAL

(₹ In lacs)

| As at March 31, 2023 | | | | | |
|----------------------|-----------------------------|--|--------------------------------------|---|------------------------------|
| | Balance as at April 1, 2022 | Changes in Equity Share Capital due to prior period errors | Restated balance as at April 1, 2022 | Changes in equity share capital during the year (Refer Note-14) | Balance as at March 31, 2023 |
| | 931.57 | - | 931.57 | (20.00) | 911.57 |
| As at March 31, 2022 | | | | | |
| | Balance as at April 1, 2021 | Changes in Equity Share Capital due to prior period errors | Restated balance as at April 1, 2021 | Changes in equity share capital during the year | Balance as at March 31, 2022 |
| | 931.57 | - | 931.57 | - | 931.57 |

b. OTHER EQUITY

| Particulars | Reserves & Surplus | | Retained earnings | Total |
|--|--------------------|----------------------------|--------------------|--------------------|
| | Capital Reserve | Capital Redemption Reserve | | |
| Balance as at April 1, 2021 | 95.47 | 68.82 | 78,523.11 | 78,687.40 |
| Total comprehensive income for the year ended 31 March, 2022 | | | | |
| -Profit for the year | - | - | 20,889.48 | 20,889.48 |
| -Other comprehensive income for the year | - | - | 190.95 | 190.95 |
| -Changes in accounting policy or prior period errors | - | - | - | - |
| Total comprehensive income | - | - | 21,080.43 | 21,080.43 |
| -Dividend paid during the year | - | - | (4,657.83) | (4,657.83) |
| Balance as at March 31, 2022 | 95.47 | 68.82 | 94,945.71 | 95,110.00 |
| Balance as at April 1, 2022 | 95.47 | 68.82 | 94,945.71 | 95,110.00 |
| Total comprehensive income for the year ended 31 March, 2023 | | | | |
| -Profit for the year | - | - | 23,350.23 | 23,350.23 |
| -Other comprehensive income for the year | - | - | 8.02 | 8.02 |
| -Changes in accounting policy or prior period errors | - | - | - | - |
| Total comprehensive income | - | - | 23,358.25 | 23,358.25 |
| -Amount Utilised for Buy back of equity shares (Refer Note-14) | - | - | (8,480.00) | (8,480.00) |
| -Amount Transferred to Capital Redemption Reserve on Buy back of equity shares (Refer Note-14) | - | 20.00 | (20.00) | - |
| -Tax paid on Buy back of Equity Shares (Refer Note-14) | - | - | (1,975.51) | (1,975.51) |
| -Dividend paid during the year | - | - | (2,794.70) | (2,794.70) |
| Balance as at March 31, 2023 | 95.47 | 88.82 | 1,05,033.75 | 1,05,218.04 |

As per our report of even date attached

For **S S KOTHARI MEHTA & COMPANY**

Chartered Accountants
Firm Registration No: 000756N

Sd/-
JALAJ SONI

Partner
Membership No : 528799
Place : Gurugram
Dated : 25th May, 2023

For and on behalf of the Board of Directors

Sd/-
M.K. DHANUKA
Vice Chairman & Managing Director
DIN: 00628039

Sd/-
V.K. BANSAL
Chief Financial Officer
M.No.: 86263

Sd/-
RAHUL DHANUKA
Joint Managing Director
DIN: 00150140

Sd/-
JITIN SADANA
Company Secretary
FCS No.: F 7612



Consolidated Statement of Cash Flow for the year ended 31 March, 2023

(₹ In lacs)

| | PARTICULARS | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
|-----------|---|--------------------------------------|--------------------------------------|
| A. | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Profit / (Loss) Before Tax | 30,272.11 | 27,759.53 |
| | Adjustments for: | | |
| | Depreciation, amortization and impairment expenses | 1,760.67 | 1,627.75 |
| | Net (Gain)/Loss on Sale of Property, Plant and Equipment | (2,146.19) | (62.36) |
| | Finance Costs | 311.80 | 320.27 |
| | Interest Income | (1,800.05) | (1,386.80) |
| | Dividend Income from Investments | - | (25.00) |
| | Net (Gain)/Loss on Sale of Investments | (264.65) | (464.12) |
| | Net (Gain)/Loss on Investments measured at fair value through profit or loss | (183.06) | (842.77) |
| | Allowance for Bad and Doubtful debts & Advances | 130.27 | 236.36 |
| | Property, Plant and Equipment Written off | 13.31 | 19.48 |
| | Liabilities No Longer Required, Written Back | (2.22) | (18.19) |
| | Forex Fluctuation on Translation of Assets & Liabilities | (36.64) | 33.74 |
| | Operating Profit/(loss) before Working Capital changes | 28,055.35 | 27,197.89 |
| | (Increase) / Decrease in Trade Receivables | (5,786.87) | (4,072.51) |
| | (Increase) / Decrease in Current financial assets - Loans | 25.63 | (4.24) |
| | (Increase) / Decrease in Non Current financial assets - Loans | (29.87) | 0.68 |
| | (Increase) / Decrease in Other Current financial assets | 294.22 | (561.97) |
| | (Increase) / Decrease in Other Non Current financial assets | 22.98 | 43.23 |
| | (Increase) / Decrease in Other Current assets | (926.90) | 496.94 |
| | (Increase) / Decrease in Other Non Current assets | (1.39) | 187.80 |
| | (Increase)/Decrease in Inventories | 211.85 | (9,057.65) |
| | Increase / (Decrease) in Trade Payables | 88.52 | 6,590.50 |
| | Increase / (Decrease) in Other Current Financial Liabilities | (2,024.45) | (1,454.06) |
| | Increase / (Decrease) in Other Non Current Financial Liabilities | 90.17 | 85.47 |
| | Increase / (Decrease) in Other Current Provisions | 21.13 | (24.71) |
| | Increase / (Decrease) in Other Non Current Provisions | 272.34 | 114.63 |
| | Increase / (Decrease) in Other Current Liabilities | 635.13 | (2,518.62) |
| | Cash generated (used) in /from Operations before tax | 20,947.84 | 17,023.38 |
| | Net Direct Taxes paid (Net of Refunds) | (7,325.25) | (6,596.15) |
| | Net cash flow (used) in/ from Operating Activities | 13,622.59 | 10,427.23 |
| B. | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | Acquisition of Property, Plant and Equipment (Including Adjustment on account of Intangible Assets, Capital work in Progress, Capital Creditors and Capital Advances) | (12,417.64) | (5,982.17) |
| | Proceeds from sale of Property, Plant and Equipment | 2,425.27 | 165.92 |
| | Loan Given to Corporate and Other | (2,000.00) | (1,100.00) |
| | Repayment of Loan Given to Corporate and Other | 2,071.52 | 5,000.00 |
| | Investment and Redemption in Bank Deposits (Net) | 198.83 | 952.85 |
| | Purchase and sale of Investments (Net) | 8,496.79 | (4,580.29) |
| | Interest Received | 1,481.71 | 1,258.55 |
| | Dividend Income from Investments | - | 25.00 |
| | Net cash flow (used) in/ from Investing Activities | 256.48 | (4,260.14) |
| | Net cash (used) in/ from Operating and Investing Activities | 13,879.07 | 6,167.09 |



Consolidated Statement of Cash Flow for the year ended 31 March, 2023

(₹ In lacs)

| PARTICULARS | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Short Term Borrowings (Net) | 284.60 | (739.60) |
| Payment of Principal portion of Lease Liabilities | (381.84) | (362.29) |
| Payment of Dividend | (2,794.70) | (4,657.83) |
| Buy Back of Shares | (8,500.00) | - |
| Taxes on Buy Back of Shares | (1,975.51) | - |
| Interest Paid | (311.80) | (320.27) |
| Net cash (used) in/ from Financing Activities | (13,679.25) | (6,079.99) |
| Net cash (used) in/ from Operating, Investing & Financing Activities | 199.82 | 87.10 |
| Opening balance of Cash and Cash equivalent | 148.48 | 61.38 |
| Closing balance of Cash & Cash equivalent | 348.30 | 148.48 |

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

| | | | |
|--------------------------|--|---------------|---------------|
| i) Cash Balance on Hand | | 37.47 | 37.29 |
| ii) Balance with Banks : | | | |
| - In Current Accounts | | 310.83 | 98.44 |
| - Cheques in hand | | - | 12.75 |
| Total | | 348.30 | 148.48 |

Change in liability arising from financing activities

| Particulars | Current Borrowings | Interest Paid | Lease Liabilities | Buy Back of Equity Shares | Dividend Paid |
|-------------------------------------|--------------------|---------------|-------------------|---------------------------|---------------|
| Balance as at April 1, 2021 | 835.84 | - | 4,007.15 | - | - |
| Cash Flows | (739.60) | (16.75) | (665.81) | - | (4,657.83) |
| Lease Liabilities Accruals | - | - | (560.44) | - | - |
| Dividend Distribution Accruals | - | - | - | - | 4,657.83 |
| Finance Cost Accruals | - | 16.75 | 303.52 | - | - |
| Balance as at March 31, 2022 | 96.24 | - | 3,084.42 | - | - |
| Cash Flows | 284.60 | (28.75) | (664.89) | (10,475.51) | (2,794.70) |
| Lease Liabilities Accruals | - | - | 268.27 | - | - |
| Dividend Distribution Accruals | - | - | - | 10,475.51 | 2,794.70 |
| Finance Cost Accruals | - | 28.75 | 283.05 | - | - |
| Balance as at March 31, 2023 | 380.84 | - | 2,970.85 | - | - |

As per our report of even date attached

For **S S KOTHARI MEHTA & COMPANY**

Chartered Accountants
Firm Registration No: 000756N

Sd/-
JALAJ SONI

Partner
Membership No : 528799
Place : Gurugram
Dated : 25th May, 2023

For and on behalf of the Board of Directors

Sd/-
M.K. DHANUKA
Vice Chairman & Managing Director
DIN: 00628039

Sd/-
V.K. BANSAL
Chief Financial Officer
M.No.: 86263

Sd/-
RAHUL DHANUKA
Joint Managing Director
DIN: 00150140

Sd/-
JITIN SADANA
Company Secretary
FCS No.: F 7612



Notes to Consolidated Financial Statement for the year ended March 31, 2023

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 subsidiaries (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 Global Gateway Towers, MG Road, Near Guru Dronacharya Metro Station, 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 25, 2023.

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 Consolidated Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'Functional Currency'). The CFS are presented in Indian Rupees, which is the Group's presentation currency. All amounts have been rounded to the nearest Lacs, unless otherwise indicated.

e. 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.

f. 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.



Notes to Consolidated Financial Statement for the year ended March 31, 2023

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

I. 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 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 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.

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 | 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).



Notes to Consolidated Financial Statement for the year ended March 31, 2023

Assets having cost upto 5,000/- 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 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 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

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 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



Notes to Consolidated Financial Statement for the year ended March 31, 2023

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 are approximate to the fair value due to the short maturity of these instruments.

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 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

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.



Notes to Consolidated Financial Statement for the year ended March 31, 2023

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 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.



Notes to Consolidated Financial Statement for the year ended March 31, 2023

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 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.

V. Insurance claims

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

VI. Government Grants

Government grants and subsidies are recognised where there is reasonable assurance that the grant/subsidies will be received and all attached conditions will be complied with. The Grants are presented under the head other operating income.

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 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 recognizes 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.



Notes to Consolidated Financial Statement for the year ended March 31, 2023

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 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 presentation currency, unless stated otherwise. The functional currency of the Group and its Indian subsidiaries is Indian Rupees (INR) whereas the functional currency of foreign subsidiaries is the currency of their primary economic environment

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.

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 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



Notes to Consolidated Financial Statement for the year ended March 31, 2023

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.

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, Joint Managing Director and CFO have been identified as CODM by the Group. Refer Note 38 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 Group's lease asset classes primarily consist of leases for Building and Vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A

contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

Group as a lessee

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases). For these short-term, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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



Notes to Consolidated Financial Statement for the year ended March 31, 2023

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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.

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

Final 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. Interim dividends are recognized on declaration by the Board of Directors.

s. Research and Development expenses

Research and Development Expenses of revenue nature are charged to the Statement of Profit and Loss.



Notes to Consolidated Financial Statement for the year ended March 31, 2023

4. PROPERTY, PLANT AND EQUIPMENT

(₹ In lacs)

| Particulars | Land-Freehold | Buildings | Plant & Equipment | Furniture & Fixtures | Vehicles | Office Equipments | Power Gen. Plant | Right-of-use Asset | Total |
|-------------------------------------|-----------------|------------------|-------------------|----------------------|---------------|-------------------|------------------|--------------------|------------------|
| Gross Carrying Amount | | | | | | | | | |
| As at April 01, 2021 | 3,386.92 | 9,191.36 | 3,292.93 | 178.32 | 375.27 | 688.12 | 950.74 | 4,588.16 | 22,651.82 |
| Additions | 121.18 | 1,164.45 | 423.25 | 32.96 | 61.15 | 140.99 | - | 224.05 | 2,168.03 |
| Disposals/Adjustments | (25.65) | (523.57) | (283.03) | (18.45) | (10.88) | (47.71) | - | (913.93) | (1,823.22) |
| Balance as at March 31, 2022 | 3,482.45 | 9,832.24 | 3,433.15 | 192.83 | 425.54 | 781.40 | 950.74 | 3,898.28 | 22,996.63 |
| Balance as at April 1, 2022 | 3,482.45 | 9,832.24 | 3,433.15 | 192.83 | 425.54 | 781.40 | 950.74 | 3,898.28 | 22,996.63 |
| Additions | 9.72 | 750.22 | 1,137.28 | 124.70 | 22.61 | 327.12 | - | 293.71 | 2,665.36 |
| Disposals/Adjustments | (165.77) | (148.58) | (47.53) | (12.50) | (13.16) | (39.29) | - | (164.06) | (590.89) |
| Balance as at March 31, 2023 | 3,326.40 | 10,433.88 | 4,522.90 | 305.03 | 434.99 | 1,069.23 | 950.74 | 4,027.93 | 25,071.10 |
| Accumulated Depreciation | | | | | | | | | |
| As at April 01, 2021 | - | 2,508.87 | 1,817.12 | 133.94 | 223.57 | 503.35 | 415.58 | 548.21 | 6,150.64 |
| Depreciation for the year | - | 510.29 | 278.63 | 12.54 | 48.34 | 114.33 | 61.87 | 559.27 | 1,585.27 |
| Disposals/Adjustments | - | (94.72) | (165.87) | (13.12) | (0.84) | (39.21) | - | (137.87) | (451.63) |
| Balance as at March 31, 2022 | - | 2,924.44 | 1,929.88 | 133.36 | 271.07 | 578.47 | 477.45 | 969.61 | 7,284.28 |
| Depreciation for the year | - | 532.33 | 348.23 | 45.47 | 47.21 | 143.88 | 54.71 | 547.18 | 1,719.01 |
| Disposals/Adjustments | - | (41.05) | (35.27) | (10.66) | (11.90) | (32.86) | - | (142.08) | (273.82) |
| Balance as at March 31, 2023 | - | 3,415.72 | 2,242.84 | 168.17 | 306.38 | 689.49 | 532.16 | 1,374.71 | 8,729.47 |
| Net carrying amount | | | | | | | | | |
| Balance as at March 31, 2022 | 3,482.45 | 6,907.80 | 1,503.27 | 59.47 | 154.47 | 202.93 | 473.29 | 2,928.67 | 15,712.35 |
| Balance as at March 31, 2023 | 3,326.40 | 7,018.16 | 2,280.06 | 136.86 | 128.61 | 379.74 | 418.58 | 2,653.22 | 16,341.63 |

Notes:

