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## **BOARD OF DIRECTORS**

MUKUL G. ASHER, Chairman

CHETAN SHAH, Managing Director

SUSHIL MARFATIA, Executive Director

HIROYOSHI MUKAI

B. V. BHARGAVA

NINAD D. GUPTE

TADASHI KATAYAMA

PREETI MEHTA

MASANORI UZAWA

## **VICE PRESIDENT AND COMPANY SECRETARY**

PRAVIN D. DESAI

#### **BANKERS**

Citibank N.A.

HDFC Bank Ltd.

Sumitomo Mitsui Banking Corporation

Kotak Mahindra Bank Ltd.

Mizuho Bank, Ltd.

MUFG, Mumbai Branch

Axis Bank Ltd.

#### **AUDITORS**

SRBC & CO LLP

Chartered Accountants

## **REGISTERED OFFICE**

Building No. 1, Ground Floor, Shant Manor Co-op Housing Society Ltd.

Chakravarti Ashok 'X' Road,

Kandivli (East), Mumbai - 400 101

#### **CORPORATE OFFICE**

13 & 14, Aradhana Industrial Development Corporation,

Near Virwani Industrial Estate,

Goregaon (East), Mumbai - 400 063.

Tel: 42522200

#### REGISTRARS AND TRANSFER AGENTS

M/s. Link Intime India Pvt. Ltd.

C-101, 247 Park, L B S Marg, Vikhroli (West),

Mumbai - 400 083 Tel.: 49186000

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## NOTICE

NOTICE is hereby given that the TWENTY-SECOND ANNUAL GENERAL MEETING of the Members of SUMITOMO CHEMICAL INDIA LIMITED will be held through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") on Friday, the 29th July, 2022, at 2.30 p.m. to transact the following business:

#### **ORDINARY BUSINESS:**

- 1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2022 together with the Reports of the Board of Directors and Auditors thereon.
- 2. To declare a dividend on equity shares.
- 3. To appoint a director in place of **Mr. Hiroyoshi Mukai** (DIN: 07835814), who retires by rotation and, being eligible, offers himself for re-appointment.
- 4. To appoint a director in place of **Mr. Ninad D. Gupte** (DIN: 00027523), who retires by rotation and, being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

5. To reappoint **Mr. Chetan Shah** as Managing Director and in this regard to consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("**the Act**") and the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and pursuant to the resolution passed by the Board of Directors of the Company and subject to all such consents, sanctions, approvals and permissions as may be required and further subject to such conditions and modifications as may be imposed or prescribed by any authority while granting such consents, sanctions, approvals and permissions, and as are agreed to by the Board of Directors (hereinafter referred to as the "**Board**", which term shall, unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), the members hereby accord their approval to reappoint Mr. Chetan Shah (DIN: 00488127) as Managing Director of the Company for a period of one year with effect from 1st September, 2022, on the terms and conditions including as to remuneration as set out in the Contract for Reappointment of Managing Director ("**Contract**") to be executed between the Company and Mr. Chetan Shah, a draft whereof is duly initialled for the purpose of identification, and which Contract is hereby specifically sanctioned and approved, with liberty to the Board to alter and vary the terms and conditions of the compensation, but so as not to exceed the aggregate compensation set out in the Contract.

RESOLVED FURTHER THAT, the Board be and is hereby authorised to do all such acts and take all such steps, as it may, in its absolute discretion, deem necessary, proper, expedient or desirable for the purpose of giving effect to this resolution, and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to this resolution."

6. To reappoint **Mr. Sushil Marfatia** as Executive Director and in this regard to consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("**the Act**") and the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and pursuant to the resolution passed by the Board of Directors of the Company and subject to all such consents, sanctions, approvals and permissions as may be required and further subject to such conditions and modifications as may be imposed or prescribed by any authority while granting such consents, sanctions, approvals and permissions, and as are agreed to by the Board of Directors (hereinafter referred to as the "**Board**", which term shall, unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), the members hereby accord their approval to reappoint Mr. Sushil Marfatia

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(DIN: 07618601), as Executive Director of the Company for a period of one year with effect from 1st September, 2022, on the terms and conditions including as to remuneration as set out in the Contract for Reappointment of Executive Director ("Contract") to be executed between the Company and Mr. Sushil Marfatia, a draft whereof is duly initialled for the purpose of identification, and which Contract is hereby specifically sanctioned and approved, with liberty to the Board to alter and vary the terms and conditions of the compensation, but so as not to exceed the aggregate compensation set out in the Contract.

RESOLVED FURTHER THAT, the Board be and is hereby authorised to do all such acts and take all such steps, as it may, in its absolute discretion, deem necessary, proper, expedient or desirable for the purpose of giving effect to this resolution, and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to this resolution."

7. To approve **transactions** entered into / proposed to be entered into with **Sumitomo Chemical Company, Limited**, a related party, during the Financial Year 2022-23 and in this regard to consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT, approval of the members of the Company be and is hereby accorded pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to all the material related party transactions entered into / proposed to be entered into ("**the transactions**") and material modifications, if any, thereto between the Company and Sumitomo Chemical Company, Limited, Japan, the Holding Company and a related party of the Company, during the financial year 2022–23, including for purchase, sale and supply of goods (including raw materials, intermediates, finished products, capital goods and other items), for providing and availing services and other transactions in the ordinary course of business and on arm's length basis, provided that the total amount of the transactions shall not exceed ₹ 9,000 million (Rupees nine thousand million) plus applicable taxes and duties.

RESOLVED FURTHER THAT, the Board be and is hereby authorised to do all such acts, deeds, matters and things and to take all such steps, as it may, in its absolute discretion, deem necessary, proper, expedient or desirable for the purpose of giving effect to this resolution, and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to this resolution."

8. To ratify the remuneration of the **Cost Auditors** and in this regard to consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT, pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the remuneration of ₹ 550,000 (Rupees five hundred fifty thousand only) plus applicable taxes and duties and reimbursement of actual out-of-pocket expenses fixed by the Board of Directors of the Company payable to M/s. GMVP & Associates LLP, Cost Accountants (Registration Number: 000910), in respect of the cost audit for the financial year 2022-23, be and is hereby approved and ratified.

RESOLVED FURTHER THAT, the Board be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors For Sumitomo Chemical India Limited

Pravin D. Desai

Vice President & Company Secretary

Registered Office:

Building. No. 1, Ground Floor, Shant Manor Co-op. Housing Society Ltd., Chakravarti Ashok 'X' Road, Kandivli (East), Mumbai - 400 101.