- a. Refer note 16(a) for information on movable assets which are pledged as security by the company to banks
b. Right-of-use Asset includes (Refer Note-37) :-

| Particulars | Right-of-use Asset | | |
|-------------------------------------|--------------------|---------------|-----------------|
| | Buildings | Vehicles | Total |
| Gross Carrying Amount | | | |
| Balance as at April 1, 2021 | 4,420.87 | 167.29 | 4,588.16 |
| Additions | 224.05 | - | 224.05 |
| Disposals/Adjustments | (853.33) | (60.60) | (913.93) |
| Balance as at March 31, 2022 | 3,791.59 | 106.69 | 3,898.28 |
| Balance as at April 1, 2022 | 3,791.59 | 106.69 | 3,898.28 |
| Additions | 293.71 | - | 293.71 |
| Disposals/Adjustments | (164.06) | - | (164.06) |
| Balance as at March 31, 2023 | 3,921.24 | 106.69 | 4,027.93 |
| Accumulated Depreciation | | | |
| Balance as at March 31, 2021 | 453.24 | 94.98 | 548.21 |
| Depreciation for the year | 523.71 | 35.56 | 559.27 |
| Disposals/Adjustments | (77.27) | (60.60) | (137.87) |
| Balance as at March 31, 2022 | 899.68 | 69.94 | 969.61 |
| Depreciation for the year | 523.89 | 23.29 | 547.18 |
| Disposals/Adjustments | (142.08) | - | (142.08) |
| Balance as at March 31, 2023 | 1,281.49 | 93.23 | 1,374.71 |
| Net carrying amount | | | |
| Balance as at March 31, 2022 | 2,891.92 | 36.75 | 2,928.67 |
| Balance as at March 31, 2023 | 2,639.76 | 13.46 | 2,653.22 |

- c. Refer note-39 for transactions with Related Party



Notes to Consolidated Financial Statement for the year ended March 31, 2023

5. CAPITAL WORK IN PROGRESS

(₹ In lacs)

| Particulars | Amount |
|---|------------------|
| As at April 01, 2021 | 759.40 |
| Additions | 5,325.51 |
| Less: Amount capitalized in Property, Plant and Equipment | (1,250.19) |
| Balance as at March 31, 2022 | 4,834.72 |
| As at April 01, 2022 | 4,834.72 |
| Additions | 11,557.29 |
| Less: Amount capitalized in Property, Plant and Equipment | (1,070.38) |
| Balance as at March 31, 2023 | 15,321.63 |

a Ageing for capital work-in-progress balance as at March 31, 2023 is as follows :

| Particulars | Amount in capital work-in-progress for a period of | | | | Total |
|----------------------|--|-----------|-----------|----------|-----------|
| | <1 Year | 1-2 Years | 2-3 Years | >3 Years | |
| Projects in Progress | 10,855.77 | 4,465.86 | - | - | 15,321.63 |

Ageing for capital work-in-progress balance as at March 31, 2022 is as follows :

| Particulars | Amount in capital work-in-progress for a period of | | | | Total |
|----------------------|--|-----------|-----------|----------|----------|
| | <1 Year | 1-2 Years | 2-3 Years | >3 Years | |
| Projects in Progress | 4,811.13 | 23.59 | - | - | 4,834.72 |

b CWIP Completion Schedule whose completion is overdue as at March 31, 2023 is as follows:

| Particulars | To be completed in | | | |
|---------------------------|--------------------|-----------|-----------|----------|
| | <1 Year | 1-2 Years | 2-3 Years | >3 Years |
| Project in progress-Dahej | 13,727.60 | - | - | - |

6. OTHER INTANGIBLE ASSETS

| Particulars | Amount (Computer Software) |
|-------------------------------------|-------------------------------|
| Gross Carrying Amount | |
| As at April 01, 2021 | 398.58 |
| Additions | 6.10 |
| Disposals/Adjustments | (5.48) |
| Balance as at March 31, 2022 | 399.20 |
| As at April 01, 2022 | 399.20 |
| Additions | 6.52 |
| Disposals/Adjustments | - |
| Balance as at March 31, 2023 | 405.72 |
| Accumulated Amortization | |
| As at April 1, 2021 | 205.66 |
| Charge for the year | 42.48 |
| Disposals/Adjustments | (3.57) |
| Balance as at March 31, 2022 | 244.57 |
| As at April 1, 2022 | 244.57 |
| Charge for the year | 41.66 |
| Disposals/Adjustments | - |
| Balance as at March 31, 2023 | 286.23 |
| Net Carrying Amount | |
| Balance as at March 31, 2022 | 154.63 |
| Balance as at March 31, 2023 | 119.49 |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

(₹ In lacs)

7. INVESTMENTS

| | As at March 31, 2023 | | As at March 31, 2022 | |
|--|-------------------------|----------|-------------------------|----------|
| | No. of Shares/Units | Amount | No. of Shares/Units | Amount |
| NON CURRENT | | | | |
| Investment in Preference Shares | | | | |
| a. Unquoted- At Fair Value through Profit & Loss | | | | |
| Compulsorily convertible Preference Shares of M/s Iotechworld Avigation Pvt. Ltd. | 1,858.00 | 3,000.00 | 1,239.00 | 2,000.54 |
| Investment in debentures or bonds | | | | |
| a. Quoted- At Fair Value through Profit & Loss | | | | |
| NCD - Face Value of ₹ 1000000/- each in Shriram Transport Finance Company Limited | - | - | 50.00 | 551.30 |
| NCD - Face Value of ₹ 1000000/- each in Muthoot Fincorp Limited | - | - | 30.00 | 306.57 |
| NCD - Face Value of ₹ 1000000/- each in Navi Finserv Private Limited | - | - | 30.00 | 297.25 |
| NCD - Face Value of ₹ 1000000/- each in Shri Ram Finance Limited | 50.00 | 519.10 | - | - |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in State Bank of India | - | - | 25.00 | 262.41 |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in Union Bank of India | 50.00 | 500.93 | 50.00 | 516.06 |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in Canara Bank | 50.00 | 500.31 | 50.00 | 510.06 |
| Perpetual Bonds- Face Value of ₹ 10000000/- each in State Bank of India | 5.00 | 495.48 | 5.00 | 522.57 |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in Bank of Baroda | 30.00 | 300.47 | 30.00 | 307.04 |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in Bank of Baroda | 20.00 | 201.85 | 20.00 | 209.33 |
| Perpetual Bonds- Face Value of ₹ 10000000/- each in Bank of Baroda | 5.00 | 497.95 | 5.00 | 515.45 |
| Perpetual Bonds- Face Value of ₹ 10000000/- each in Tata Motors Finance Limited | 5.00 | 491.98 | 5.00 | 513.50 |
| b. Quoted- At Amortised Cost | | | | |
| 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 |
| c. Unquoted- At Amortised Cost | | | | |
| Units of Annuities In Senior Secured Estate Fund | 2,27,457.08 | 227.46 | 2,80,070.85 | 280.07 |
| Units of IIFL Real Estate Fund-Series 2 | 47,09,658.52 | 219.51 | 47,09,658.52 | 219.51 |
| Units of Religare Credit Investment Trust | - | - | - | 0.88 |
| Units of ICICI Prudential Real Estate | 27,020.21 | 46.09 | 56,696.12 | 65.66 |
| Units of IIFL Real Estate Fund-Series 3 | 18,50,000.00 | 61.15 | 18,50,000.00 | 64.16 |
| d. Unquoted- At Fair Value through Profit & Loss | | | | |
| Units of UTI Structured Debt Opportunities Fund | 1,45,017.77 | 129.44 | 2,21,458.63 | 224.25 |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

(₹ In lacs)

| | As at March 31, 2023 | | As at March 31, 2022 | |
|--|-------------------------|------------------|-------------------------|------------------|
| | No. of Shares/Units | Amount | No. of Shares/Units | Amount |
| Investment in Mutual Funds | | | | |
| a. Quoted- At Fair Value through Profit & Loss | | | | |
| Units of Bharat Bond ETF | 1,00,000.00 | 1,249.99 | 1,00,000.00 | 1,203.08 |
| Units of Bharat Bond ETF | 99,994.00 | 1,114.17 | 99,994.00 | 1,076.56 |
| Units of Edelweiss NIFTY PSU Bond Plus SDL Index Fund | 99,99,500.03 | 1,106.98 | 99,99,500.03 | 1,074.00 |
| Units of Bharat Bond ETF | 99,995.00 | 1,042.86 | 99,995.00 | 1,010.08 |
| Units of UTI Nifty SDL Plus AAA PSU Bond Apr 2026 75:25 Index Fund | 49,54,073.46 | 501.29 | - | - |
| Tata Nifty SDL Plus AAA PSU Bond Dec 2027 60:40 Index Fund | 47,95,739.26 | 501.89 | - | - |
| Mirae Asset Nifty AAA PSU Bond Plus SDL Apr 2026 50:50 Index Fund | 19,39,823.67 | 200.27 | - | - |
| Mirae Asset Nifty SDL Jun 2028 Index Fund | 29,99,850.01 | 299.99 | - | - |
| Axis Fixed Term Plan-Series 113 (1228 Days) | 49,99,750.00 | 501.38 | - | - |
| Investment in Debt Instruments | | | | |
| a. Unquoted- At Amortised Cost | | | | |
| FDR with ICICI Home Finance Company Ltd. | - | 500.00 | - | 500.00 |
| FDR with Bajaj Finance Ltd. | - | 500.00 | - | 500.00 |
| FDR with Mahindra & Mahindra Financial Services Ltd. | - | 500.00 | - | 500.00 |
| Total Non Current Investment | | 16,277.70 | | 14,297.49 |
| Less: Allowance for doubtful debts | | 386.66 | | 315.14 |
| Total Non Current Investment | | 15,891.04 | | 13,982.35 |
| Aggregate amount of quoted investments and Market Value thereof | | 11,094.06 | | 9,942.42 |
| Aggregate amount of quoted investments and Book Value thereof | | 11,094.06 | | 9,942.42 |
| Aggregate amount of unquoted investments | | 5,183.64 | | 4,355.06 |
| Aggregate amount of impairment in value of investments | | 386.66 | | 315.14 |
| CURRENT | | | | |
| Investment in Equity Instruments | | | | |
| a. Quoted- At Fair Value through Profit & Loss | | | | |
| Units of ABSL Arbitrage Fund-Direct Growth Plan | - | - | 46,28,412.48 | 1,053.15 |
| Units of Axis Arbitrage Fund-Direct Growth Plan | - | - | 65,27,983.62 | 1,056.65 |
| Units of Edelweiss Arbitrage Fund-Direct Growth Plan | - | - | 63,98,901.91 | 1,054.76 |
| Units of ICICI Prudential Equity Arbitrage Fund-Direct Growth Plan | - | - | 35,78,534.88 | 1,048.17 |
| Units of Kotak Equity Arbitrage Fund-Direct Growth Plan | - | - | 33,28,717.29 | 1,054.17 |
| Units of Nippon India Arbitrage Fund-Direct Growth Plan | - | - | 46,05,984.41 | 1,051.46 |
| Units of Tata Arbitrage Fund-Direct Growth Plan | - | - | 87,67,722.67 | 1,050.86 |
| Units of UTI Arbitrage Fund-Direct Growth Plan | - | - | 35,41,939.97 | 1,052.71 |
| Units of HDFC Arbitrage Fund-Direct Growth Plan | - | - | 63,92,316.07 | 1,028.08 |
| Units of SBI Arbitrage Opp Fund-Direct Growth Plan | - | - | 50,84,017.96 | 1,432.11 |
| Units of IDFC Arbitrage Fund-Direct Growth Plan | - | - | 36,80,494.99 | 1,027.35 |



Notes to Consolidated Financial Statement for the year ended March 31, 2023 (₹ In lacs)

| | As at March 31, 2023 | | As at March 31, 2022 | |
|--|-------------------------|-----------------|-------------------------|------------------|
| | No. of Shares/Units | Amount | No. of Shares/Units | Amount |
| Investment in debentures or bonds | | | | |
| a. Quoted- At Fair Value through Profit & Loss | | | | |
| NCD - Face Value of ₹ 1000000/- each in Muthoot Fincorp Limited | 30.00 | 327.07 | - | - |
| NCD - Face Value of ₹ 1000000/- each in Navi Finserv Private Limited | 30.00 | 322.71 | - | - |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in State Bank of India | 25.00 | 253.36 | - | - |
| NCD - Face Value of ₹ 1000000/- each in Nuvama Wealth Finance Limited | 50.00 | 552.65 | - | - |
| NCD - Face Value of ₹ 1000000/- each in Mindspace Business Parks REIT | - | - | 50.00 | 552.65 |
| Perpetual Bonds- Face Value of ₹ 1000000/- each in HDFC Bank | - | - | 25.00 | 270.49 |
| Investment in Mutual Funds | | | | |
| a. Quoted- At Fair Value through Profit & Loss | | | | |
| Units of UTI Liquid Cash Plan-Direct Growth Plan | 39,031.15 | 1,440.02 | 69,929.34 | 2,439.16 |
| Units of Axis Liquid Fund-Direct Growth Plan | 1,00,447.39 | 2,512.08 | 25,543.06 | 603.86 |
| Units of ABSL Liquid Fund-Direct Growth Plan | 8,70,681.44 | 3,161.30 | 4,82,427.54 | 1,655.33 |
| Units of Tata Liquid Fund-Direct Growth Plan | 28,378.99 | 1,007.85 | - | - |
| Units of Nippon India Liquid Fund-Direct Growth Plan | - | - | 17,405.11 | 906.46 |
| Units of Nippon India Fixed Horizon Fund-XXXIX-Series 2 | - | - | 20,00,000.00 | 268.90 |
| Investment in Debt Instruments | | | | |
| a. Unquoted- At Amortised Cost | | | | |
| FDR with LIC Housing Finance Ltd. | - | - | - | 500.00 |
| FDR with Housing Development Finance Corporation Ltd. | - | - | - | 500.00 |
| Total Current Investment | | 9,577.04 | | 19,606.32 |
| Aggregate amount of quoted investments and Market Value thereof | | 9,577.04 | | 18,606.32 |
| Aggregate amount of quoted investments and Book Value thereof | | 9,577.04 | | 18,606.32 |
| Aggregate amount of unquoted investments | | - | | 1,000.00 |
| Aggregate amount of impairment in value of investments | | - | | - |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

(₹ In lacs)

8. LOANS

| Unsecured, Considered good unless otherwise stated | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Non Current | | |
| Loans to employees | | |
| Loans considered good-Unsecured | 40.59 | 10.72 |
| Current | | |
| Loans to employees | | |
| Unsecured, Considered good | 47.07 | 72.70 |
| Loans to corporates and others | | |
| Loans which have significant increase in Credit Risk | 574.19 | 450.00 |
| Loans-Credit impaired | - | 195.71 |
| Less: Allowance for doubtful debts | (574.19) | (645.71) |
| | 47.07 | 72.70 |

Footnotes :

- a. 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, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Non Current | | |
| Fixed Deposits With Banks* | 2,124.53 | 112.65 |
| Interest Accrued On Loans and Investment | 147.59 | - |
| Security Deposits | | |
| Unsecured, Considered good | 320.95 | 326.56 |
| Doubtful | 33.29 | 34.79 |
| Less: Allowance for doubtful debts | (33.29) | (34.79) |
| | 2,593.07 | 439.21 |
| Current | | |
| Fixed Deposits With Banks* | 93.53 | 2,304.24 |
| Interest Accrued On Loans and Investment | 307.31 | 154.68 |
| Claim Receivable | 6,258.81 | 6,554.55 |
| Security Deposits | | |
| Unsecured, Considered good | 35.21 | 33.69 |
| | 6,694.86 | 9,047.16 |

Footnotes :

- a. *Includes interest accrued thereon. Lien marked against the Overdraft facility taken from bank as shown under the head "Borrowings"
- 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

| Unsecured, Considered good unless otherwise stated | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Raw materials* | 11,782.48 | 12,060.27 |
| Packing materials** | 1,978.55 | 2,508.09 |
| Work in Progress | 748.49 | 806.01 |
| Finished Goods*** | 14,976.71 | 15,543.11 |
| Stock in Trade**** | 4,942.67 | 3,731.48 |
| Store and spares | 77.66 | 69.45 |
| TOTAL | 34,506.56 | 34,718.41 |

Footnotes :

- a. The mode of valuation of inventories has been stated in note no 3(f)
- b. Refer note 16(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 ₹ 1107.89 lacs [March 31,2022 : ₹ 2439.62 lacs]
- d. ** Stock of Packing Materials includes value of goods in transit of ₹ 58.21 lacs [March 31,2022 : ₹ 82.73 lacs]
- e. ***Stock of Finished Goods includes value of goods in transit of ₹ 117.23 lacs [March 31,2022 : ₹ 195.35 lacs]
- f. ****Stock in Trade includes value of goods in transit of ₹ 79.53 lacs [March 31,2022 : ₹ 13.77 lacs]