Mumbai, 27th May, 2022

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#### NOTES:

- 1. In view of the continuing threat of Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its General Circular No. 14/2020 dated 08th April, 2020, General Circular No. 17/2020 dated 13th April, 2020, General Circular No. 20/2020 dated 5th May, 2020, General Circular No. 02/2021 dated 13th January, 2021, General Circular No. 19/2021 dated 8th December, 2021, General Circular No. 21/2021 dated 14th December, 2021 and General Circular No. 2/2022 dated 5th May, 2022 (hereinafter collectively referred to as "MCA Circulars"), permitted holding of annual general meetings through VC or OAVM without the physical presence of members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the annual general meeting of the members of the Company is being held through VC/OAVM. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
- 2. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this annual general meeting is being held pursuant to the **MCA Circulars** through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the annual general meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
- 3. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of their Board Resolution or governing body Resolution/Authorisation etc., authorising their representative to attend the annual general meeting through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to <a href="mailto:scrutinizer@sarafandassociates.com">scrutinizer@sarafandassociates.com</a> with copies marked to the Company at <a href="mailto:investor.relations@sumichem.co.in">investor.relations@sumichem.co.in</a> and to its RTA at instameet@linkintime.co.in
- 4. 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 or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available on the Company's website for inspection by members during the annual general meeting. All documents referred to in the Notice will also be available on the Company's website for inspection by members from the date of circulation of the Notice up to the date of the annual general meeting.

#### 5. Registration of email ID and Bank Account details:

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agents ("RTA") / Depositories, log in details for e-voting are being sent to the registered email address.

In case the shareholder has not registered his/her/its email address with the Company/ Link Intime India Private Ltd. — the Company's RTA/Depositories and / or not updated the Bank Account mandate for receipt of dividend; the following instructions should be followed:

(i) Kindly log in to the website of the RTA, <u>www.linkintime.co.in</u> under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit.

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In the case of Shares held in Demat mode:

- (ii) The shareholder may contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP:
- In compliance with the aforementioned MCA Circulars and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by Securities and Exchange Board of India ("SEBI"), the Notice of the annual

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general meeting along with the Annual Report for the financial year 2021-22 is being sent only by electronic mode to those members whose email addresses are registered with the Company/Depositories unless any member has requested for a hard copy of the same. Members may note that the Notice of annual general meeting and Annual Report for the financial year 2021-22 will also be available on the Company's website <a href="http://www.sumichem.co.in">http://www.sumichem.co.in</a> and the websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited.

Members can attend and participate in the annual general meeting through VC/OAVM facility only.

- 7. Members attending the meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 8. A Statement pursuant to Section 102 of the Companies Act, 2013, setting out details relating to the businesses under Items No. 5 to 8 is annexed hereto.
- The Company has fixed Friday, the 22nd July, 2022 as the 'Record Date' for determining members entitled to receive dividend for the financial year 2021-22. Payment of dividend is subject to approval by the members in the annual general meeting.

#### 10. **Payment of Dividend:**

Payment of dividend as recommended by the Board of Directors, if declared at the meeting, will be made on or after **Tuesday, the 2nd August, 2022**, to the Members whose names stand on the Company's Register of Members and to the Beneficial Owner(s) as per the Beneficiary List provided by the National Securities and Depository Limited and Central Depository Services (India) Limited at the close of business hours on **Friday, the 22nd July, 2022 (Record Date)**.

11. Payment of Dividend is subject to deduction of income-tax at source in accordance with the provisions of Income Tax Act, 1961 and rules made thereunder.

The members are requested to update their PAN details with the Company's Registrars & Transfer Agents (in case of shares held in physical mode) and depository participants (in case of shares held in demat mode).

No tax will be deducted on dividend payable to a resident individual shareholder if the amount of dividend received during a particular financial year does not exceed ₹ 5000. In case PAN is not registered, tax will be deducted at a higher rate of 20%.

A resident individual shareholder with PAN can submit declaration in Form 15G / 15H to avail the benefit of non-deduction of income tax at source to the Company's R&T Agents latest by **Tuesday, the 19th July, 2022 (up to 6.00 PM)** through their url as under:

https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html

As per the provisions of the Income tax Act, 1961, a non-resident shareholder may have an option to be governed by the provisions of the Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, if such DTAA provisions are more beneficial to them. The non-resident shareholder can avail beneficial rate(s) by furnishing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the DTAA benefits by updating details at the above url not later than **Tuesday, the 19th July, 2022 (up to 6.00 PM)** in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax.

On the said link, the user shall be prompted to select / share the following information to register their request.

- 1. Select the company (Dropdown)
- 2. Folio / DP-Client ID
- 3. PAN
- 4. Financial year (Dropdown)

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- 5. Form selection
- 6. Document attachment -1 (PAN)
- 7. Document attachment 2 (Forms)
- 8. Document attachment 3 (Any other supporting document)

Please note that incomplete and/or unsigned forms and declarations will not be considered by the Company. All communications/ queries in this respect should be addressed to the RTA, Link Intime India Private Limited to its email address: Sumitomodivtax@linkintime.co.in

- 12. Payment of dividend will be made through National Electronic Clearing Service (NECS) at the RBI Centers by crediting the dividend amount to the Bank Accounts of the shareholders wherever relevant information is made available to the Company. Members holding shares in physical form and covered under the RBI Centers who have not furnished the requisite information should furnish the information to M/s. Link Intime India Private Limited, the Registrars and Transfer Agents (RTA). Members holding shares in electronic form should furnish the information to their Depository Participants (DPs) in order to receive dividend through the NECS mechanism.
- 13. Members holding shares in electronic form are requested to notify change in their addresses to their DPs. Members holding shares in physical form are requested to notify change in their addresses to the RTA.
- 14. The amounts of dividend remaining unclaimed for a period of seven years are to be transferred to the Investor Education and Protection Fund.

Details of dividend declared by the Company and remaining unclaimed are given below:

Date of Declaration	Dividend for the year	Dividend ₹ per Share	Due date for transfer to the Investor Education and Protection Fund
16.10.2018	2018-19 (interim)	1.87	22.11.2025
01.08.2019	2018-19 (interim)	0.22	07.09.2026
27.12.2019	2018-19 (Final)	0.20	02.02.2027
10.09.2020	2019-20	0.55	17.10.2027
30.07.2021	2020-21	0.80	05.09.2028

Details of dividend declared by Excel Crop Care Limited (which amalgamated with the Company) and remaining unclaimed for the year 2014-15 onwards are given below:

Date of Declaration	Dividend for the year	Dividend	Due date for transfer to the Investor
		₹ per Share	Education and Protection Fund
23.09.2015	2014-15	12.50	30.10.2022
28.07.2016	2015-16	12.50	03.09.2023
07.07.2016	2016-17 (Interim)	11.50	13.08.2023
02.08.2018	2017-18	8.75	08.09.2025
29.05.2019	2018-19 (Interim)	6.25	05.07.2026

Members who have not encashed their dividend warrants for the above years are requested to write to the RTA for claiming the dividend before the due dates mentioned above.