Notes to Consolidated Financial Statement for the year ended March 31, 2023

11. TRADE RECEIVABLES

(₹ In lacs)

| | As at March 31, 2023 | As at March 31, 2022 | | | | | |
|--|-------------------------|--|-------------------|-----------|-----------|-----------|------------------|
| Unsecured, Considered good* | 33,707.61 | 28,114.14 | | | | | |
| Trade Receivables which have significant increase in Credit Risk | 880.04 | 688.41 | | | | | |
| Less: Allowance for doubtful debts (expected credit loss allowance) (refer Note-42) | (683.66) | (553.39) | | | | | |
| TOTAL | 33,903.99 | 28,249.16 | | | | | |
| Footnotes : | | | | | | | |
| a. *Of the above, trade receivable from related parties are given below : | | | | | | | |
| Unsecured, considered good (Refer note-39) | 0.83 | 1.27 | | | | | |
| b. Ageing for Trade Receivables outstanding | | | | | | | |
| As at March 31, 2023 | | | | | | | |
| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
| | | < 6 months | 6 months - 1 year | 1-2 Years | 2-3 Years | > 3 Years | |
| (i) Undisputed Trade receivables – considered good | 27,733.48 | 5,798.45 | 153.51 | 18.23 | 0.93 | 3.01 | 33,707.61 |
| (ii) Undisputed Trade Receivables –which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables –credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | 3.34 | 39.65 | 86.65 | 114.80 | 109.92 | 525.68 | 880.04 |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Less: Loss Allowance | | | | | | | (683.66) |
| Total | | | | | | | 33,903.99 |
| As at March 31, 2022 | | | | | | | |
| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
| | | < 6 months | 6 months - 1 year | 1-2 Years | 2-3 Years | > 3 Years | |
| (i) Undisputed Trade receivables – considered good | 22,977.58 | 5,007.48 | 51.46 | 16.78 | 13.18 | 47.66 | 28,114.14 |
| (ii) Undisputed Trade Receivables –which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables –credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | 0.01 | 24.74 | 54.83 | 111.13 | 180.52 | 317.18 | 688.41 |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Less: Loss Allowance | | | | | | | (553.39) |
| Total | | | | | | | 28,249.16 |
| c. Refer note 16(a) for information on Trade Receivable pledged as security by the company to banks. | | | | | | | |
| d. 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 Consolidated Financial Statement for the year ended March 31, 2023

| 12. CASH & CASH EQUIVALENTS | | (₹ In lacs) | |
|---|--|-------------------------|-------------------------|
| | | As at March 31, 2023 | As at March 31, 2022 |
| Cash & Cash Equivalents | | | |
| | Balance With Banks In Current Account | 310.83 | 98.44 |
| | Cash on Hand | 37.47 | 37.29 |
| | Cheques / Drafts In Hand | - | 12.75 |
| | | 348.30 | 148.48 |
| Bank Balance other than Cash and Cash Equivalents | | | |
| | Balance With Banks In Unpaid Equity Dividend Account** | 80.08 | 95.09 |
| | | 80.08 | 95.09 |
| Footnotes : | | | |
| a. | **Earmarked against the corresponding unclaimed dividend liabilities as shown under the head "Other financial liabilities" | | |
| 13. OTHER ASSETS | | | |
| | | As at March 31, 2023 | As at March 31, 2022 |
| Unsecured, Considered good unless otherwise stated | | | |
| Non Current | | | |
| | Capital Advance | 444.44 | 456.32 |
| | Receivables from Govt. Authorities | 77.30 | 77.30 |
| | Deposits with Public Authorities | 61.11 | 58.99 |
| | Prepaid expenses | 4.72 | 13.88 |
| | Other Advances | 18.57 | 10.15 |
| | | 606.14 | 616.64 |
| Current | | | |
| | Prepaid expenses | 243.66 | 209.48 |
| | Advances To Vendor* | 814.10 | 331.81 |
| | Receivables from Govt. Authorities | 3,192.55 | 2,951.57 |
| | DEPB Licence In Stock | - | 0.14 |
| | Compensated Absences Fund | 152.10 | - |
| | Other Advances** | 55.20 | 37.71 |
| | | 4,457.61 | 3,530.71 |
| Footnotes : | | | |
| a. | *Net of Provision for Bad debts of ₹ 5.20 lacs [March 31, 2022 : ₹ 17.20 lacs] | | |
| b. | **Includes advances given to employees | | |
| 14. EQUITY SHARE CAPITAL | | | |
| | | As at March 31, 2023 | As at March 31, 2022 |
| Authorized Share capital | | | |
| | 14,21,00,000 equity shares of ₹2/- each | 2,842.00 | 2,842.00 |
| | 5,80,000 Redeemable Non Cumulative Preference Shares of ₹10/- each | 58.00 | 58.00 |
| Issued, subscribed and fully paid up | | | |
| | 4,55,78,324 equity shares of ₹2/- each | 911.57 | 931.57 |
| | [Last Year 4,65,78,324 equity shares of ₹2/- each] | 911.57 | 931.57 |
| Notes: | | | |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

| a. Reconciliation of the shares outstanding at the beginning and at the end of the year (₹ In lacs) | | | | | |
|---|-------------------------|---------------|-------------------------|---------------|--------------------------|
| | As at March 31, 2023 | | As at March 31, 2022 | | |
| | No of shares | Amount | No of shares | Amount | |
| Opening | 4,65,78,324 | 931.57 | 4,65,78,324 | 931.57 | |
| Issued during the period | - | - | - | - | |
| Shares Extinguished on buy back | 10,00,000 | 20.00 | - | - | |
| Closing at the end of the year | 4,55,78,324 | 911.57 | 4,65,78,324 | 931.57 | |
| The Board of Directors of the Company in its meeting held on 1st November 2022, has approved the proposal for Buy Back of 10,00,000 (Ten Lacs Only) Equity Shares of the Company for an amount of Rs.85 Crores (Rupees Eighty Five Crore only) excluding transaction costs at a price of Rs. 850/- (Rupees Eight Hundred Fifty only) per Equity Share, through the tender offer route. Pursuant to the above, the Company has bought back its 10,00,000 (Ten Lacs only) fully paid-up equity shares, representing 2.15% of the total issued capital and extinguished those Equity Shares on 17th January 2023. Consequently, Paid up Share Capital has been reduced by Rs.20,00,000 (Rupees Twenty lacs only) | | | | | |
| The aggregate number of equity shares bought back during a period of five financial years immediately preceding the financial year ended 31 March 2023 is 35 Lacs equity shares (31 March 2022: 25 Lacs equity shares) | | | | | |
| 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 | | | | | |
| Name of Shareholder | As at March 31, 2023 | | As at March 31, 2022 | | |
| | No. of Shares (In Lacs) | % holding | No. of Shares (In Lacs) | % holding | |
| M/s Triveni Trust | 259.63 | 56.96% | 264.59 | 56.80% | |
| M/s Pushpa Dhanuka Trust | 46.23 | 10.14% | 47.11 | 10.11% | |
| M/s DSP Blackrock Trustee Co. Pvt Ltd | 41.13 | 9.03% | 40.27 | 8.65% | |
| 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 | | | | | |
| e. Disclosure of Shareholding of Promoters | | | | | |
| As at March 31, 2023 | | | | | |
| Promoter Name | As at March 31, 2023 | | As at March 31, 2022 | | % change during the Year |
| | No. of Shares | % holding | No. of Shares | % holding | |
| Ram Gopal Agarwal | 1,89,031 | 0.41% | 1,92,642 | 0.41% | 0.00% |
| Mahendra Kumar Dhanuka | 27,604 | 0.06% | 28,131 | 0.06% | 0.00% |
| Total | 2,16,635 | 0.47% | 2,20,773 | 0.47% | 0.00% |
| As at March 31, 2022 | | | | | |
| Promoter Name | As at March 31, 2022 | | As at March 31, 2021 | | % change during the Year |
| | No. of Shares | % holding | No. of Shares | % holding | |
| Ram Gopal Agarwal | 1,92,642 | 0.41% | 3,42,642 | 0.74% | -0.33% |
| Mahendra Kumar Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Total | 2,20,773 | 0.47% | 3,70,773 | 0.80% | -0.33% |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

| f. Disclosure of Shareholding of Promoters Group | | | | | | (₹ In lacs) |
|--|-------------------------|---------------|-------------------------|---------------|-----------------------------|-------------|
| As at March 31, 2023 | | | | | | |
| Name | As at March 31, 2023 | | As at March 31, 2022 | | % change during the Year | |
| | No. of Shares | % holding | No. of Shares | % holding | | |
| Triveni Trust | 2,59,62,770 | 56.96% | 2,64,58,763 | 56.80% | 0.16% | |
| Pushpa Dhanuka Trust | 46,23,063 | 10.14% | 47,11,382 | 10.11% | 0.03% | |
| Manish Dhanuka | 2,65,607 | 0.58% | 2,70,681 | 0.58% | 0.00% | |
| Rahul Dhanuka | 2,01,403 | 0.44% | 2,05,250 | 0.44% | 0.00% | |
| Mahendra Kumar Dhanuka HUF | 1,73,730 | 0.38% | 1,77,048 | 0.38% | 0.00% | |
| Satya Narain Agarwal | 1,66,147 | 0.36% | 1,72,081 | 0.37% | 0.00% | |
| Abhishek Dhanuka | 80,139 | 0.18% | 83,000 | 0.18% | 0.00% | |
| Satyanarain Agarwal HUF | 38,850 | 0.09% | 40,237 | 0.09% | 0.00% | |
| Arun Kumar Dhanuka* | 36,503 | 0.08% | 37,200 | 0.08% | 0.00% | |
| Akangsha Dhanuka | 29,074 | 0.06% | 29,629 | 0.06% | 0.00% | |
| Harsh Dhanuka | 27,604 | 0.06% | 28,131 | 0.06% | 0.00% | |
| Megha Dhanuka | 27,604 | 0.06% | 28,131 | 0.06% | 0.00% | |
| Mridul Dhanuka | 27,604 | 0.06% | 28,131 | 0.06% | 0.00% | |
| Uma Dhanuka | 27,604 | 0.06% | 28,131 | 0.06% | 0.00% | |
| Urmila Dhanuka | 27,604 | 0.06% | 28,131 | 0.06% | 0.00% | |
| Madhuri Dhanuka | 27,356 | 0.06% | 27,878 | 0.06% | 0.00% | |
| Seema Dhanuka | 12,726 | 0.03% | 12,969 | 0.03% | 0.00% | |
| Arjun Dhanuka | 8,475 | 0.02% | 8,636 | 0.02% | 0.00% | |
| Mamta Dhanuka | 8,208 | 0.02% | 8,364 | 0.02% | 0.00% | |
| Mridul Dhanuka HUF | 52 | 0.00% | 52 | 0.00% | 0.00% | |
| Ram Gopal Agarwal HUF | 52 | 0.00% | 52 | 0.00% | 0.00% | |
| Golden Overseas Private Limited | 26 | 0.00% | 26 | 0.00% | 0.00% | |
| Pushpa Dhanuka | 19 | 0.00% | 19 | 0.00% | 0.00% | |
| Arun Kumar Dhanuka HUF | 11 | 0.00% | 11 | 0.00% | 0.00% | |
| Gobind Lal Dhanuka HUF | 10 | 0.00% | 10 | 0.00% | 0.00% | |
| Total | 3,17,72,241 | 69.71% | 3,23,83,943 | 69.53% | 0.18% | |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

As at March 31, 2022

(₹ In lacs)

| Name | As at March 31, 2022 | | As at March 31, 2021 | | % change during the Year |
|---------------------------------|-------------------------|---------------|-------------------------|---------------|-----------------------------|
| | No. of Shares | % holding | No. of Shares | % holding | |
| Triveni Trust | 2,64,58,763 | 56.80% | 2,84,25,299 | 61.03% | -4.22% |
| Pushpa Dhanuka Trust | 47,11,382 | 10.11% | 50,73,762 | 10.89% | -0.78% |
| Manish Dhanuka | 2,70,681 | 0.58% | 2,70,681 | 0.58% | 0.00% |
| Rahul Dhanuka | 2,05,250 | 0.44% | 2,05,250 | 0.44% | 0.00% |
| Mahendra Kumar Dhanuka HUF | 1,77,048 | 0.38% | 1,77,048 | 0.38% | 0.00% |
| Satya Narain Agarwal | 1,72,081 | 0.37% | 22,081 | 0.05% | 0.32% |
| Abhishek Dhanuka | 83,000 | 0.18% | 83,000 | 0.18% | 0.00% |
| Satyanarain Agarwal HUF | 40,237 | 0.09% | 40,237 | 0.09% | 0.00% |
| Arun Kumar Dhanuka* | 37,200 | 0.08% | 37,200 | 0.08% | 0.00% |
| Akangsha Dhanuka | 29,629 | 0.06% | 29,629 | 0.06% | 0.00% |
| Harsh Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Megha Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Mridul Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Uma Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Urmila Dhanuka | 28,131 | 0.06% | 28,131 | 0.06% | 0.00% |
| Madhuri Dhanuka | 27,878 | 0.06% | 27,878 | 0.06% | 0.00% |
| Seema Dhanuka | 12,969 | 0.03% | 12,969 | 0.03% | 0.00% |
| Arjun Dhanuka | 8,636 | 0.02% | 8,636 | 0.02% | 0.00% |
| Mamta Dhanuka | 8,364 | 0.02% | 8,364 | 0.02% | 0.00% |
| Mridul Dhanuka HUF | 52 | 0.00% | 52 | 0.00% | 0.00% |
| Ram Gopal Agarwal HUF | 52 | 0.00% | 52 | 0.00% | 0.00% |
| Golden Overseas Private Limited | 26 | 0.00% | 26 | 0.00% | 0.00% |
| Pushpa Dhanuka | 19 | 0.00% | 19 | 0.00% | 0.00% |
| Arun Kumar Dhanuka HUF | 11 | 0.00% | 11 | 0.00% | 0.00% |
| Gobind Lal Dhanuka HUF | 10 | 0.00% | 10 | 0.00% | 0.00% |
| Total | 3,23,83,943 | 69.53% | 3,45,62,859 | 74.20% | -4.68% |

*Ceased to be part of Promoters Group due to his sad demise on 30th Jan, 2023. The transmission of shares to the legal heir is under process.

Notes to Consolidated Financial Statement for the year ended March 31, 2023

15. OTHER EQUITY

(₹ In lacs)

| | | As at March 31, 2023 | As at March 31, 2022 |
|---|--------------|-------------------------|-------------------------|
| Reserves and Surplus | | | |
| Capital Reserve | | | |
| Balance at the beginning of the Financial year | | 95.47 | 95.47 |
| Addition during the Financial year | | - | - |
| Deduction during the Financial year | | - | - |
| | | 95.47 | 95.47 |
| Capital Reserve includes profit on merger of entities | | | |
| Capital Redemption Reserve | | | |
| Balance at the beginning of the Financial year | | 68.82 | 68.82 |
| Addition during the Financial year | | 20.00 | - |
| Deduction during the Financial year | | - | - |
| | | 88.82 | 68.82 |
| Capital Redemption Reserve created on buy back of Equity shares | | | |
| Retained Earnings | | | |
| Balance at the beginning of the Financial year | | 94,945.71 | 78,523.11 |
| Addition during the Financial year | | 23,350.23 | 20,889.48 |
| Less: Amount Utilised for Buy back of equity shares | | (8,480.00) | - |
| Less: Amount Transferred to Capital Redemption Reserve on Buy back of equity shares | | (20.00) | - |
| Less: Tax paid on Buy back of equity shares | | (1,975.51) | - |
| Add/ (Less): | | | |
| Remeasurements of the defined benefit plans through OCI | | 10.71 | 190.95 |
| Tax Impact of Remeasurements of the defined benefit plans through OCI | | (2.69) | - |
| Dividend paid | | (2,794.70) | (4,657.83) |
| | | 1,05,033.75 | 94,945.71 |
| | Total | 1,05,218.04 | 95,110.00 |

Retained Earnings represents undistributed profits of the company which can be distributed to its 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.