- 15. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and the rules made thereunder, the shares, in respect of which dividend has not been paid or claimed for seven consecutive years or more, are liable to be transferred to Investor Education and Protection Fund.
- 16. Since the annual general meeting is to be held through VC / OAVM, the route map for the venue of the meeting is not provided.

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## 17. Remote e voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the annual general meeting. The instructions for e-voting are given below.

Pursuant to SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.</li> <li>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 e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a>. Select "Register Online for IDeAS Portal or click at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a>. Select "Register Online for IDeAS Portal or click at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a>. Select "Register Online for IDeAS Portal or click at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a>. SecureWeb/IdeasDirectReg.jsp</li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you w</li></ul>
Individual Shareholders holding securities in demat mode with CDSL	<ul> <li>Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="https://web.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK INTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> </ul>

Type of shareholders	Login Method
Individual Shareholders	<ul> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> <li>You can also login using the login credentials of your demat account through your</li> </ul>
(holding securities in demat	Depository Participant registered with NSDL/CDSL for e-Voting facility.
mode) & login through their	Once login, you will be able to see e-Voting option. Once you click on e-Voting option,
depository participants	you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider 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	1. Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a>
holding securities in Physical mode & evoting service	Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -
Provider is LINKINTIME.	A. <b>User ID:</b> Shareholders/ members holding shares in <b>physical form shall provide</b> Event No + Folio Number registered with the Company.
	B. <b>PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
	C. <b>DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
	D. <b>Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
	• Shareholders/ members holding shares in <b>physical form</b> but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
	Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$&*), at least one numeral, at least one alphabet and at least one capital letter).
	1. Click "confirm" (Your password is now generated).
	2. Click on 'Login' under ' <b>SHARE HOLDER</b> ' tab.
	3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
	4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
	5. E-voting page will appear.
	6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
	7. After selecting the desired option i.e. Favour / Against, click on ' <b>Submit</b> '. A confirmation box will be displayed. If you wish to confirm your vote, click on ' <b>Yes</b> ', else to change your vote, click on 'No' and accordingly modify your vote.

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#### Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

## Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
  - In case shareholder/ member is having valid email address, Password will be sent to his / her registered e-mail address.
  - Shareholder/ member can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
  - The password should contain minimum 8 characters, at least one special character (@!#\$&\*), at least one numeral, at least one alphabet and at least one capital letter.

#### Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
  - During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular "Event".

## Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

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

## <u>Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting</u> service Provider is LINKINTIME.

In case shareholders/members holding securities in physical mode/Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a>, under Help section or send an email to <a href="mailto:enotices@linkintime.co.in">enotices@linkintime.co.in</a> or contact on: - Tel: 022–4918 6000.

CIN: L24110MH2000PLC124224

#### 18. Instructions for shareholders/members to attend the annual general meeting through InstaMeet:

Shareholders/members are entitled to attend the annual general meeting through VC/OAVM facility provided by Link Intime India Private Limited by following the below mentioned process. Facility for joining the annual general meeting through VC/OAVM shall open 30 (thirty) minutes before the time scheduled for the annual general meeting and will be available to the members on first come first serve basis.

Shareholders/members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will close on expiry of 30 (thirty) minutes from the scheduled time of the annual general meeting. Shareholders/members with over 2% shareholding, promoters, institutional investors, directors, KMPs, chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 30 (thirty) minutes prior to the scheduled time of the meeting and the window for joining shall be kept open till the expiry of 30 (thirty) minutes after the scheduled time. Participation is restricted up to 1000 members.

Shareholders/ members will be provided with InstaMeet facility wherein shareholders/ members shall register their details and attend the annual general meeting as under:

- Open the internet browser and launch the URL for InstaMeet < < <a href="https://instameet.linkintime.co.in">https://instameet.linkintime.co.in</a>> and register with your following details:
  - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
  - b. PAN: Enter your 10 digit Permanent Account Number (PAN)
  - c. Mobile No.
  - d. Email ID
- 2. Click "Go to Meeting"

#### Note:

Shareholders/ members are encouraged to join the meeting through tablets/ laptops connected through broadband for better experience.

Shareholders/members are required to use internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that the shareholders/members connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience audio/visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fl or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/members have queries or issues regarding e-voting, they can send an email to <a href="mailto:instameet@linkintime.co.in">instameet@linkintime.co.in</a> or Call on: - Tel: 022-49186175

#### 19. Instructions for shareholders/members to register themselves as speakers at the annual general meeting:

Shareholders/members, who would like to express their views/ask questions during the annual general meeting, may register themselves as speaker by sending their request mentioning their name, Demat account number/folio number, email id and mobile number to <u>investor.relations@sumichem.co.in</u> on or before **Tuesday, the 26th July, 2022 (5.00 p.m.)**.

Only those shareholders/members, who have registered themselves as speakers, will be allowed to express their views/ask questions during the meeting. The speakers will be registered on first-come-first-serve basis. The Company reserves the right to restrict the number of speakers depending on availability of time in the annual general meeting.

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Shareholders/members, who would like to ask questions, may send their questions in advance mentioning name, Demat account number/folio number, email id and mobile number to <a href="mailto:investor.relations@sumichem.co.in">investor.relations@sumichem.co.in</a>. The same will be replied by the Company suitably.

Shareholders/members should allow use of camera and are required to use internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during their participation in the meeting.

#### 20. Instructions for members to vote during the annual general meeting through InstaMeet:

Once the electronic voting is activated by the scrutiniser during the meeting, members, who have not exercised their vote through remote e-voting, can cast their vote. Process for the same is as under:

- 1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
- 2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on '**Submit**'.
- 3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- 4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.
  - Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
- 5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
- 6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Members, who are present in the annual general meeting through InstaMeet facility 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 e-Voting facility during the meeting.

Members, who have voted through Remote e-Voting prior to the annual general meeting, will be eligible to attend/participate in the meeting through InstaMeet. They will, however, not be eligible to vote again during the meeting.