Detail of Dividend Paid

| | | As at March 31, 2023 | As at March 31, 2022 |
|---|--|-------------------------|-------------------------|
| a.) Dividend Paid | | | |
| Final Dividend Declared for F.Y. 2021-22 [Dividend Paid ₹ 6.00/- per share] | | 2,794.70 | - |
| Final Dividend Declared for F.Y. 2020-21 [Dividend Paid ₹ 2.00/- per share] | | - | 931.57 |
| Interim Dividend Declared for F.Y. 2021-22 [Dividend Paid ₹ 8.00/- per share] | | - | 3,726.26 |
| | | 2,794.70 | 4,657.83 |

b.) Proposed Dividend

After the reporting date, the Board of Directors of the Company has recommended a final dividend of ₹ 2 per Equity share amounting to ₹ 911.57 Lacs for the financial year 2022-23.

The final dividend proposed by the Directors are subject to approval at the annual general meeting. The final dividend 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 final dividends are approved by the equity shareholders in the general meeting.

16. BORROWINGS (CURRENT)

| | | As at March 31, 2023 | As at March 31, 2022 |
|--|--|-------------------------|-------------------------|
| Secured | | | |
| From Banks-Loan Repayable on Demand | | | |
| Cash Credit limits from Banks | | - | - |
| Over Draft Against Pledge of FDR | | 380.84 | 96.24 |
| | | 380.84 | 96.24 |

Footnotes :

- Cash Credit Limits from Banks are secured by hypothecation of stocks of raw materials, work in process, finished goods, book debts, other current assets and other movable fixed assets on pari-passu basis and by joint and several guarantee of the Directors of the Company. Loan from Banks are repayable on demand.
- Overdraft facilities has been taken from bank against Lien mark of Fixed Deposits as shown under the head "Other Current & Non Current Financial Assets" and carried interest @ 5.53% p.a. (March 31, 2022 @ 4.49% p.a.)



Notes to Consolidated Financial Statement for the year ended March 31, 2023

17. TRADE PAYABLES

(₹ In lacs)

| | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------------|----------------------------|
| Trade Payables | | |
| Total outstanding dues of micro enterprises and small enterprises | 434.89 | 1,085.79 |
| Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises* | 17,088.41 | 16,385.96 |
| | 17,523.30 | 17,471.75 |
| Footnotes : | | |
| a. *Includes amount due to related parties amounting to ₹ 364.34 Lacs (March 31, 2022 ₹ 269.58 Lacs)-Refer Note-39 | | |
| b. Refer note 40 for information on total outstanding dues of micro enterprises and small enterprises | | |
| c. Ageing of Trade Payables | | |

As at March 31, 2023

| Particulars | Outstanding for following periods from the date of transaction | | | | Total |
|---|--|--------------|--------------|--------------|------------------|
| | < 1 year | 1-2 Years | 2-3 Years | > 3 Years | |
| (i) Micro Small and Medium Enterprise (MSME) | 434.89 | - | - | - | 434.89 |
| (ii) Creditors other than micro enterprises and small enterprises | 17,017.77 | 27.24 | 19.40 | 24.00 | 17,088.41 |
| (iii) Disputed dues -MSME | - | - | - | - | - |
| (iv) Disputed dues -Others | - | - | - | - | - |
| Total | 17,452.66 | 27.24 | 19.40 | 24.00 | 17,523.30 |

As at March 31, 2022

| Particulars | Outstanding for following periods from the date of transaction | | | | Total |
|---|--|--------------|--------------|--------------|------------------|
| | < 1 year | 1-2 Years | 2-3 Years | > 3 Years | |
| (i) Micro Small and Medium Enterprise (MSME) | 1,085.79 | - | - | - | 1,085.79 |
| (ii) Creditors other than micro enterprises and small enterprises | 16,303.09 | 23.44 | 44.95 | 14.48 | 16,385.96 |
| (iii) Disputed dues -MSME | - | - | - | - | - |
| (iv) Disputed dues -Others | - | - | - | - | - |
| Total | 17,388.88 | 23.44 | 44.95 | 14.48 | 17,471.75 |

18. OTHER FINANCIAL LIABILITIES

| | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------|-------------------------|-------------------------|
| Non Current | | |
| Security Received from Customers* | 1,515.31 | 1,425.13 |
| | 1,515.31 | 1,425.13 |
| Current | | |
| Unclaimed Dividend** | 80.08 | 95.09 |
| Capital Creditors | 921.26 | 485.70 |
| Other Payable*** | 6,486.24 | 8,511.42 |
| | 7,487.58 | 9,092.21 |

Footnotes :

- 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.

19. PROVISIONS

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Provision For Employee Benefits | | |
| Non Current | | |
| Provision for Gratuity | 194.61 | 13.23 |
| Provision for Compensated absences | 90.83 | 10.57 |
| | 285.44 | 23.80 |
| Current | | |
| Provision for Compensated absences | 21.13 | - |
| | 21.13 | - |
| Footnotes : | | |

- a. Refer note 35(b) for information on Defined benefit plans-Gratuity
b. Refer note 35(c) for information on Other employee benefits-Compensated absences

Notes to Consolidated Financial Statement for the year ended March 31, 2023

| 20 | DEFERRED TAX LIABILITIES (NET) | (₹ In lacs) | | |
|-----|--|-------------------------|-------------------------|-------------------------|
| | | As at March 31, 2023 | As at March 31, 2022 | |
| | Deferred Tax Liabilities | 667.37 | 918.39 | |
| | Deferred Tax Assets | (428.34) | (362.19) | |
| | | 239.03 | 556.20 | |
| | | As at April 1, 2021 | Recognized in P&L | As at March 31, 2022 |
| | Deferred tax (assets)/liabilities are attributable to the following items : | | | |
| | Deferred Tax Liabilities | | | |
| | Property, plant and equipment & Intangible assets | 653.54 | (30.19) | 623.35 |
| | Investments | 456.44 | (161.40) | 295.04 |
| | Total-(A) | 1,109.98 | (191.59) | 918.39 |
| | Deferred Tax Assets | | | |
| | Trade Receivables and Other Receivables | (246.23) | (35.29) | (281.52) |
| | Lease Liability | (34.28) | (46.39) | (80.67) |
| | Total-(B) | (280.51) | (81.68) | (362.19) |
| | Net Deferred Tax Liability | (A+B) | (273.27) | 556.20 |
| | | As at April 1, 2022 | Recognized in P&L | As at March 31, 2023 |
| | Deferred tax (assets)/liabilities are attributable to the following items : | | | |
| | Deferred Tax Liabilities | | | |
| | Property, plant and equipment & Intangible assets | 623.35 | (118.52) | 504.83 |
| | Investments | 295.04 | (132.50) | 162.54 |
| | Total-(A) | 918.39 | (251.02) | 667.37 |
| | Deferred Tax Assets | | | |
| | Trade Receivables and Other Receivables | (281.52) | (29.77) | (311.29) |
| | Lease Liability | (80.67) | (36.38) | (117.05) |
| | Total-(B) | (362.19) | (66.15) | (428.34) |
| | Net Deferred Tax Liability | (A+B) | (317.17) | 239.03 |
| 21. | OTHER LIABILITIES | | | |
| | | As at March 31, 2023 | As at March 31, 2022 | |
| | Current | | | |
| | Advances from customers | 1,377.56 | 1,031.88 | |
| | Statutory dues payable | 1,553.53 | 1,267.02 | |
| | | 2,931.09 | 2,298.90 | |
| 22. | CURRENT TAX LIABILITIES (NET) | | | |
| | | As at March 31, 2023 | As at March 31, 2022 | |
| | Income Tax payable (Net of advance tax) | 1,044.92 | 1,128.43 | |
| | | 1,044.92 | 1,128.43 | |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

23. REVENUE FROM OPERATIONS

(₹ In lacs)

| | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
|---|---|--------------------------------------|--------------------------------------|
| a. Revenue From Operations | | | |
| Sales of products | | | |
| Finished Goods | | | |
| -Agrochemical | | 1,39,739.29 | 1,22,875.60 |
| Traded Goods | | | |
| -Agrochemical | | 28,504.51 | 23,283.84 |
| | (A) | 1,68,243.80 | 1,46,159.44 |
| Other Operating Revenues | | | |
| Income From Power Generation Plant | | 168.26 | 168.17 |
| Scrap Sales | | 544.79 | 356.07 |
| Tax Incentive from Govt. | | 1,065.15 | 1,093.84 |
| | (B) | 1,778.20 | 1,618.08 |
| Total Revenue | (A)+(B) | 1,70,022.00 | 1,47,777.52 |
| b. Reconciliation of Revenue from contract with customers : | | | |
| | | | |
| Revenue as per contracted price | | 1,79,833.53 | 1,56,819.75 |
| Less : Discounts & Rebates | | 9,811.53 | 9,042.23 |
| Revenue from contract with customers | | 1,70,022.00 | 1,47,777.52 |
| c. Contract balances : | | | |
| The following table provides information about receivables, contract assets and contract liabilities from contracts with customers : | | | |
| | | As at March 31, 2023 | As at March 31, 2022 |
| Trade Receivables* | | 33,903.99 | 28,249.16 |
| | | 33,903.99 | 28,249.16 |
| Contract Liabilities | | | |
| Advances from Customers | | 1,377.56 | 1,031.88 |
| | | 1,377.56 | 1,031.88 |
| * Trade receivables are non-interest bearing and are generally on credit terms of 90 to 120 days. | | | |
| d. The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) is as follows : | | | |
| | | As at March 31, 2023 | As at March 31, 2022 |
| Advances from customers* | | 1,377.56 | 1,031.88 |
| | | 1,377.56 | 1,031.88 |
| Advance from customers relates to payments received in advance of performance under the contract. Advances from customers are recognized as revenue as (or when) the Company performs under the contract. | | | |
| *For March 31, 2023, management expects that the entire transaction price allocated to the unsatisfied contracts at end of the year will be recognised as revenue during the next year | | | |
| 24. OTHER INCOME | | | |
| | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
| Interest Income on Financial Assets at amortised cost | | 1,800.05 | 1,386.80 |
| Dividend Income | | - | 25.00 |
| Net Gain on sale of investments | | 264.65 | 464.12 |
| Net Gain on Investments measured at fair value through profit or loss | | 183.06 | 842.77 |
| Other Non-Operating Income | | | |
| Rent Received | | 6.34 | 7.15 |
| Miscellaneous Receipts | | 73.09 | 552.31 |
| Net Profit on disposal of property, plant and equipment | | 2,146.19 | 62.36 |
| Liabilities No Longer Required, Written Back | | 2.22 | 18.19 |
| | | 4,475.60 | 3,358.70 |
| a. | Refer note-39 for transactions with Related Party | | |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

| 25. COST OF MATERIALS CONSUMED | | (₹ In lacs) | |
|---|--|---|---|
| | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
| Raw Materials | | | |
| | Inventories at the beginning of the financial year | 12,060.27 | 8,579.04 |
| | Add : Purchases | 83,524.46 | 75,591.65 |
| | Less : Inventories at the end of the financial year | (11,782.48) | (12,060.27) |
| | Cost of Raw Material Consumed | (A) 83,802.25 | 72,110.42 |
| Packing Materials | | | |
| | Inventories at the beginning of the financial year | 2,508.09 | 1,926.11 |
| | Add : Purchases | 8,213.04 | 8,856.50 |
| | Less : Inventories at the end of the financial year | (1,978.55) | (2,508.09) |
| | Cost of Packing Materials Consumed | (B) 8,742.58 | 8,274.52 |
| | | (A) + (B) | 92,544.83 |
| | Footnotes : | | |
| a. | Refer note-39 for transactions with Related Party | | |
| 26. PURCHASE OF STOCK IN TRADE | | | |
| | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
| | Agrochemicals | 19,587.89 | 14,614.42 |
| | | 19,587.89 | 14,614.42 |
| 27. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS | | | |
| | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
| Inventories at the end of the year | | | |
| | Stock in Trade | 4,942.67 | 3,731.48 |
| | Work in Progress | 748.49 | 806.01 |
| | Finished Goods | 14,976.71 | 15,543.11 |
| | | 20,667.87 | 20,080.60 |
| Inventories at the beginning of the year | | | |
| | Stock in Trade | 3,731.48 | 4,419.21 |
| | Work in Progress | 806.01 | 596.56 |
| | Finished Goods | 15,543.11 | 13,974.21 |
| | | 20,080.60 | 18,989.98 |
| | (Increase)/Decrease in Inventories | (587.27) | (1,090.62) |
| 28. EMPLOYEE BENEFIT EXPENSES | | | |
| | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
| | Salaries, wages and bonus | 11,389.23 | 10,977.63 |
| | Contribution to Provident & Other funds | 413.11 | 406.48 |
| | Gratuity | 205.31 | 204.18 |
| | Compensated absences | 235.09 | 172.47 |
| | Staff Welfare Expenses | 383.13 | 289.52 |
| | | 12,625.87 | 12,050.28 |
| | Footnotes : | | |
| a. | Refer note 35(a) for information on Defined Contribution plan | | |
| b. | Refer note 35(b) for information on Defined benefit plan-Gratuity | | |
| c. | Refer note 35(c) for information on Other employee benefits-Compensated absences | | |
| d. | Refer note-39 for transactions with Related Party | | |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

| | | (₹ In lacs) | |
|---|--|---|---|
| | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
| 29. FINANCE COSTS | | | |
| | Interest on bank overdraft & working capital limits | 19.58 | 10.29 |
| | Interest on lease liability | 283.05 | 303.52 |
| | Interest on Security Deposits & others | 9.17 | 6.46 |
| | | 311.80 | 320.27 |
| 30. DEPRECIATION AND AMORTIZATION EXPENSES | | | |
| | Depreciation on Property, Plant & Equipment (Refer Note-4) | 1,719.01 | 1,585.27 |
| | Amortization of Intangible Assets (Refer Note-6) | 41.66 | 42.48 |
| | | 1,760.67 | 1,627.75 |
| 31. OTHER EXPENSES | | | |
| | Power,fuel,electricity & water charges | 212.27 | 180.66 |
| | Consumable Stores | 121.51 | 97.47 |
| | Packing Charges | 467.88 | 526.32 |
| | Repair & Maintenance, Machinery | 141.65 | 114.92 |
| | Repair & Maintenance, Factory Building | 132.81 | 142.90 |
| | Incineration Charges | 2.05 | 6.89 |
| | Security Charges | 140.36 | 98.81 |
| | Laboratory expenses | 44.79 | 49.15 |
| | ISI Marking Fees | 7.19 | 7.45 |
| | R&D expenses | 245.03 | 384.77 |
| | Travelling and conveyance | 1,111.34 | 770.11 |
| | Communication Expenses | 102.27 | 106.29 |
| | Postage and Telegram | 34.94 | 27.95 |
| | Printing and Stationery | 51.19 | 53.11 |
| | Office and Godown Rent | 70.41 | 58.50 |
| | Rates and Taxes | 88.55 | 32.19 |
| | Insurance Charges | 483.26 | 456.90 |
| | Legal and Professional Charges | 837.80 | 796.99 |
| | Repair & Maintenance-Building | 208.05 | 219.11 |
| | Repair & maintenance-Other | 304.87 | 348.70 |
| | Security Charges-Offices | 37.05 | 26.40 |
| | Electricity & Water Charges | 53.67 | 47.27 |
| | Books and Periodicals | 1.01 | 0.96 |
| | Recruitment Expenses | 159.87 | 100.01 |
| | Fees and Subscription | 91.16 | 46.33 |
| | Charity and Donation | 3.31 | 7.74 |
| | Bank Charges | 13.18 | 23.39 |
| | Miscellaneous Expenses | 9.06 | 9.08 |
| | Directors' Sitting Fee | 24.70 | 23.55 |
| | Payment To Auditors (Refer Note 31.1) | 24.91 | 21.10 |
| | Vehicles Hiring & Maintenance | 1,616.92 | 1,347.37 |
| | Net Loss On Foreign Currency Transactions | 623.01 | 138.21 |
| | Property, Plant and Equipment Written off | 13.31 | 19.48 |
| | CSR Expenses (Refer Note 31.2) | 480.46 | 406.67 |
| | Education and Seminar | 1,167.86 | 603.20 |
| | Advertisement and Publicity | 1,509.87 | 1,209.27 |
| | Business Promotion Expenses | 210.04 | 198.30 |
| | Allowance for Bad and Doubtful Debts & Loans (Net) | 92.14 | 332.52 |
| | Freight & Cartage | 4,087.17 | 3,920.49 |
| | Field Assistant Expenses | 1,742.56 | 1,397.49 |
| | C&F Commission | 1,212.22 | 1,111.63 |
| | | 17,981.70 | 15,469.65 |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