In case members have queries or issues regarding e-voting, they can write an email to <a href="mailto:instameet@linkintime.co.in">instameet@linkintime.co.in</a> or Call on: - Tel: 022-49186175.

21. The remote e-voting period begins on **Tuesday, the 26th July, 2022 (09.00 a.m.)** and ends on **Thursday, the 28th July, 2022 (5.00 p.m.)**. During this period, members of the Company, holding shares either in physical form or in dematerialised form as on the cut-off date, which shall be the close of business hours on **Friday, the 22nd July, 2022**, may cast their votes electronically. At the end of the remote e-voting period, the said facility shall be blocked and the e-voting module shall be disabled thereafter.

A person, who receives this notice and who is not a member as on the cut-off date, should treat this Notice for information purposes only.

Any person, who acquires shares of the Company and becomes a member of the Company after despatch of the Notice and who holds shares as of the cut-off date, may obtain the login ID and password by sending a request to (instameet@linkintime.co.in). However, if he/she is already registered with LIIPL for remote e-voting then he/she can use the existing User ID and password for casting vote.

22. Mr. K. G. Saraf, proprietor of Saraf & Associates, Practising Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

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The Scrutinizer shall unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Consolidated Scrutinizer's Report of the total votes cast in favour or against to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.

The results declared along with the Scrutinizer's Report will be placed on the Company's website <a href="www.sumichem.co.in">www.sumichem.co.in</a> and on the website of RTA at <a href="www.linkintime.co.in">www.linkintime.co.in</a> and communicated to the BSE Limited and National Stock Exchange of India Limited.

By Order of the Board of Directors For Sumitomo Chemical India Limited

Pravin D. Desai

Vice President & Company Secretary

Registered Office:

Building. No. 1, Ground Floor, Shant Manor Co-op. Housing Society Ltd., Chakravarti Ashok 'X' Road, Kandivli (East),

Mumbai - 400 101.

Mumbai, 27th May, 2022

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

#### Item No. 5

The Board of Directors has approved, subject to the approval of the members of the Company in general meeting and in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, reappointment of Mr. Chetan Shah as Managing Director of the Company for a period of one year with effect from 1st September, 2022 on the terms and conditions including remuneration as set out in the Contract for Reappointment of Managing Director ("Contract") to be executed between the Company and Mr. Chetan Shah, subject to such other approvals as may be necessary.

Mr. Chetan Shah fulfills all the conditions of appointment under Part I of Schedule V to the Companies Act, 2013.

The Contract contains, inter-alia, the following terms and conditions of his appointment:

- I. Compensation:
  - Annual Gross Salary: ₹ 50,000,000 as follows and subject to the annual increment as may be approved by the Nomination and Remuneration Committee of Directors of the Company and the Board of the Company (up to a maximum limit of ₹ 60,000,000 including the annual increment).

Particulars	₹
Basic Salary	50,000,000
Total	50,000,000

Mr. Chetan Shah will not be eligible to any Superannuation Scheme benefits.

2. The annual performance bonus, not exceeding 40% of annual gross salary as may be determined by the Board pursuant to the recommendation of the Nomination and Remuneration Committee based on the results of the performance goals of the preceding fiscal year determined under the evaluation system which is in line with Sumitomo Chemical global performance evaluation standard and which will be calculated based on the following table:

Performance	Bonus (% of annual gross salary)
0-1 (more than 120% of target)	40%
E – 2 (100-120% of target)	30%
G – 3 (80-100% of target)	20%
U – 4 (50-80% of target)	10%

- 3. Special performance bonus not exceeding 20% of annual gross salary as may be determined by the Board pursuant to the recommendation of the Nomination and Remuneration Committee. This special performance bonus would be in addition to the annual performance bonus referred to above.
- 4. If, in any financial year, the Company has no or inadequate profits as per the requirements of the Companies Act, 2013, the Company shall undertake reasonable efforts and follow process to obtain suitable approvals as may be required for payment of remuneration as stated hereinabove to Mr. Chetan Shah.
- II. The annual increment of Mr. Chetan Shah will be due on 1st April, 2023.
- III. Term: One year from 1st September, 2022 to 31st August, 2023.

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- IV. Mr. Chetan Shah shall devote his full time, ability, attention, energy, knowledge and skill solely for performance of his duties and responsibilities assigned/delegated to him as Managing Director by the Board of Directors.
- V. Mr. Chetan Shah will be entitled to leave and gratuity as per the Company's rules and policies.
- VI. Mr. Chetan Shah will be provided car(s) with driver(s) as per the Company's policy to discharge his day to day duties. The Company shall bear costs related to activities/services for the Company's official business purpose such as traveling costs, hotel costs, conveyance, telephone at residence, mobile bills, club costs or any other similar costs and such costs shall not be considered as part of his remuneration. As per and subject to the Company's applicable policies, Mr. Chetan Shah will be entitled to reimbursement of actual expenses reasonably incurred by him for the Company's official business purpose.

The Special Resolution at Item No. 5 seeks approval and consent of the members for reappointment of Mr. Chetan Shah as Managing Director of the Company for a period of one year with effect from 1st September, 2022, on the terms and conditions contained in the Contract.

Mr. Chetan Shah is an agrochemicals industry veteran. He has long association and familiarity with the Company and its business. In the opinion of the Board his reappointment as Managing Director would be of immense benefit to the Company. The Board, therefore, recommends the resolution for reappointment of Mr. Chetan Shah as Managing Director for the approval of the members by way of Special Resolution.

Except Mr. Chetan Shah, none of the Directors, key managerial personnel of the Company or their relatives, is in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Contract for Reappointment of Managing Director is available on the Company's website.

Following are the particulars of Mr. Chetan Shah:

Name of the Director	Mr. Chetan Shah
Date of Birth	22.07.1954
Date of Appointment as Managing Director	01.09.2019
Date of Reappointment as Managing Director	01.09.2022
Date of the first appointment on the Board	13.06.2010 (directorship held up to 06.10.2016)
Qualifications	Bachelor of Commerce from Mumbai University and Master's degree in Business Administration from North Rope University, Los Angeles, U.S.A.
Expertise in specific functional areas	Management and operations of crop protection business
Experience	Over 46 years
Other Indian companies in which directorship held	Vulcan Products Private Limited
	2. Dharmesh Services Private Limited
Other companies in which committee membership/ chairmanship held	None
No. of shares held in the Company as on 31st March, 2022	Nil
Relationship with other Directors and KMPs	None
Number of Board Meetings attended during the year 2021-22	4
Remuneration drawn in 2021-22	₹72.03 million
Remuneration and other terms and conditions of appointment	As specified in the Contract

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#### Item No. 6

The Board of Directors has approved, subject to the approval of the members of the Company in general meeting and in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, reappointment of Mr. Sushil Marfatia as Executive Director of the Company for a period of one year with effect from 1st September, 2022 on the terms and conditions including remuneration as set out in the Contract for Reappointment of Executive Director ("Contract") to be executed between the Company and Mr. Sushil Marfatia, subject to such other approvals as may be necessary.

Mr. Sushil Marfatia fulfills all the conditions of appointment under Part I of Schedule V to the Companies Act, 2013.

The Contract contains, inter-alia, the following terms and conditions of his appointment:

- I. Compensation:
  - 1. Annual Gross Salary: ₹ 19,000,000 as per the break up given below and subject to the annual increment as may be approved by the Nomination and Remuneration Committee of Directors of the Company and the Board of the Company (up to a maximum limit of ₹ 25,000,000 including the annual increment).

Particulars	₹
Basic Salary (₹ 1,400,000 per month)	16,800,000
Contribution to Provident Fund	2,016,000
Leave Travel Allowance	184,000
Total	19,000,000

For the purpose of calculating the above annual gross salary, perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

- Mr. Sushil Marfatia will not be eligible to any Superannuation Scheme benefits.
- 2. The annual performance bonus, not exceeding 40% of annual gross salary as may be determined by the Board pursuant to the recommendation of the Nomination and Remuneration Committee based on the results of the performance goals of the preceding fiscal year determined under the evaluation system which is in line with Sumitomo Chemical global performance evaluation standard and which will be calculated based on the following table:

Performance	Bonus (% of annual gross salary)
O-1 (more than 120% of target)	40%
E-2 (100-120% of target)	30%
G-3 (80-100% of target)	20%
U-4 (50-80% of target)	10%

- 3. If, in any financial year, the Company has no or inadequate profits as per the requirements of the Companies Act, 2013, the Company shall undertake reasonable efforts and follow process to obtain suitable approvals as may be required for payment of remuneration as stated hereinabove to Mr. Sushil Marfatia.
- II. The annual increment of Mr. Sushil Marfatia will be due on 1st April, 2023.
- III. Term: One year from 1st September, 2022 to 31st August, 2023.
- IV. Mr. Sushil Marfatia shall devote his full time, ability, attention, energy, knowledge and skill solely for performance of his duties and responsibilities assigned/delegated to him as Executive Director by the Board of Directors.
- V. Mr. Sushil Marfatia shall be entitled to leave and gratuity as per the Company's rules and policies.

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VI. Mr. Sushil Marfatia will be provided car(s) with driver(s) as per the Company's policy to discharge his day to day duties. The Company shall bear costs related to activities/services for the Company's official business purpose such as traveling costs, hotel costs, conveyance, telephone at residence, mobile bills or any other similar costs and such costs shall not be considered as part of his remuneration. As per and subject to the Company's applicable policies, Mr. Sushil Marfatia will be entitled to reimbursement of actual expenses reasonably incurred by him for the Company's official business purpose.

The Special Resolution at Item No. 6 seeks approval and consent of the members for reappointment of Mr. Sushil Marfatia as Executive Director of the Company for a period of one year with effect from 1st September, 2022, on the terms and conditions contained in the Contract.

Mr. Sushil Marfatia has long association and familiarity with the Company and its business as also with the agrochemicals industry. In the opinion of the Board the reappointment of Mr. Sushil Marfatia as Executive Director would be of immense benefit to the Company. The Board, therefore, recommends the resolution for reappointment of Mr. Sushil Marfatia as Executive Director for the approval of the members by way of Special Resolution.

Except Mr. Sushil Marfatia, none of the Directors, key managerial personnel of the Company or their relatives, is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Contract for Reappointment of Executive Director is available on the Company's website.

Following are the particulars of Mr. Sushil Marfatia:

Name of the Director	Mr. Sushil Marfatia
Date of Birth	02.12.1951
Date of Appointment as Executive Director	01.09.2019
Date of Reappointment as Executive Director	01.09.2022
Date of the first appointment on the Board	07.10.2016
Qualifications	B. Com.; Chartered Accountant
Expertise in specific functional areas	Accounts, Finance, Taxation, Legal & Secretarial,
	Production planning, Sales and marketing strategies
	and procurement of raw materials
Experience	Over 44 years
Other Indian companies in which directorship held	None
Other companies in which committee membership/	None
chairmanship held	
No. of shares held in the Company as on 31st March, 2022	3,825
Relationship with other Directors and KMPs	None
Number of Board Meetings attended during the year 2021-22	4
Remuneration drawn in 2021-22	₹23.84 million
Remuneration and other terms and conditions	As specified in the Contract
of appointment	

#### Item No. 7

Pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR") all related party transactions require prior approval of the Audit Committee and all material related party transactions and material modifications thereto require prior approval of the members through a resolution. LODR define the term 'material transaction' to mean a transaction with a related party which individually or taken together with previous transactions during a financial year exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company, whichever is lower.

Sumitomo Chemical Company, Limited, Japan ("SCC") is the Company's Holding Company and hence a related party. As a part of its regular business, the Company has business transactions with SCC which comprise purchase, sale and supply of

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goods (including raw materials, intermediates, finished products, capital goods and other items), providing and availing services and other transactions in the ordinary course of business. The transactions with SCC are at arm's length. All the related party transactions are approved by the Company's Audit Committee pursuant to the provisions of the Companies Act, 2013 and rules made thereunder and LODR.

The transactions for sale to SCC comprise of the products, originally innovated by SCC, which are manufactured by the Company in India. The Company does not pay royalty or other fees for manufacture of such products. Similarly, the purchase transactions with SCC involve products, originally innovated by SCC, which the Company distributes in India. The Company also has transactions for services and reimbursement of expenses with SCC. These business transactions help the Company in growing its business in domestic and export markets and earn decent profit margins.

The maximum aggregate amount of transactions entered into and proposed to be entered into with SCC during the financial year 2022-23 is estimated at ₹ 9,000 million which works out to 29.65% of the consolidated sales turnover of the Company for the financial year 2021-22.

The Ordinary Resolution at Item No. 7 seeks approval of the members for material related party transactions entered into / proposed to be entered into with SCC during the financial year 2022-23 in terms of Regulation 23 of LODR and material modifications, if any, thereto provided that the total amount of the transactions shall not exceed ₹ 9,000 million (Rupees nine thousand million) plus applicable taxes and duties.