(₹ In lacs)

| | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
|-------------|---|--------------------------------------|--------------------------------------|
| 31.1 | Payment to Statutory Auditors | | |
| | Audit Fees | 17.12 | 15.12 |
| | Limited Review Fees | 3.00 | 3.00 |
| | Tax Audit Fees | 2.50 | 2.00 |
| | Certification & Other Matters | 1.50 | - |
| | Reimbursement of expenses | 0.79 | 0.98 |
| | TOTAL | 24.91 | 21.10 |
| 31.2 | Amount Spent on CSR Activities | | |
| | Gross amount required to be spent by the company during the year | 480.35 | 403.61 |
| | Amount spent during the year | | |
| | Promotion of Education* | 136.43 | 356.93 |
| | Promotion of Sports | 6.00 | 0.25 |
| | Preventive Healthcare** | 119.37 | 28.73 |
| | Animal Welfare | 5.00 | - |
| | Eradicating Hunger | 13.50 | 8.25 |
| | Water Harvesting | 7.60 | - |
| | Livelihood Enhancement Projects | 113.11 | 1.00 |
| | Environmental Sustainability | 55.85 | 11.51 |
| | Amount unspent during the year*** | 23.60 | - |
| | | 480.46 | 406.67 |
| | Footnotes : | | |
| | * Includes Rs. 80.79 Lacs (PY Rs. 233.57 Lacs) towards transaction with related parties (Refer Note 39) | | |
| | ** It includes Rs. 101.40 Lacs (March 31, 2022 Rs. Nil) towards ongoing project for construction of Waiting Hall at AIIMS Delhi | | |
| | *** The unspent amount has been deposited in a separate bank account i.e., CSR Unspent Account within 30 days from end of FY2022-23 | | |
| | | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
| 32. | INCOME TAX EXPENSE | | |
| a. | Income tax recognized in profit or loss | | |
| | Current tax expense | | |
| | Current Tax | 7,704.93 | 7,143.32 |
| | Tax of earlier year provided / (written back) | (465.88) | - |
| | Deferred tax expense | | |
| | Origination and reversal of temporary differences | (317.17) | (273.27) |
| | | 6,921.88 | 6,870.05 |
| b. | Reconciliation of effective tax rate | | |
| | Profit before tax | 30,272.11 | 27,759.53 |
| | Tax using the Company's domestic tax rate i.e. 25.168% | 7,618.88 | 6,986.52 |
| | Effect of Expenses not deductible for tax purpose | 109.13 | 144.04 |
| | Effect of Income Exempt from tax | (19.81) | (19.81) |
| | Effect of Concessions and Tax incentives | (0.46) | (0.46) |
| | Effect of Lower tax Rate for the capital gains | (213.24) | (228.05) |
| | Other | - | 48.06 |
| | Adjustment in respect of current tax related to earlier years | (465.88) | - |
| | Adjustment in respect of Deferred tax related to earlier years | (106.74) | (60.25) |
| | Income tax Expenses recognised in the statement of profit and loss | 6,921.88 | 6,870.05 |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

33. OTHER COMPREHENSIVE INCOME

(₹ In lacs)

| | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| (i) Items that will not be reclassified to profit or loss | | |
| Remeasurements of the defined benefit plans | 10.71 | 190.95 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | (2.69) | - |
| (i) Items that will be reclassified to profit or loss | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | - | - |
| | 8.02 | 190.95 |
| 34. Earnings per share (EPS) | | |
| Net Profit for Basic & Diluted EPS (₹ In Lacs) | 23,350.23 | 20,889.48 |
| Number of Equity Shares at the beginning of the year | 4,65,78,324.00 | 4,65,78,324.00 |
| Add: Shares issued during the year | - | - |
| Less : Shares bought back during the year | 10,00,000.00 | - |
| Total Number of Shares outstanding at the end of the year | 4,55,78,324.00 | 4,65,78,324.00 |
| Weighted Average number of Equity Shares outstanding during the year | 4,63,75,584.27 | 4,65,78,324.00 |
| Earnings per share - Basic (₹) | 50.35 | 44.85 |
| Earnings per share - Diluted (₹) | 50.35 | 44.85 |
| Face value per share (₹) | 2.00 | 2.00 |

35. 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 ₹ 411.45 Lacs (Previous year ₹ 405.08 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 Statement for the year ended March 31, 2023

I. Changes in the Present Value of Obligation

(₹ In lacs)

| Particulars | For the year ended | |
|---|--------------------|-----------------|
| | 31-Mar-23 | 31-Mar-22 |
| Present Value of Obligation as at the beginning | 1,828.30 | 1,818.22 |
| Current Service Cost | 204.36 | 201.94 |
| Interest Expense or Cost | 130.63 | 120.83 |
| Re-measurement (or Actuarial) (gain) / loss arising from: | | |
| - change in demographic assumptions | 40.13 | 47.90 |
| - change in financial assumptions | (34.24) | (77.09) |
| - experience variance (i.e. Actual experience vs assumptions) | (109.62) | (93.18) |
| Past Service Cost | - | - |
| Benefits Paid | (225.47) | (190.32) |
| Present Value of Obligation as at the end | 1,834.09 | 1,828.30 |

III. Changes in the fair value of plan assets

(₹ In lacs)

| Particulars | For the year ended | |
|--|--------------------|-----------------|
| | 31-Mar-23 | 31-Mar-22 |
| Fair Value of Plan Assets as at the beginning | 1,815.07 | 1,784.62 |
| Investment Income | 129.67 | 118.60 |
| Employer's Contribution | 13.23 | 33.60 |
| Benefits Paid | (225.47) | (190.32) |
| Return on plan assets, excluding amount recognized in net interest expense | (93.02) | 68.57 |
| Fair Value of Plan Assets as at the end | 1,639.48 | 1,815.07 |

The plan assets are managed by the Gratuity trust formed by the Group. The management of 100% of the funds is entrusted with the 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 | As at | |
|----------------------------------|-----------------|----------------|
| | 31-Mar-23 | 31-Mar-22 |
| Present Value of Obligation | 1,834.09 | 1,828.30 |
| Fair Value of Plan Assets | 1,639.48 | 1,815.07 |
| Surplus / (Deficit) | (194.61) | (13.23) |
| Effects of Asset Ceiling, if any | - | - |
| Net Asset / (Liability) | (194.61) | (13.23) |

IV. Bifurcation of present value of obligation at the end of the year

(₹ In lacs)

| Particulars | As at | |
|------------------------------------|-----------------|-----------------|
| | 31-Mar-23 | 31-Mar-22 |
| Current Liability (Short term) | 302.19 | 231.80 |
| Non-Current Liability (Long term) | 1,531.90 | 1,596.50 |
| Present Value of Obligation | 1,834.09 | 1,828.30 |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

V. Expenses Recognized during the year

(₹ In Lacs)

| Particulars | For the year ended | |
|---|--------------------|-----------------|
| | 31-Mar-23 | 31-Mar-22 |
| In Profit & loss : | | |
| Current Service Cost | 204.36 | 201.95 |
| Net Interest Cost/(Income) on the net defined benefit liability/(Asset) | 0.95 | 2.23 |
| Components of defined benefit costs recognised in profit & loss | 205.31 | 204.18 |
| In Other Comprehensive Income : | | |
| Actuarial (gains)/losses | | |
| -Change in demographic assumptions | 40.13 | 47.90 |
| -Change in financial assumptions | (34.24) | (77.09) |
| -Experience variance (i.e. Actual experience vs assumptions) | (109.62) | (93.19) |
| Return on plan assets, excluding amount recognised in net interest expense | 93.02 | (68.57) |
| Components of defined benefit costs recognised in other comprehensive income | (10.71) | (190.95) |

VI. Actuarial Assumptions

(₹ Ln lacs)

| Particulars | As at | |
|---|-----------|-----------|
| | 31-Mar-23 | 31-Mar-22 |
| Discount rate (per annum) | 7.40% | 7.15% |
| Salary growth rate (per annum) | 11.50% | 11.50% |
| Mortality rate {% of IALM 12-14 (P.Y. 12-14)} | 100.00% | 100.00% |
| Attrition / Withdrawal rate (per annum) | 5.00% | 5.00% |

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-23 | | 31-Mar-22 | |
|--|-----------|----------|-----------|----------|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate (- / + 1%) | 1,993.51 | 1,697.20 | 2,005.40 | 1,676.72 |
| (% change compared to base due to sensitivity) | 8.70% | -7.50% | 9.70% | -8.30% |
| Salary Growth Rate (- / + 1%) | 1,702.57 | 1,983.77 | 1,682.99 | 1,994.15 |
| (% change compared to base due to sensitivity) | -7.20% | 8.20% | -7.90% | 9.10% |
| Attrition Rate (- / + 50% of attrition rates) | 1,943.64 | 1,753.47 | 1,955.88 | 1,735.37 |
| (% change compared to base due to sensitivity) | 6% | -4.40% | 7.00% | -5.10% |
| Mortality Rate (- / + 10% of mortality rates) | 1,835.25 | 1,832.96 | 1,829.67 | 1,826.94 |
| (% change compared to base due to sensitivity) | 0.10% | -0.10% | 0.10% | -0.10% |

VIII. Expected Contribution during the next annual reporting period

(₹ In lacs)

| | |
|--|--------|
| The Group's best estimate of Contribution during the next year | 440.63 |
|--|--------|

IX. Maturity profile of defined Benefit obligation

(₹ In Lacs)

| Expected cash flows over the next (valued on undiscounted basis): | Amount |
|---|----------|
| 1 year | 302.19 |
| 2 to 5 years | 686.39 |
| 6 to 10 years | 717.91 |
| More than 10 years | 2,318.15 |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

(₹ In lacs)

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 ₹ 235.09 Lacs (Previous year ₹ 172.47 Lacs) towards the compensated absences

36. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In Lacs)

| S.No. | Particular | As at March 31, 2023 | As at March 31, 2022 |
|-----------|---|-------------------------|-------------------------|
| I | Contingent Liabilities | | |
| a. | Claims against the Group not acknowledged as debt* | | |
| | -Income Tax | 490.86 | 490.86 |
| | -Excise Duty (Net of Expenses recognized of Rs. 70.70 Lacs) | 637.81 | 637.81 |
| | -Service Tax (Net of Expenses recognized of Rs. 65.20 Lacs) | 111.05 | 111.05 |
| | -Sales Tax | 138.15 | 138.15 |
| | -Goods and Service Tax | 7.54 | 7.54 |
| | -Litigation pending in consumer forum | 135.21 | 124.51 |
| | -Other** | 2,980.00 | 2,980.00 |
| b. | Guarantees excluding financial guarantees | | |
| | -Bank Guarantees | 25.62 | 8.00 |
| c. | Other money for which the Group is contingently liable | | |
| | -'C' forms pending against central sales tax | 0.01 | 0.01 |
| 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. Due to pending decision on the subject review petition and directions from EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts. | | |
| II | Commitments | | |
| | -Estimated amount of contracts remaining to be executed on capital account and not provided for {Net of advances ₹ 442.50 Lacs (March 31, 2022 : ₹ 443.85 Lacs)} | 5,980.32 | 2,070.89 |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

- * 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.

- ** Group has received Refund of Terminal Excise Duty (TED) during FY 2015-16 & FY 2016-17 from Director General of Foreign Trade (DGFT). In November-2019, Group has received show cause notice from DGFT for recovery of erroneous payment of Terminal Excise Duty. Against this notice, Group has filed writ before Gujarat High Court and the court has stayed the recovery of the notice. As on now the matter is pending before Gujarat High Court.

37. LEASES

The Group's lease asset primarily consists of leases for offices, warehouses and Vehicles having the various lease terms. Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the cumulative effect of initially applying the standard recognised at the date of initial application, with right-of-use asset recognised at an amount equal to the lease liability, adjusted by the prepaid lease rent.

a. Right of Use

Following is carrying value of right of use assets and the movements thereof during the year ended are as under:-

(₹ In Lacs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Opening Balance | 2,928.67 | 4,039.95 |
| Additions during the Year | 293.71 | 224.05 |
| Depreciation Charge | (547.18) | (559.27) |
| Early cancellation of lease | (21.98) | (776.06) |
| Carrying amount at the end of the year | 2,653.22 | 2,928.67 |

b. Lease Liability

The following is the carrying value of lease liability and movement thereof during the year ended are as under:

(₹ In Lacs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Opening Balance | 3,084.42 | 4,007.15 |
| -Additions during the Year | 292.95 | 221.11 |
| -Finance Cost accrued during the year | 283.05 | 303.52 |
| -Cash outflow/payment of Lease liability | (664.89) | (665.81) |
| -Early cancellation of lease | (24.68) | (781.55) |
| Carrying amount at the end of the year | 2,970.85 | 3,084.42 |

- c. The Group has elected Para 6 of Ind AS-116 for short-term leases & recognised lease expense of ₹ 69.99 Lacs (Previous Year ₹ 58.5 Lacs) associated with these lease.
- d. The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application.
- e. The Maturity analysis of lease liabilities are disclosed in Note 42(b)



Notes to Consolidated Financial Statement for the year ended March 31, 2023

38. 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, Joint Managing Director 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, 2023.

39. 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 | Chief Operating Officer (w.e.f 21 st May, 2021 till 9th Feb, 2023) Joint Managing Director (w.e.f 10 th Feb, 2023) and Executive Director |
| e.) Sh. Mridul Dhanuka | Non-Executive Director |
| f.) Sh. Harsh Dhanuka | Executive Director |
| g.) Sh. Ashish Saraf | Executive Director |
| h.) Sh. Priya Brat | Independent Non-Executive Director |
| i.) Sh. Vinod Kumar Jain | Independent Non-Executive Director |
| j.) Sh. Sachin Kumar Bhartiya | Independent Non-Executive Director |
| k.) Sh. Sanjay Saxena | Independent Non-Executive Director |
| l.) Sh. Siraj Azmat Chaudhry | Independent Non-Executive Director |
| m.) Sh. Bajrang Lal Bajaj | Independent Non-Executive Director |
| n.) Smt. Namrata Gupta | Independent Non-Executive Director |
| o.) Sh. Vinod Kumar Bansal | Chief Financial Officer |
| p.) Sh. Jitin Sadana | Company Secretary |

II. Relatives of Key Management Personnel with whom transactions have taken place

| | |
|------------------------------|--|
| a.) Smt. Megha Dhanuka | Wife of Sh. Mridul Dhanuka |
| b.) Smt. Akangsha Dhanuka | Wife of Sh. Harsh Dhanuka |
| c.) Smt. Madhuri Dhanuka | Wife of Sh. Rahul Dhanuka |
| d.) Smt. Uma Dhanuka | Wife of Sh. Mahendra Kumar Dhanuka |
| e.) Smt. Mamta Dhanuka* | Wife of Sh. Arun Kumar Dhanuka |
| f.) Smt. Urmila Dhanuka | Wife of Sh. Ram Gopal Agarwal |
| g.) Sh. Arjun Dhanuka* | Son of Sh. Arun Kumar Dhanuka |
| h.) Sh. Satya Narain Agarwal | Brother of Sh. Ram Gopal Agarwal |
| i.) Sh. Manish Dhanuka* | Brother of Sh. Arun Kumar Dhanuka |
| j.) Smt. Pushpa Dhanuka* | Mother of Sh. Arun Kumar Dhanuka |
| k.) Smt. Seema Dhanuka* | Brother's wife of Sh. Arun Kumar 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.) Triveni Trust |
| g.) Agrihawk Technologies Private 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 |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

- m.) Otsuka Chemical (India) Pvt. Limited
- n.) IKO Overseas
- o.) Synmedic Laboratories
- p.) Synmedic Laboratories Pvt. Ltd.
- q.) Mahendra Kumar Dhanuka HUF
- r.) Pushpa Dhanuka Trust*
- s.) Orchid Pharma Limited
- t.) Satyanarain Agarwal HUF
- u.) Ram Gopal Agarwal HUF
- v.) Gobind Lal Dhanuka HUF*
- w.) Arun Kumar Dhanuka HUF*