In the opinion of the Board, the business transactions with SCC are in the overall interest of the Company and its business. The Board, therefore, recommends the resolution for the approval of the members by way of Ordinary Resolution.

None of the Directors, key managerial personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

No related party of the Company is eligible to vote in favour of the resolution set out at Item No. 7 pursuant to the provisions of LODR.

#### Item No. 8

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("the Rules"), the Company is required to appoint a cost auditor to audit its cost records.

The Board has appointed M/s. GMVP & Associates LLP, Cost Accountants (Registration Number: 000910) as the Cost Auditors of the Company for the financial year 2022–23 on the recommendation of the Audit Committee.

The Board has fixed the remuneration of the Cost Auditors at ₹ 550,000 plus applicable taxes and duties and reimbursement of actual out-of-pocket expenses. The remuneration of the Cost Auditors is required to be considered and ratified by the members of the Company pursuant to the Act and the Rules.

The Resolution at Item No. 8 of the Notice is set out as an Ordinary Resolution for ratification by the members in terms of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

The Board recommends the Resolution for approval by the members by way of Ordinary Resolution.

None of the Directors, key managerial personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

By Order of the Board of Directors For Sumitomo Chemical India Limited

Pravin D. Desai

Vice President & Company Secretary

Registered Office:

Building. No. 1, Ground Floor, Shant Manor Co-op. Housing Society Ltd.

Chakravarti Ashok 'X' Road, Kandivli (East),

Mumbai - 400 101.

Mumbai, 27th May, 2022

CIN: L24110MH2000PLC124224

#### REPORT OF THE BOARD OF DIRECTORS

#### TO THE MEMBERS

Your Directors have pleasure in presenting the Twenty-Second Annual Report and the Audited Financial Statements of the Company for the year ended 31st March, 2022.

#### 1. FINANCIAL RESULTS

The salient features of the Company's working are:

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	2021-22	2020-21
Gross Profit for the year	6,306.12	4,996.80
Less: Depreciation and amortization expense	447.92	465.56
Profit before tax	5,858.20	4,531.24
Less: Tax expense (current and deferred tax)	1,520.87	1,078.27
Profit after tax	4,337.33	3,452.97
Add: Balance of Retained earnings brought forward from the previous year	1,418.42	977.09
Available retained earnings	5,755.75	4,430.06
Other Comprehensive Income	27.25	12.89
	5,783.00	4,442.95
Dividend Paid during the year	399.32	274.53
Transfer to General Reserve	3,750.00	2,750.00
Retained earnings carried forward to the next year	1,633.67	1,418.42

## 2. DIVIDEND

Your Directors have recommended a dividend of ₹ 1.00 (previous year ₹ 0.80) per equity share on 499,145,736 shares of ₹ 10 each aggregating ₹ 499.15 million (previous year ₹ 399.32 million). The Directors consider this appropriate having regard to the requirements for funds for business and future growth of the Company.

## 3. OPERATIONS

The year witnessed two waves of Covid-19 pandemic and restrictions imposed and safety precautions observed in its wake. Several Company employees across categories and locations, their family members and the Company's business partners / their employees were infected by the virus in the second wave and some fatalities reported.

The year saw large price increases and volatility for several raw materials, intermediates and other inputs. The industry was able to pass cost increases to the market. The year also witnessed disruption of logistics for international cargo movements leading to delayed shipment of imports and exports.

Covid-19 induced restrictions gave impetus to the Company's digital marketing initiatives. The Company sees this as parallel to the traditional marketing practices followed by the industry. The Company engages digitally with over 17 million farmers.

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#### 4. NEW PRODUCTS/IMPROVEMENTS/EXPANSIONS

In the year under review, your Company continued to pursue initiatives to optimize utilization of its manufacturing facilities and also expand manufacturing capacities to meet increasing demand. During the year, your Company expanded manufacturing capacity for one of its technical grade products. The Company has completed feasibility study for introducing three new technical grade products. The Company continues to take initiatives for introducing new technical grade products and expanding production capacities.

Your Company continues its efforts in the area of product and process improvement for optimizing process and manufacturing costs for staying innovative and competitive. Your Company also continues to focus on adopting energy conservation and innovative waste management process.

The Company continues to maintain ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications for the manufacturing sites. The quality of products is maintained and upgraded to the applicable national and international standards through rigorous pursuit of the quality management systems. The Company continues to enjoy the reputation of a consistent and reliable quality supplier.

## 5. OUTLOOK

Agriculture sector is one of the important segments of Indian economy. It contributes about 18% to country's GDP and provides source of livelihood to a large section of the population. Share of agriculture in the country's GDP has declined over the decades as manufacturing and service sectors have grown faster.

Due to outbreak of the second and the third wave of Covid-19 in the financial year 2021-22, the agrochemicals industry witnessed situation somewhat similar to the first-half of 2020-21 like lockdowns, restrictions on people movements, logistics and transportation challenges, increase in cost of raw materials, etc.

Southwest monsoon season rainfall for the country during June-September 2021 was normal (96-104% of Long Period Average), though the states of Madhya Pradesh, Gujarat and Rajasthan faced long dry spell during sowing season and suffered flood situation post-sowing along with the states of Uttar Pradesh, Bihar and West Bengal. West Bengal, Odisha, Tamil Nadu, Andhra Pradesh, Telangana and Karnataka received cyclonic rains which damaged standing crops.

Due to restricted material supplies from China, the industry faced challenge of increasing raw material costs for several generic products. Further, increase in energy and fuel costs led to increase in overall costs exerting pressure on profitability. Despite all the odds, the Indian agrochemicals sector grew at a satisfactory rate as the agricultural activities remained largely unaffected by Covid-19.

The domestic agrochemicals market is driven by rising population, which spells the need for increasing food production which continues to boost consumption of agrochemical products.

The agrochemicals industry has been fairly buoyant led by normal monsoons and remunerative prices, all of which has resulted in an acceleration in agricultural activities. The industry is expected to grow at a higher rate in the coming years. The Indian Meteorological Department and other similar agencies have predicted normal monsoon in 2022. Considering this and the initiatives taken by the Government of India for farmers and farming, positive changes in domestic and export policies coupled with global market situation, the overall outlook for the Indian agrochemical industry remains positive.

#### 6. SAFETY, HEALTH AND ENVIRONMENT

The Company continues to play the role of a responsible corporate citizen in the fulfillment of its objectives of protecting and enriching the environment and human health and safety. In the Covid-19 situation which prevailed during the year under review, the Company continued to follow the recommended measures and protocols to safeguard health of its personnel (including contract and contractors' employees) and other people and stakeholders connected with its operations.