*Sh. Arun Kumar Dhanuka ceased to be the Executive Director of the Company w.e.f. 30th Jan, 2023 due to his sad demise. Consequently, relatives of Sh. Arun Kumar Dhanuka and entities controlled by Sh. Arun Kumar Dhanuka or his relatives ceased to be related party w.e.f. 30th Jan, 2023.

b. The following transactions were carried out with related parties in the ordinary course of business:

(₹ In Lacs)

| Name of Transaction | Type of Relation | 2022-23 | | | 2021-22 | | |
|--|------------------|-----------------------------|--------------------|------------------------------|-----------------------------|--------------------|------------------------------|
| | | Transaction during the year | | | Transaction during the year | | |
| | | Purchase/ Amount Received | Sales/ Amount Paid | Balance outstanding Dr.(Cr.) | Purchase/ Amount Received | Sales/ Amount Paid | Balance outstanding Dr.(Cr.) |
| Compensation to KMP | | | | | | | |
| Short term employee benefits | a(i) | - | 2,425.77 | - | - | 2,840.11 | - |
| Post-employment benefits | | - | 44.79 | - | - | 46.00 | - |
| Sitting Fee to Non-Executive Directors | | - | 24.70 | - | - | 23.55 | - |
| Total | | - | 2,495.26 | (305.93) | - | 2,909.66 | (311.41) |
| Other Transactions | | | | | | | |
| Sales of Goods | a(iii)d | - | 0.08 | - | - | - | - |
| Purchase of Goods | a(iii)d | 25.85 | - | (30.50) | 63.10 | - | (34.12) |
| Purchase of Fixed Assets | a(iii) | 0.47 | - | - | - | - | - |
| Services Rendered-Rent | a(iii) | - | 0.56 | 0.83 | - | 2.22 | 1.27 |
| Services Received-Rent | a(ii) & a(iii) | 497.00 | - | - | 488.38 | - | - |
| Security Deposits Received - Rent | a(iii) | 19.10 | - | - | - | - | - |
| Loans Given/ Repayment Received | a(iii)d | 2,000.00 | 2,000.00 | - | 5,000.00 | 1,100.00 | - |
| Interest on Loan | a(iii)d | 90.58 | - | - | 101.81 | - | - |
| Travel /Other expenses | a(iii)a | - | 4.96 | (5.64) | - | 4.89 | (5.57) |
| Contribution towards CSR | a(iii)e | - | 80.79 | - | - | 233.57 | - |
| Service received-C&F Commission | a(iii)a | 690.42 | - | (328.2) | 611.88 | - | (191.67) |
| Dividend paid | a(i) | 31.17 | - | - | 51.95 | - | - |
| Dividend paid | a(ii) | 36.88 | - | - | 61.47 | - | - |
| Dividend paid | a(iii) | 1,883.25 | - | - | 3,138.76 | - | - |
| Buy Back of Equity Shares | a(i) | 82.76 | - | - | - | - | - |
| Buy Back of Equity Shares | a(ii) | 120.92 | - | - | - | - | - |
| Buy Back of Equity Shares | a(iii) | 5,006.64 | - | - | - | - | - |

Note-Figures are shown net of GST, wherever applicable.



Notes to Consolidated Financial Statement for the year ended March 31, 2023

- The above post-employment benefits exclude gratuity which cannot be separately identified from the composite amount advised by the actuary.
- The above amount of services received – rent includes property tax reimbursement of Rs. 3.39 Lacs. (March 31, 2022 Nil)
- Out of total amount paid under contribution towards CSR, payment amounting to Rs. 80.79 Lacs (Previous year Rs. 228.57 Lacs) has been made to M/s Kalptaru Real Estate for construction of school building which is in the name of M/s Chiranjil Lal Dhanuka Charitable Trust.
- The above amount of services rendered – rent is net of credit note issued amounting to Rs. 0.14 lakhs to IKO Overseas. (March 31, 2022 Nil)

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 except as mentioned above for the year ended March 31, 2023 and March 31, 2022.

40. 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, 2023 | As at March 31, 2022 |
|--------|---|-------------------------|-------------------------|
| 1.) | Principal amount and Interest due thereon remaining unpaid to any supplier covered under MSMED Act as on 31st March | | |
| | Principal | 421.24 | 1,072.14 |
| | Interest | - | 0.04 |
| 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 | - | - |
| 4.) | The amount of interest accrued and remaining unpaid at the end of each accounting year. | 13.65 | 13.65 |
| 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. | - | - |

41. FINANCIAL INSTRUMENTS

I. Financial Assets-Fair values

(₹ In Lacs)

| Particulars | Fair Value Hierarchy | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|-------------------------|-------------------------|
| 1. Financial assets designated at fair value through profit and loss | | | |
| a) Investment | | | |
| i) In Equity Instruments | Level-1 | - | 11,909.47 |
| ii) In Equity Instruments | Level-2 | - | - |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

| Particulars | Fair Value Hierarchy | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|----------------------|
| iii) In Preference Shares | Level-1 | - | - |
| iv) In Preference Shares | Level-2 | 3,000.00 | 2,000.54 |
| v) In Mutual Funds | Level-1 | 14,640.07 | 10,237.43 |
| vi) In Debentures or Bond | Level-1 | 4,963.87 | 5,334.68 |
| vii) In Debt Instruments | Level-2 | 129.44 | 224.25 |
| 2. Financial assets designated at amortized cost | | | |
| a) Investment | | | |
| i) In Debentures or Bond* | | 2,734.70 | 3,882.30 |
| b) Trade receivables | | 33,903.99 | 28,249.16 |
| c) Cash & Cash Equivalents | | 348.30 | 148.48 |
| d) Other bank balances | | 80.08 | 95.09 |
| e) Loans** | | 87.66 | 83.42 |
| f) Other Financial Assets*** | | 9,287.92 | 9,486.37 |

* Net of Provision for Doubtful Debts ₹ 386.66 Lacs (March 31, 2022 : ₹ 315.14 Lacs)

** Net of Provision for Doubtful Debts ₹ 574.19 Lacs (March 31, 2022 : ₹ 645.71 Lacs)

*** Net of Provision for Doubtful Debts ₹ 33.29 Lacs (March 31, 2022 : ₹ 34.79 Lacs)

II. Financial Liabilities-Fair Value

(₹ In Lacs)

| Particulars | Fair Value Hierarchy | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|----------------------|
| 1. Financial liability designated at amortized cost | | | |
| a) Borrowings | | 380.84 | 96.24 |
| b) Trade Payables | | | |
| -Total Outstanding dues of Micro Enterprises and Small Enterprises | | 434.89 | 1,085.79 |
| -Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | | 17,088.41 | 16,385.96 |
| c) Lease Liability | | 2,970.85 | 3,084.42 |
| d) Other Financial Liability | | 9,002.89 | 10,517.34 |

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



Notes to Consolidated Financial Statement for the year ended March 31, 2023

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.

42. 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 31,2023 | As at March 31,2022 |
|---|------------------------|------------------------|
| Ageing of Gross Carrying Amount | | |
| Not due | 27,736.82 | 22,977.59 |
| 0-90 | 5,108.27 | 4,581.30 |
| 91-180 | 729.83 | 450.92 |
| 181-270 | 178.76 | 60.65 |
| 271-360 | 61.40 | 45.64 |
| Above 360 Days | 772.57 | 686.45 |
| Gross Carrying Amount | 34,587.65 | 28,802.55 |
| Expected credit losses (Loss allowance provision) | 683.66 | 553.39 |
| Net Carrying Amount | 33,903.99 | 28,249.16 |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

Reconciliation of allowance for lifetime expected credit loss on customer balances:

(₹ In Lacs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|-------------------------|-------------------------|
| Opening Balance | 553.39 | 463.66 |
| Changes in loss allowance | 130.27 | 89.73 |
| Closing balance | 683.66 | 553.39 |

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, 2023 | | As at March 31, 2022 | |
|--|-------------------------|---------------|-------------------------|---------------|
| | Gross | ECL | Gross | ECL |
| There is no risk of Defaults | 87.66 | - | 83.42 | - |
| There is risk of Defaults | 574.19 | 574.19 | 450.00 | 450.00 |
| There is no reasonable expectation of recovery | - | - | 195.71 | 195.71 |
| Closing Balance | 661.85 | 574.19 | 729.13 | 645.71 |

Following is the movements in provision for ECL on loans to corporates and others:

(₹ In Lacs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|-------------------------|-------------------------|
| Opening Balance | 645.71 | 645.71 |
| Changes in loss allowance | (71.52) | - |
| Closing balance | 574.19 | 645.71 |

Security Deposit

ECL for Security Deposit is measured considering 12 months ECL. The Group provides ECL based on following provision matrix:

(₹ In Lacs)

| Credit Risk Category | As at March 31, 2023 | | As at March 31, 2022 | |
|--|-------------------------|--------------|-------------------------|--------------|
| | Gross | ECL | Gross | ECL |
| There is no risk of Defaults | 356.16 | - | 360.25 | - |
| There is risk of Defaults | 33.29 | 33.29 | 33.29 | 33.29 |
| There is no reasonable expectation of recovery | - | - | 1.50 | 1.50 |
| Closing Balance | 389.45 | 33.29 | 395.04 | 34.79 |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

Following is the movements in provision for ECL on Security Deposit:

(₹ In Lacs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|-------------------------|-------------------------|
| Opening Balance | 34.79 | 1.50 |
| Changes in loss allowance | (1.50) | 33.29 |
| Closing balance | 33.29 | 34.79 |

Investment in Real Estate Funds

The Group provides ECL based on following provision matrix:

(₹ In Lacs)

| Credit Risk Category | As at March 31, 2023 | | As at March 31, 2022 | |
|--|-------------------------|---------------|-------------------------|---------------|
| | Gross | ECL | Gross | ECL |
| There is risk of Defaults | 554.21 | 386.66 | 630.28 | 315.14 |
| There is no reasonable expectation of recovery | - | - | - | - |
| Closing Balance | 554.21 | 386.66 | 630.28 | 315.14 |

Following is the movements in provision for ECL on Investment in Real Estate Funds:

(₹ In Lacs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|-------------------------|-------------------------|
| Opening Balance | 315.14 | 219.00 |
| Changes in loss allowance | 71.52 | 96.14 |
| Closing balance | 386.66 | 315.14 |

Financial assets other than Trade Receivables, Loans to corporate & others, Security Deposit and Investment in Real Estate Funds.

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 maintains 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, 2023

(₹ In Lacs)

| Particulars | Total | Less than 1 year | 1-5 years | More than 5 years |
|---|-----------|------------------|-----------|-------------------|
| As at March 31, 2023 | | | | |
| Borrowings (Current) | 380.84 | 380.84 | - | - |
| Trade Payables | | | | |
| -Total Outstanding dues of Micro Enterprises and Small Enterprises | 434.89 | 434.89 | - | - |
| -Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 17,088.41 | 17,088.41 | - | - |
| Security Received from customers | 1,515.31 | - | - | 1,515.31 |
| Unclaimed Dividend | 80.08 | 80.08 | - | - |
| Capital Creditors | 921.26 | 921.26 | - | - |
| Lease Liability | 2,970.85 | 404.64 | 1,387.39 | 1,178.82 |
| Other Payable | 6,486.24 | 6,486.24 | - | - |
| As at March 31, 2022 | | | | |
| Borrowings (Current) | 96.24 | 96.24 | - | - |
| Trade Payables | | | | |
| -Total Outstanding dues of Micro Enterprises and Small Enterprises | 1,085.79 | 1,085.79 | - | - |
| -Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 16,385.96 | 16,385.96 | - | - |
| Security Received from customers | 1,425.13 | - | - | 1,425.13 |
| Unclaimed Dividend | 95.09 | 95.09 | - | - |
| Capital Creditors | 485.70 | 485.70 | - | - |
| Lease Liability | 3,084.42 | 349.06 | 1,755.22 | 980.14 |
| Other Payable | 8,511.42 | 8,511.42 | - | - |

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.

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:

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--------------------------|----------------------|---------------|----------------------|---------------|
| | (₹ in Lacs) | (FCY in Lacs) | (₹ in Lacs) | (FCY in Lacs) |
| Amount Receivable | | | | |
| USD | 153.41 | 1.87 | 163.05 | 2.15 |
| Amount Payable | | | | |
| USD | 3,309.70 | 40.26 | 5,256.66 | 69.34 |
| EURO | 98.57 | 1.10 | 116.41 | 1.38 |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

Sensitivities were determined on the basis of a scenario in which the INR appreciated/depreciated by 5% against USD/EURO 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 31,2023 | As at March 31,2022 |
|---|------------------------|------------------------|
| Increase in exchange rate by 5% | (157.81) | (254.68) |
| Decrease in exchange rate by 5% | 157.81 | 254.68 |

(₹ In Lacs)

| Particulars (EURO Impact on profit before tax and total equity) | As at March 31,2023 | As at March 31,2022 |
|--|------------------------|------------------------|
| Increase in exchange rate by 5% | (4.93) | (5.82) |
| Decrease in exchange rate by 5% | 4.93 | 5.82 |

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 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.

43. 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:

(₹ In Lacs)

| Particulars | As at March 31,2023 | As at March 31,2022 |
|-----------------------------------|------------------------|------------------------|
| Borrowings (Non-Current) | - | - |
| Borrowings (Current) | 380.84 | 96.24 |
| Gross Debt | 380.84 | 96.24 |
| Less : Cash & Cash equivalents | 348.30 | 148.48 |
| Net Debt (a) | 32.54 | (52.24) |
| Total Equity (b) | 1,06,129.61 | 96,041.57 |
| Debt to Equity Ratio (a/b) | 0.00 | (0.00) |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

44. 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 31,2023 | Amount As at March 31,2022 |
|-------------------------------------|----------|----------------------------|----------------------------|
| Iworld Business Solutions Pvt. Ltd. | Business | 300.00 | 300.00 |
| Prayag Polytech Pvt. Ltd. | Business | 124.19* | 195.71* |
| Tript Singh | Business | 100.00 | 100.00 |
| Sameer Kanwar | Business | 50.00 | 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.

45. DISCLOSURE AS PER REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS

(₹ In Lacs)

| Particulars | Amount As at March 31,2023 | Amount As at March 31,2022 | Maximum balance outstanding during the year 31.03.2023 | Maximum balance outstanding during the year 31.03.2022 |
|---|----------------------------|----------------------------|--|--|
| Loan to company in which Directors are interested Dhanuka Laboratories Limited | - | - | 2,000.00 | 5,000.00 |

46. Recent Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.



Notes to Consolidated Financial Statement for the year ended March 31, 2023

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements

47. Other Statutory Information

- a.) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- b.) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- c.) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- d.) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - I. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - II. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- e.) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - I. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - II. provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- f.) The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
- g.) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- h.) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- i.) The Group do not have any transactions with companies stuck off.
- j.) The Group have not been declared willful defaulter by any banks or any other financial institution at any time during the financial year.
- k.) The Group has utilized the borrowings from banks & financial institutions for specific purpose for which it was taken during the year.
- l.) The Group has been sanctioned working capital limit in excess of Rs. five crores in aggregate, at any point of time during the year from bank on the basis of security of current assets. The quarterly return/statement filed by Group with the banks are in agreement with the books of account of the Group of the respective quarters.

48. Subsequent Event

- a.) The Board of Directors have recommended Final Dividend of 100% i.e. Rs. 2.00 per equity share for the financial year 2022-23, subject to the approval of the Shareholders of the company in the ensuing Annual General Meeting.