The Company has adopted Responsible Care Policy and its initiatives demonstrate its commitment towards comprehensive environment, health and safety of all stake holders and aims at achieving and sustaining high standards of performance. The

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Company continues to hold and maintain ISO 9001:2015, ISO14001:2015 and ISO 45001:2018 certifications which help in continuous improvement in the field of safety, health and environment. Safety audit, training programs and other safety management processes and programs are carried out at regular intervals.

The green initiatives of the Company in the form of harvesting wind and solar energy and treatment of sewage water contribute to improving environment.

The Company has adopted plastic waste management process to minimize the amount of 'post-use plastic waste' in the environment through a plastic credit platform dedicated to collection, segregation and recycling of such waste.

The Company makes positive contribution to the society by working for reduction of greenhouse gases and creates sustainable economic and social values. This initiative is being implemented through 'Science Based Targets'.

#### 7. EDUCATION, LEARNING AND HUMAN RESOURCES

Your Company continues to invest in development and growth of human resource through learning and development which helps in growth of the organization and also increases job satisfaction and employee morale. There is a focused approach to address capability, skill and competency gaps and groom high-performing and high-potential employees through specially devised Career Planning Process.

Your Company endeavours to address needs for skill and competency improvement, skill-flexibility and multi skill through training programs focusing on EHS, compliances, Responsible Care, ISO/SOP, supervisory development, engineering for non-engineers, maintenance management programs, sales excellence programs, leadership excellence, product knowledge training, positive attitude and change management etc. Employees are encouraged to participate in management development programs and conferences. High-potential employees are given project-specific assignments to enhance their leadership and other skills. Your Company also continues to educate farmers with the latest technology and new products.

#### 8. INSURANCE

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

## 9. SUBSIDIARIES

Highlights of the financial performance of Excel Crop Care (Africa) Limited, Tanzania, the subsidiary company, are as follows:

#### Excel Crop Care (Africa) Limited, Tanzania

(Tanzania Schillings in million)

	2021-22	2020-21
Revenue	773	2,433
(Loss) / Profit before Tax	(81)	314
(Loss) / Profit after Tax	(71)	202

Excel Crop Care (Africa) Limited, Tanzania has declared a dividend of Tanzania Schillings 25,000 per share i.e. 25% for the year 2021-22.

The Financial Statements and the Reports of the Board of Directors and the Auditors of Excel Crop Care (Africa) Limited are posted on the Company's website: <a href="https://www.sumichem.co.in">www.sumichem.co.in</a>.

Excel Crop Care (Europe) NV, the Company's subsidiary in Belgium, was voluntarily wound up during the year under review. This subsidiary did not have significant business, commercial activities, sales turnover and profits for several years. Its winding up is not likely to impact the business, commercial activities, financial position and financial statements of the Company and the group in any material manner. During the year 2021–22, Excel Crop Care (Europe) NV, Belgium, distributed intermediary dividend of 1600% aggregating Euro 1,008,000 out of its past retained profits.

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#### 10. DISCLOSURE UNDER THE COMPANIES ACT, 2013

Information is given below pursuant to various disclosure requirements prescribed under the Companies Act, 2013 and rules thereunder, to the extent applicable to the Company. Some of the disclosures have been included in appropriate places in the Corporate Governance Report which is part of the Board's Report.

#### a) Energy Conservation, Technology Absorption and Foreign Exchange earnings and outgo:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in **Annexure I**.

#### b) Annual Return:

Annual return as on 31st March, 2021 in form MGT-7 filed with the Ministry of Corporate Affairs is available on the Company's website <a href="https://www.sumichem.co.in">www.sumichem.co.in</a>

Annual return as on 31st March, 2022 in form MGT-7 will also be posted on the Company's website after the same is filed with the Ministry of Corporate Affairs.

## c) Policy on Directors' appointment, Remuneration Policy and information regarding remuneration:

Particulars of the Company's Policy on Directors' appointment, Remuneration Policy and information pursuant to Rule 5(1) of the Companies (Appointment & Remuneration) Rules, 2014 are given in **Annexure II**.

## d) Particulars of Loans, Guarantees and Investments:

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

#### e) Related Party Transactions:

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were on an arm's length basis.

All related party transactions are placed before the Audit Committee for their approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a repetitive nature. The transactions entered into pursuant to the omnibus and specific approvals are reviewed periodically by the Audit Committee.

Pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the said Regulations"), all material related party transactions require approval of the members through a resolution. The said Regulations define the term 'material' to mean a transaction with a related party which individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statement of the Company.

During the year, the Company entered into transactions with Sumitomo Chemical Company, Limited, Japan, the holding company, which are considered 'material transactions' in terms of the said Regulations. These transactions were approved by the shareholders by an ordinary resolution passed at the previous annual general meeting held on 30th July, 2021.

The Company is seeking approval of the shareholders, through an ordinary resolution at the ensuing annual general meeting, for the transactions entered into / proposed to be entered into with the holding company during the Financial Year 2022-23 up to an amount not exceeding ₹ 9,000 million.

The Company had no transactions during F.Y.2021-22 requiring disclosure in the Form AOC-2 under the Companies Act, 2013.

The Policy on related party transactions as approved by the Board may be accessed on the Company's website www.sumichem.co.in

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## f) Business Risk Management:

The Board has formed Risk Management Committee pursuant to the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to identify and monitor risks faced by the Company.

The Committee deliberates on the major enterprise and business risks identified by the management, analysis of their impact and mitigation measures for addressing the risks. The major risk areas relate to risks associated with material procurement, and manufacturing operations, regulatory risks, cyber security / IT related risks, human resources related risks, currency risks, credit risks mainly relating to exports and insurance adequacy risks.

## g) Evaluation of the performance of the Board, Committees of Directors and Individual Directors:

The Board has adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including performance of the Chairman of the Board. As a part of this mechanism, a structured questionnaire, approved by the Company's Nomination and Remuneration Committee, is used to carry out evaluation of performance of the Board, Committees of Directors and individual Directors. The questionnaires take into consideration various criteria and factors.

#### h) Material orders passed by the regulatory authorities or courts/material changes or commitments:

There are no significant material orders passed by regulators or courts which can impact the going concern status of the Company and its future operations. There are no material changes or commitments occurring after 31st March, 2022 which may affect the financial position of the Company.

#### i) Internal Financial Controls and their adequacy:

The Company has adequate system of internal controls to safeguard and protect from loss, unauthorised use or disposition of its assets. All the transactions are properly authorised, recorded and reported to the management. The Company is following all the applicable Accounting Standards for proper maintenance of books of accounts and for financial reporting.