Notes to Consolidated Financial Statement for the year ended March 31, 2023

49. 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, 2023

| Name of Entity | As at March 31, 2023 | | For the Year Ended March 31, 2023 | | For the Year Ended March 31, 2023 | | For the Year Ended March 31, 2023 | |
|--|---|----------------------|------------------------------------|----------------------|---|----------------------|---|----------------------|
| | 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 other comprehensive income | Amount (Rs. In lacs) | As % of consolidated total comprehensive income | Amount (Rs. In lacs) |
| Parent | | | | | | | | |
| Dhanuka Agritech Ltd. | 100.00% | 1,06,130.59 | 100.00% | 23,350.79 | 100% | 8.02 | 100.00% | 23,358.81 |
| Wholly owned subsidiary | | | | | | | | |
| Dhanuka Agri Solution Pvt. Ltd. | 0.00% | - | 0.00% | 0.02 | 0.00% | - | 0.00% | 0.02 |
| Dhanuka Chemicals Pvt Ltd | 0.00% | 0.02 | 0.00% | -0.68 | 0.00% | - | 0.00% | -0.68 |
| Total | 100.00% | 1,06,130.61 | 100.00% | 23,350.13 | 100.00% | 8.02 | 100.00% | 23,358.15 |
| Adjustment on account of consolidation | 0.00% | - | 0.00% | -0.10 | 0.00% | - | 0.00% | -0.10 |
| Elimination | 0.00% | 1.00 | 0.00% | - | 0.00% | - | 0.00% | - |
| Total | 100% | 1,06,129.61 | 100% | 23,350.23 | 100% | 8.02 | 100% | 23,358.25 |

b. As at and for the year ended March 31, 2022

| Name of Entity | As at March 31, 2022 | | For the Year Ended March 31, 2022 | | For the Year Ended March 31, 2022 | | For the Year Ended March 31, 2022 | |
|---------------------------------|---|----------------------|------------------------------------|----------------------|---|----------------------|---|----------------------|
| | 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 other comprehensive income | Amount (Rs. In lacs) | As % of consolidated total comprehensive income | Amount (Rs. In lacs) |
| Parent | | | | | | | | |
| Dhanuka Agritech Ltd. | 100.00% | 96,041.99 | 99.95% | 20,878.22 | 100% | 190.95 | 99.95% | 21,069.17 |
| Wholly owned subsidiary | | | | | | | | |
| Dhanuka Agri Solution Pvt. Ltd. | -0.01% | -13.45 | -0.01% | -1.86 | 0.00% | - | -0.01% | -1.86 |
| Dhanuka Chemicals Pvt Ltd | 0.00% | 0.70 | -0.00% | -0.30 | 0.00% | - | -0.00% | -0.30 |
| Total | 99.99% | 96,029.24 | 99.94% | 20,876.06 | 100% | 190.95 | 99.94% | 21,067.01 |
| Elimination | 0.01% | 12.33 | 0.06% | 13.42 | 0.00% | - | 0.06% | 13.42 |
| Total | 100% | 96,041.57 | 100% | 20,889.48 | 100% | 190.95 | 100% | 21,080.43 |



Notes to Consolidated Financial Statement for the year ended March 31, 2023

50. The Board of Directors of Dhanuka Agritech Limited in its meeting held on 02nd February, 2021 had approved the dissolution/ liquidation of this wholly owned subsidiary Dhanuka Agri-Solutions Private Limited (DASPL). The RJSC (Office of the Registrar of Joint Stock Companies and Firms), Bangladesh registered the returns of winding-up on 10th May 2023. DASPL shall be deemed to be dissolved on the expiration of three months from the above registration i.e. 10th August 2023.
51. Previous year figures have been regrouped/reclassified, wherever necessary. However, impact of these reclassifications, if any, are not material.

As per our report of even date attached

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

Sd/-
JALAJ SONI
Partner
Membership No : 528799
Place : Gurugram
Dated : 25th May, 2023

For and on behalf of the Board of Directors

Sd/-
M.K. DHANUKA
Vice Chairman & Managing Director
DIN: 00628039

Sd/-
V.K. BANSAL
Chief Financial Officer
M.No.: 86263

Sd/-
RAHUL DHANUKA
Joint Managing Director
DIN: 00150140

Sd/-
JITIN SADANA
Company Secretary
FCS No.: F 7612



NOTICE TO THE MEMBERS

To the Members of

Dhanuka Agritech Limited

Notice is hereby given that the **38th Annual General Meeting (AGM)** of the Members of **M/s Dhanuka Agritech Limited** will be held on **Wednesday, 02nd August 2023 at 11:00 A.M** through Video Conferencing/other Audio Visual Means ("OAVM") 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 March 31, 2023 together with the Reports of the Board of Directors and Auditors thereon, and in this regard to consider and if deemed fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"Resolved That the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 together with the Reports of the Directors and Auditors thereon as circulated to the Members be and are hereby received, considered and adopted."

2. To declare Dividend on Equity Shares for the Financial Year ended March 31, 2023, and in this regard to consider and if deemed fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"Resolved That Dividend @ 100% i.e. Rs. 2/- per Equity Share having Face Value of Rs. 2/- each, on 4,55,78,324 Paid up Equity Shares of the Company be and is hereby declared for the Financial Year ended March 31, 2023 and the same be paid as recommended by the Board of the Company, subject to deduction of tax at source and in accordance with the provisions of Section 123 and other applicable provisions, if any, of the Companies Act, 2013."

3. To appoint a Director in place of Mr. Ram Gopal Agarwal (DIN:00627386), Whole-Time Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment, and in this regard to consider and if deemed fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"Resolved That pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Ram Gopal Agarwal (DIN:00627386), Whole Time Director of the Company, who retires by rotation and being eligible for reappointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

4. To appoint a Director in place of Mr. Mridul Dhanuka (DIN:00199441), Non-Executive Director of the

Company, who retires by rotation and being eligible, offers himself for re-appointment, and in this regard to consider and if deemed fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"Resolved That pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Mridul Dhanuka (DIN:00199441), Non-Executive Director of the Company, who retires by rotation and being eligible for reappointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

5. To re-appoint M/s S.S. Kothari Mehta & Co, Chartered Accountants as Statutory Auditors of the Company for a further period of 5 years (second term), and in this regard to consider and if deemed fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"Resolved That pursuant to Section 139 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force), based on the recommendation of the Board, M/s. S.S. Kothari Mehta & Co, Chartered Accountants, (Firms Registration No.000756N), be and are hereby re-appointed as Statutory Auditors of the Company to hold office for a further period of five years, from the conclusion of the 38th Annual General Meeting till the conclusion of the 43rd Annual General Meeting of the Company to be held in the year 2028 at such remuneration as may be fixed by Board on recommendation of Audit Committee".

SPECIAL BUSINESS:

6. **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 148(3) 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 approve the remuneration of Rs. 2,20,000/- (including out of pocket expenses) plus applicable taxes payable to M/s. Nitin Khandelwal & Associates, Cost Accountants, who have been appointed as Cost Auditors of the Company by the Board of Directors in their Meeting held on 25th May, 2023, to conduct Cost Audit of the Company for the Financial Year ending March 31, 2024."



“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.”

7. Increase the Annual Commission payable to Mr. Harsh Dhanuka, Executive Director- Alliances & Supply Chain:

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

“Resolved That pursuant to Section 197, 198, Schedule V of the Companies Act, 2013 and Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) (**‘SEBI LODR Regulations’**) and all other applicable provisions and laws, based on the recommendation of the Nomination and Remuneration Committee and the Board, approval of the Members of the Company be and is hereby accorded to increase the Commission payable to Mr. Harsh Dhanuka Executive Director- Alliances & Supply Chain from 0.5% to 1.5% of the Net Profit of the Company as calculated under Section 198 of the Companies Act, 2013 from the Financial Year 2023-24 even if the annual remuneration payable to Mr. Harsh Dhanuka may exceed Rupees 5 crores or 2.5 per cent of the profits of the Company (whichever is higher) individually and / or the aggregate annual remuneration to all Promoter Executive Directors exceeds 5 per cent of the net profit of the Company in any year during the tenure of his appointment.”

“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.”

8. Shifting of Registered Office of the Company from the Union Territory of Delhi to the State of Haryana:

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

“Resolved That pursuant to Section 12 and other applicable provisions, if any, of the Companies Act, 2013

(including any statutory modifications and re-enactments thereof for the time being in force) read with Rule 27 and 30 of the Companies (Incorporation) Rules, 2014, relevant provisions of the Articles of Association of the Company and subject to the approval of the Office of the Regional Director (Northern Region) Delhi and other sanctions and approvals as may be necessary, based on the recommendation of the Board, the consent of the Members of the Company be and is hereby accorded for shifting of the Registered Office of the Company from the Union Territory of Delhi to the State of Haryana”

“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.”

9. To consider and approve the Alteration of the Memorandum of Association pursuant to the Shifting of the Registered Office from the Union Territory of Delhi to the State of Haryana:

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 13 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), subject to the approval of the Regional Director and other regulatory authorities, government(s), judicial/quasi-judicial authorities, court(s), as the case may be, based on the recommendation of Board, the consent of the Members of the Company be and is hereby accorded to alter Clause II of the Memorandum of Association of the Company by substituting it with the following clause:

“II. The Registered office of the Company will be situated in the state of Haryana i.e. within the jurisdiction of Registrar of Companies, NCT of Delhi & Haryana.”

“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.”

Place: Gurugram
Date: 25th May, 2023

CIN: L24219DL1985PLC020126

Registered Office:

82, Abhinash Mansion, 1st Floor, Joshi Road,
Karol Bagh, New Delhi – 110 005 (India)

Telephone No.: 011 23534551

Website: www.dhanuka.com

Email ID: investors@dhanuka.com

By Order of the Board of Directors
For Dhanuka Agritech Limited

Sd/
Jitin Sadana
Company Secretary and Compliance Officer
FCS-7612



NOTES:

Explanatory Statement setting out the material facts concerning each item of Special Businesses to be transacted at the 38th Annual General Meeting pursuant to Section 102 (1) of the Companies Act, 2013, is annexed hereto and forms part of the Notice.

1. Pursuant to the General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19”, General Circular No. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by SEBI (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of the Members for the meeting at a common venue. Hence, Members can attend and participate in the AGM through VC / OAVM. In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with guidance/ clarification issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. The detailed procedure for participating in the meeting through VC / OAVM is appended herewith and also available at the Company's website www.dhanuka.com.
2. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for the appointment of proxies by the members will not be available. Accordingly, the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to attend/vote at AGM through VC/OAVM by their respective authorized representatives are required to send to the Company/ RTA/ Scrutinizer a certified copy of the Board Resolution, pursuant to Sections 112 and 113 of the Companies Act 2013, by e-mail at investors@dhanuka.com with a copy marked to iitinsadana@dhanuka.com Company Secretary of the Company not later than 48 hours before the scheduled time of the commencement of the Meeting, authorizing their representative to attend and vote at the Meeting through VC.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint a proxy to attend and cast the vote for the Members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the Members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
5. Participation of Members through VC will be counted for the purpose of the quorum for the AGM as per Section 103 of the Act.
6. In compliance with the applicable Circulars, Notice of the AGM along with the Annual Report for FY 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the RTA/Company/Depositories. Members may note that the Notice and Annual Report for FY 2022- 23 are also available on the Company's website (www.dhanuka.com) under 'Investors' section, websites of the Stock Exchanges i.e. BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com). In case any member is desirous of obtaining a hard copy of the Annual Report for the Financial Year 2022-23 and Notice of the 38th AGM of the Company, he may send a request to the Company's email address at investors@dhanuka.com mentioning Folio No./ DP ID and Client ID. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) at www.evotingindia.com
7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made available only in electronic form for inspection during the Meeting through VC. Members seeking to inspect such documents can send an email to investors@dhanuka.com
8. Documents referred in this Notice will be available for inspection by the Members at the Registered Office of the Company from IST 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 online at the website of the Company, during the period of the Annual General Meeting. Members seeking to inspect such documents can send an email to investors@dhanuka.com
9. In compliance with the above said Circulars, the Company has published a public notice by way of an advertisement in Financial Express and Jansatta (“All Editions”), both having a Nationwide circulation with their electronic editions, inter alia, advising the Members whose e-mail ids are not registered with the Company, its Registrar and Share Transfer Agent (RTA) or Depository Participant(s) (DPs), as the case may be, to register their e-mail ids with them.



10. The Register of Members and the Share Transfer Books will remain close from **Saturday 22nd July 2023 to Wednesday 2nd August, 2023 (both days inclusive)**.
11. Payment of Dividend @ **100%** i.e. Rs. **2.00** per Equity Share having Face Value of Rs. 2.00 each, for the Financial Year ended 31st March, 2023, as recommended by the Board, subject to the approval of Members at the Annual General Meeting, will be paid to those Members whose names appear in the Register of Members of the Company as on **Friday, 21st July 2023** 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 of **Friday, 21st July 2023**, as per details furnished by the National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) for this purpose. In respect of Equity shares held in physical form after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as of the close of business hours on **Friday, 21st July 2023** For the members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to them.
12. Dividend income is taxable in the hands of the Shareholders and the Company is required to deduct TDS from Dividend paid to the Members at rates prescribed in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, Permanent Account Number ('PAN'), Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company/ M/s. Abhipra Capital Limited ('Registrar' or 'RTA' or 'ACL') by sending documents through email on or before **Tuesday, 25th July 2023**. The detailed process is available on the website of the Company at www.dhanuka.com. A communication providing information and detailed instructions with respect to tax on the Dividend for the Financial Year ended 31st March, 2023 is being sent alongwith this Notice to the Members whose email addresses are registered with the Company/DPs.
13. The Company draws your attention to the notification issued by SEBI dated January 24, 2022, June 08, 2018, and the press release dated December 3, 2018 amending Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to the amended provisions, all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. This measure is aimed at curbing fraud and manipulation risk in physical transfer/ transmission and transposition securities by unscrupulous entities. Transfer/ transmission and transposition of securities only in demat form will improve ease, facilitate convenience and safety of transactions for investors. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact either the Company at investors@dhanuka.com or M/s Abhipra Capital Limited at rta@abhipra.com for assistance in this regard.
14. In compliance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the LODR Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by Members holding shares in dematerialized mode, physical mode and for Members who have not registered their email addresses is provided in the 'Instructions for e-voting' section which forms part of this Notice.
15. The Board has appointed M/s. VAPN & Associates, Practicing Company Secretaries (FRN:P2015DE045500), as the scrutinizer ("Scrutinizer") for conducting the e-voting process in a fair and transparent manner.
16. 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 make, submit not later than 48 hours from 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 in his absence any other Director or Key managerial Personnel or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
17. 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) and the website of CDSL (www.evotingindia.com) 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. Further, the results shall be displayed on the Notice Board



of the Company at its Registered Office.

18. Voting rights of the Members for voting through remote e-voting or e-voting system provided in the Meeting itself shall be in proportion to Equity Shares of the Paid-up Equity Share Capital of the Company as on the cut-off date i.e. **Friday 21st July 2023**. A person, whose name is recorded in the Register of Members or the Register of Beneficial Owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting or e-voting system provide in the Meeting.
19. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
20. SEBI vide its Circulars dated March 16, 2023, November 3, 2021 and December 14, 2021 mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders of physical securities latest by 30th September 2023. It may be noted that any service request or complaint can be processed only after the folio is KYC compliant. Accordingly, the Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details. Members holding shares of the Company in physical form are requested to go through the requirements hosted on the website of the Company and furnish the requisite details.
21. Members are requested to support Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of shares held in dematerialized form) or with Registrar and Transfer Agent or the Company (in case of shares held in physical form, for receiving all communication including the annual report, notices from the Company electronically.
22. If there is any change in the e-mail ID already registered with the Company, Members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form on rta@abhipra.com or investors@dhanuka.com.
23. In terms of the aforesaid Circulars, the businesses set out in the Notice will be transacted by the Members only through remote e-voting or through the e-voting system provided during the Meeting while participating through the VC facility.
24. In accordance with the MCA Circulars, the Company has appointed CDSL for providing the VC facility to the Members for participating in the Meeting. The Members are requested to follow the following instructions in order to participate in the Meeting through the VC mechanism:
 - a) The login-id and password for joining the Meeting have been separately provided along with this Notice;
 - b) The Members can join the AGM in the VC/OAVM mode 15 minutes before the time scheduled to start the Meeting i.e. IST 10:45 A.M and 15 minutes after the expiry of the said schedule time by following the procedure mentioned in the notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 - c) Members who hold shares in the dematerialized form are requested to furnish their Client ID and DP ID Nos. and Members who hold shares in physical form are requested to furnish their folio number for easy identification of attendance at the Meeting;
 - d) Participation of a single Member shall only be allowed at a time;
 - e) Queries on the accounts and operations of the Company or the businesses covered under the Notice may be sent to the Company at investors@dhanuka.com at least seven days in advance of the Meeting so that the answers may be made readily available at the Meeting;
 - f) Members are requested to e-mail at helpdesk.evoting@cdslindia.com or investors@dhanuka.com or call at 1800 22 55 33/0124-4345000 in case of any technical assistance required at the time of log in/ assessing/ voting at the Meeting through VC;
25. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names shall be entitled to vote.
26. **Nomination facility:** As per the provisions of Section 72 of the Companies Act, the facility for nominations is available for the Members in respect of the Equity Shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14 as the case may be. The said forms are available at Company's Website www.dhanuka.com.



27. Members are requested to address all correspondence, including Dividend-related matters, to RTA, rta@abhipra.com, or the Company's Corporate Office at Global Gateway Towers, Near Guru Dronacharya Metro station, MG Road, Gurugram 122 002.
28. Members wishing to claim Dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or with the Company Secretary, at the Company's Corporate office or at investors@dhanuka.com. Members are requested to note that Dividend that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which Dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by an application to the IEPF authority, in Form No. IEPF-5 is available on www.iepf.gov.in
29. Members are requested to contact the Company's Registrar & Share Transfer Agent, i.e. M/s. Abhipra Capital Limited for the reply to their queries/redressal of complaints, if any, or contact the Company Secretary of the Company (Phone: 0124-4345000; Email: investors@dhanuka.com).
30. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed to this Notice.
31. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the 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.
32. Non-Resident Indian Members are requested to inform RTA, immediately on:
- Change in their residential status on return to India for permanent settlement;
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with Pin Code number, if not furnished earlier.

THE INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM & JOINING MEETING THROUGH VC / OAVM ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting

system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on **Sunday, 30th July 2023 at 09:00 A.M** and ends on **Tuesday, 01st August 2023 at 05:00 P.M (IST)**. During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **Friday, 21st July 2023** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing the ease and convenience of participating in the e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on the e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access the e-Voting facility.



Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in Demat mode with CDSL Depository | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for the Company where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see the e-Voting page of the e-Voting service provider for casting their vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also link provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on the login & New System Myeasi Tab and then click on the registration option. 4) Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL Depository | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open the web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under the 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see the e-Voting page. Click on the company name or e-Voting service provider name and you will be redirected to the e-Voting service provider website for casting your vote during the remote e-Voting period or joining a virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, the option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open the web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of the e-Voting system is launched, click on the icon "Login" which is available under the Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on the company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP) | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

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



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

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022-2499 7000 |

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

| | For Physical shareholders and other than individual shareholders holding shares in Demat. |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | 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. <ul style="list-style-type: none"> • 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. |



- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that the company opts for e-voting through the CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the Company Name to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the 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.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to the scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the

“Corporates” module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- 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 will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@dhanuka.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING THE MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is the same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend the meeting will be available where the EVSN of the Company will be displayed after a successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for a better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuations in their respective network. It is therefore



recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (investors@dhanuka.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to the meeting** mentioning their name, demat account number/folio number, email id and mobile number at (investors@dhanuka.com). These queries will be replied to by the company suitably by email. The Company reserves the right to restrict the number of questions and numbers of speakers, as appropriate, for smooth conduct of the AGM.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

Explanatory Statement

(Pursuant to Section 102 (1) of the Companies Act, 2013 and other applicable provisions)

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 38th Annual General Meeting.

Item No. 6

Ratification of Remuneration of the 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 25th May 2023 had considered and approved the appointment of M/s. Nitin Khandelwal & Associates, Cost Accountants(Firm Registration No. 004555) as Cost Auditors of the Company for the Financial Year 2023-24 to carry out Audit of Cost Records of the Company relating to Agro-Chemicals Manufacturing Activities, at a remuneration of Rs. 2,20,000/- (Rupees Two Lacs Twenty Thousand Only) (including out-of-pocket expenses plus applicable taxes).

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

In compliance with the above requirement, approval of the Members is sought for passing an Ordinary Resolution for remuneration payable to the Cost Auditors of the Company for the Financial Year 2023-24.

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. 06 of the Notice for approval of the Members by way of Ordinary Resolution.



Item No: 7

Increase the Annual Commission payable to Mr. Harsh Dhanuka, Executive Director- Alliances & Supply Chain

The Shareholders of the Company in the 34th Annual General Meeting held on 12th August, 2019 have appointed Mr. Harsh Dhanuka, Whole-time Director for a period of 5 years from 21st May, 2019 to 20th May, 2024 (both days inclusive).

Mr. Harsh Dhanuka is actively looking into the supply chain and putting all his efforts to improve the supply chain of the Company and making good relations with the Suppliers and putting all efforts to grow the Company. He has been designated as Executive Director- Alliances & Supply Chain on 10th February, 2023. Further, his performance as per the Evaluation forms filled by the Directors was found very good. In addition to his current responsibilities, now Mr. Harsh Dhanuka has been assigned additional responsibility to look after the affairs of the Dahej Unit.

Further pursuant to Regulation 17(6)(e) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the Members by Special Resolution in General Meeting, if-

- (i) the annual remuneration payable to such Executive Director exceeds Rupees 5 crore or 2.5 percent of the net profits of the listed entity, whichever is higher; or
- (ii) Where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 percent of the net profits of the listed entity.

Therefore the Nomination and Remuneration Committee, the Audit Committee and the Board in their respective Meetings held on 25th May, 2023 have approved to increase the Annual Commission payable to Mr. Harsh Dhanuka, Executive Director- Alliances & Supply Chain from 0.5% to 1.5% of the Net Profit of the Company as calculated under Section 198 of the Companies Act, 2013 from the Financial Year 2023-24 even if the annual remuneration payable to Mr. Harsh Dhanuka may exceed Rupees 5 crores or 2.5 percent of the profits of the Company (whichever is higher) individually and /or the aggregate annual remuneration to all Executive Directors may exceed 5 percent of the Net Profits of the Company in any year during the remaining tenure of his appointment.

As per the declaration made by the Promoter Directors, disseminated to the Stock Exchanges (BSE&NSE) on 29th July, 2022 by the Company, the remuneration payable to Mr. Harsh Dhanuka, Execution Director - Alliances & Supply chain of the Company in any case shall not exceed Rs.5 Crore till Financial Year 2026-27.

The other terms and conditions of his appointment will be as per the resolution approved by the Members in the Meeting held on 12th August, 2019.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Mahendra Kumar Dhanuka, Vice Chairman & Managing Director, and Mr. Mridul Dhanuka, Non Executive Director are interested or concerned in this Resolution.

The Board recommends the Resolution as set out at Item No. 7 for approval of the Members by way of Special Resolution.

Item No: 8

Shifting of the Registered Office from the Union Territory of Delhi to the State of Haryana:

The Registered Office of the Company is presently situated at 82, Abhinash Mansion, 1st Floor Joshi Road, Karol Bagh New Delhi Central Delhi-110005. The same has been sold and taken back on rent for keeping the Registered office of the Company. As all the secretarial and statutory records are being maintained and all corporate/head office staff is sitting at the Corporate Office of the Company, the Board proposed to shift the Registered Office of the Company from the Union Territory of Delhi to the State of Haryana i.e. at its Corporate Office at Global Gateway Towers, Near Guru Dronacharya Metro Station, M.G. Road, Gurugram – 122 002.

In accordance with the provision of section 12(5) of the Companies Act, 2013 except on the authority of the Special Resolution passed by the Members of the Company, the Registered Office of the Company cannot shift outside the limits of any city, town or village where such office is situated.

The Board in its Meeting held on 25th May 2023 has approved to shift the Registered Office of the Company from the Union Territory of Delhi to the state of Haryana and recommended the same to the Members for their approval.

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 hereby recommends the Resolution as set out in Item No. 8 for consideration and approval of the Members by way of Special Resolution.

Item No: 9

Alteration of Memorandum of Association pursuant to Shifting of Registered Office from the Union Territory of Delhi to the State of Haryana

Change in the Registered Office of the Company requires alteration to the "Registered Office Clause" i.e. Clause II of the Memorandum of Association (MOA) of the Company.

Pursuant to section 13 of the Companies Act, 2013, an



alteration to the Memorandum of Association of the Company requires the approval of the Members of the Company by way of Special Resolution.

The Board in its Meeting held on 25th May, 2023 has approved the alteration in the Clause II of the Memorandum of Association of the Company by substituting it with the following clause:

II. The Registered office of the Company will be situated in the state of Haryana i.e. within the jurisdiction of Registrar of Companies, NCT of Delhi & Haryana.

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 hereby recommends the Resolution as set out at Item No. 9 for consideration and approval of Members by way of Special Resolution.

Annexure to 38th Annual General Meeting Notice

Details of Directors Retiring by Rotation/Seeking Appointment/Re- Appointment at the 38th Annual General Meeting of Dhanuka Agritech Limited

| Particulars | Mr Ram Gopal Agarwal | Mr Mridul Dhanuka |
|--|--|---|
| Designation | Chairman & Whole Time Director | Non Executive Non Independent Director |
| Age | 74 years | 42 years |
| Qualification | He holds Bachelor's Degree in Commerce from Delhi University | He holds a B. Tech Degree in Chemical Engineering & done M.B.A. from NITIE, Mumbai. |
| Experience (Including expertise in the specific functional area)/ Brief Resume | <p>A Man of Vision, Business Acumen, Leadership, Philanthropist, and Passionate To Serve The Cause not only for the Farming Community but for the nation.</p> <p>Mr. RG Agarwal is the Group Chairman of Dhanuka Group & Family Charitable Trusts. Mr. Agarwal holds a Degree in Bachelor of Commerce (Hons) from Shri Ram College of Commerce and has vast experience of 55 plus years since 1968. Being a veteran in the Agri inputs industry, he is a decisive and action-oriented visionary working towards food, nutrition, health, environmental safety, and serving the nation.</p> <p>Under his dynamic stewardship, the Dhanuka Group has attained a distinct place as a leading Agritech (Crop Protection chemicals) & Pharma Business House in the country, with interests in Crop Protection, Spray Technology, Pharmaceuticals, and taking new technologies like IT, IoT, Precision agriculture, Drones and increasing their quality, yield, and income. He is a strong believer in making available all crop care inputs and services under one roof and is advocating Dhanuka Kheti Ki Nai Takneek through its many extension activities. The Group had been the first to join hands with the Government of Madhya Pradesh in 2001 for Agricultural Extension Management in the Hoshangabad district under a Public-Private Partnership.</p> | <p>He has a distinguished corporate career of 18 years. He is associated with Dhanuka since 2005. His technical expertise has supported to enlargement of 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 thus improving profitability. He is instrumental in driving various initiatives with the support of senior leadership teams to achieve the set milestones of the organization. Under his exuberant personality and ambitious leadership, the Company expanded its production facilities, setting up state of the art world-class manufacturing facility at Keshwana. He was responsible for successfully realigning the entire supply chain vertical from procurement to sales. He has successfully improved the efficiency and productivity of all the manufacturing facilities of Dhanuka, thereby making a positive contribution to the company's profitability. Continuing the legacy, he led the organization's major projects, bringing Dhanuka closer to its aspiration of "Transforming India through Agriculture."</p> |



| Particulars | Mr Ram Gopal Agarwal | Mr Mridul Dhanuka |
|---|--|---|
| | <p>Mr. Agarwal also has taken the initiative and is a pioneer in sponsoring the channel partners of Dhanuka to DAESI (Diploma in Agricultural Extension Services for Agri- Input Dealers) in collaboration with Navsari Agricultural University (Gujarat), Anand Agricultural University, and MANAGE Hyderabad. Such extension training imparted to the Agri-Input Dealers will go a long way in promoting the right use technology of for crop protection.</p> <p>Recognizing the importance of Research and Development for the growth of a Corporate House, he has established the Dhanuka Agritech Research and Technology (DART) Centre at Palwal, Haryana which is a State-of-the-art Research and Technology Centre equipped with all the latest facilities for all types of agricultural experiments. It is managed by highly qualified trained Scientists.</p> <p>Mr. Agarwal is a widely known personality in the Crop Protection Chemical Industry, Agricultural Research Institutes and Farming Community and was Chairman of the Crop Care Federation of India (Erstwhile Pesticides Association of India) for over four years and also earlier as its Vice Chairman. He was the President Emeritus of the Haryana Pesticides Manufacturers Association and also on the Executive Committee of the Pesticides Manufacturers & Formulators Association of India for many years. He was also the Chairman of the FICCI Crop Protection Committee.</p> <p>In view of his very distinct contributions to the uplifting of farmers, and society at large, Mr. Agarwal is the recipient of several coveted awards, to name a few: National Safety Award – 3 times; Forbes Award – 200 Best under A Billion Companies in Asia Pacific, Lifetime achievement award by CHAI, FICCI and many more. He is also pursuing many social and religious activities for the benefit of society.</p> | |
| Terms and Conditions of appointment/ Re-appointment | As per the existing agreement | As per the existing agreement |
| Remuneration last drawn in a F.Y 22-23 (including sitting fees, if any) | 5.7 crore including Commission | 2 lakhs (Sitting Fees) |
| Remuneration proposed to be paid | <p>As per the existing terms as mentioned below</p> <p>Salary: Rs. 15,00,000/- (Rupees Fifteen Lakh only) per month in the salary range of Rs.15,00,000 – 1,00,000 – 19,00,000 p.m.</p> <p>Commission: 1.25 % of the Net profits of the Company computed under Section 198 of the Companies Act, 2013.</p> <p>Allowance, Perquisites and other benefits will be in accordance with the terms and conditions of re-appointment as per the HR Policy of the Company</p> | No remuneration except sitting fees for attending the Board and Committee Meetings. |



| Particulars | Mr Ram Gopal Agarwal | Mr Mridul Dhanuka |
|---|---|--|
| Date of First Appointment on the Board | 10.03.1992 | 23.05.2011 |
| Shareholding in the Company as on 31 st March, 2023 | 1,89,031 Equity Shares | 27,604 Equity Shares |
| Relationship with other Directors/ Key Managerial Personnel | Brother of Mr. Mahendra Kumar Dhanuka, Vice Chairman & Managing Director; Father of Mr. Rahul Dhanuka, Joint Managing Director; | Son of Mr. Mahendra Kumar Dhanuka, Vice Chairman & Managing Director and Brother of Mr. Harsh Dhanuka, Executive Director-Alliances & Supply Chain |
| Number of Meetings of the Board attended during the financial year 22-23 | 2 | 3 |
| Directorship of other Boards as on 31 st March, 2023 | M/s H D Realtors Private Limited M/s. Orchid Pharma Limited M/s. Orchid Bio-Pharma Limited | M/s. Orchid Pharma Limited M/s Dhanuka Laboratories Limited M/s Orbion Pharmaceuticals Private Limited M/s Dhanuka Chemicals Private Limited M/s. Orchid Bio-Pharma Limited M/s M D Buildtech Private Limited |
| Membership/ Chairmanship of Committees of the Boards as on 31 st March, 2023 | Dhanuka Agritech Limited Corporate Social Responsibility Committee-Chairman Banking, Finance and Operations Committee-Chairman | NA |



Registered Office

82, Abhinash Mansion, 1st Floor, Joshi Road,
Karol Bagh, New Delhi - 110 005
Phone No.: (011) 23534551
E-mail: headoffice@dhanuka.com
CIN: L24219DL1985PLC020126

Corporate Office

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Phone No.: +91-124-434 5000
E-mail: investors@dhanuka.com

Works

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Mob. No.: +91-97 25012357
Ph. No.: +91-7698916916
E-mail: accountssnd@dhanuka.com

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SICOP Industrial Estate,
Battal Ballian, Udhampur (J&K)
Ph. No.: +91-9596756350/51/52
E-mail: udhampur@dhanuka.com

Plot No.SP 4-8, RIICO Industrial Area,
Keshwana Rajput - 303108 Kotputli,
Dist-Jaipur (Rajasthan), India
Phone : +91-9549899451
E-mail : keshwana@dhanuka.com

D-3/1/A, Phase-3
Dahej Industrial Estate
Amod Road, Taluka Vagra
Bharuch, Gujrat - 392130
Phone : +91-9767100902

Sales Offices/Godowns

Ahmedabad, Akola, Anantapur, Bargarh, Bengaluru, Bellary, Cuttack, Delhi, Ghaziabad, Gulbarga, Guwahati, Guntur, Hissar, Hubli, Hyderabad, Indore, Jaipur, Jabalpur, Kanchipuram, Karnal, Kichha, Kolkata, Lucknow, Ludhiana, Madurai, Nandyal, Nellore, Patna, Pune, Raipur, Ranchi, 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.

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