#### i) Performance of Subsidiaries:

Details of performance and financial position of the subsidiaries are given in Form AOC-1 in **Annexure III**. The Company has no associate company.

#### k) Corporate Social Responsibility (CSR) initiatives:

The Company has formulated its Corporate Social Responsibility Policy which has been posted on its website www.sumichem.co.in

A brief outline of the Policy and the Annual Report on CSR Activities is given in **Annexure IV**.

## I) Particulars of Employees:

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure V**.

#### m) Secretarial Auditor and Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, M/s. Saraf & Associates, Practicing Company Secretaries, Mumbai (FCS:1596; CP NO.642), were appointed Secretarial Auditors to conduct secretarial audit for the year ended 31st March, 2022. The Report of the Secretarial Auditors is attached as **Annexure VI**.

#### n) Secretarial Standards:

The Company has complied with the applicable 'Secretarial Standards on Meetings of the Board of Directors - SS 1' and 'Secretarial Standards on General Meetings - SS 2'.

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#### 11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Hiroyoshi Mukai and Mr. Ninad D. Gupte, Directors, retire by rotation and being eligible, offer themselves for re-appointment.

#### 12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (b) they 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;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities:
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

#### 13. BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report prepared in the prescribed form pursuant to Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in relation to initiatives taken from environmental, social and governance perspective, forms part of the Annual Report and is given in **Annexure VII**.

#### 14. CORPORATE GOVERNANCE

Your Company is committed to the principles of good corporate governance and the Board of Directors lays strong emphasis on transparency, accountability and integrity. Your Company has complied with all the requirements of the Code of Corporate Governance contained in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and, pursuant thereto, Management Discussion and Analysis and the Corporate Governance Report are annexed and form part of the Annual Report.

#### 15. COST AUDIT REPORT

The Cost Audit Report of M/s. Kishore Bhatia & Associates, Cost Auditors, for the financial year 2020-21, which was required to be filed with the Ministry of Corporate Affairs on or before 30th November, 2021 was filed on 22nd September, 2021 vide SRN: T45726684.

## 16. ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere appreciation of the wholehearted co-operation received from the Company's Shareholders, Bankers, various authorities of the Governments and business associates.

For and on behalf of the Board of Directors

CHETAN SHAH

Managing Director DIN: 00488127

**SUSHIL MARFATIA** 

Executive Director DIN: 07618601

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## ANNEXURE - I TO THE REPORT OF THE BOARD OF DIRECTORS

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo under Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

#### (A) CONSERVATION OF ENERGY

- (i) Steps taken for conservation of energy and impact:
  - Replacement of low efficiency equipment, pumps and motors with energy efficient equipment, pumps and motors
  - Replacement of low efficiency refrigeration plant with a high efficiency refrigeration plant in Tarapur factory
  - Installation of VFD at various locations in plants with a view to reduce power consumption
  - Replacement of conventional industrial lighting with LED lights
     The measures undertaken for conservation of energy resulted in savings of power and fuel cost.
- (ii) Steps taken by the Company for utilizing alternative sources of energy:

Over the years, the Company has taken several initiatives in the area of utilization of alternative sources of energy. The Company has installed windmills and solar power generation units. The power generated by the windmills and the solar power plants is captively consumed for the Company's industrial operations.

## (B) TECHNOLOGY ABSORPTION

- a) Major efforts made towards technology absorption:
  - To develop non-infringing processes for new generics
  - Backward integration for some of the existing molecules/intermediates to attain self-sufficiency and remain competitive
  - To streamline processes developed in-house to make products with consistent yield and purity
  - Pilot level scale-up of processes to ensure safety and scale-up readiness
  - Microbial and chemical effluent treatment of streams from various product lines
  - To develop new formulations (including combi-formulations) and establish scalable process for them
  - To upgrade synthetic and analytical laboratories with modern scientific tools in order to cater to newer chemistries
  - Introduction of new hardware / technologies for improving packaging and packing productivity
- b) Benefits derived as a result of the above efforts:

The above efforts enable the Company to develop newer generic technical, formulations and combi-formulations using greener and efficient chemistries and enhance production capacities.

c) Information regarding imported technology (imported during last three years):

The Company has not imported any technology.

d) Expenditure incurred on research and development:

		(₹ million)
(a)	Capital	9.28
(b)	Recurring	121.05
(c)	Total	130.33
(d)	Total R&D expenditure as a percentage of total turnover	0.43%

#### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's total foreign exchange earnings in 2021-22 amounted to  $\stackrel{?}{\sim}$  6,667.21 million. The amount of foreign exchange used was  $\stackrel{?}{\sim}$  7,775.58 million.

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## ANNEXURE - II TO THE REPORT OF THE BOARD OF DIRECTORS

## Policy on Directors' appointment and remuneration, Remuneration Policy and information regarding remuneration:

- (a) Policy on Directors' appointment and remuneration:
  - i. The Policy lays down criteria for determining qualifications, skills, experience, expertise, competencies, integrity, positive attributes and independence for appointment of Executive and Non-Executive Directors and to determine their remuneration.
  - ii. The Policy also endeavours to ensure Board diversity in terms of gender, thought process, experience, knowledge and perspective and strives to evolve succession plans for the Board.
  - iii. The Policy strives to devise remuneration levels for the Directors taking into account individual performance and strives to attract and retain talent relevant to the Company.
  - iv. The Policy also lays down criteria for evaluation of performance of Directors.
  - v. A Whole-Time Director shall not hold office as Whole-Time Director in any other Company except in the Company's subsidiary. However, Managing Director may hold office of Managing Director in one more Company with specific approval of the Nomination and Remuneration Committee and the Board, subject to the provisions of the Companies Act, 2013 and rules made thereunder.
  - vi. A Managing Director/Whole-Time Director shall be appointed for tenure of up to five years.
  - vii. An Independent Director shall be appointed for a term not exceeding five years and may be reappointed for the second term of up to five years, subject to the provisions of the Companies Act, 2013 and rules made thereunder.
  - viii. The remuneration, including annual performance bonus of the Managing Director and Whole-Time Directors shall be determined and recommended by the Nomination and Remuneration Committee to the Board and shall be subject to the approval of the Board within the overall remuneration approved by a resolution of the members.
  - ix. The minimum remuneration of Managing Director/Whole-Time Director in case of loss or inadequacy of profit in a particular year shall be in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The Company shall, however in such a case, undertake reasonable efforts and follow the process to obtain suitable approval as may be required for payment of such higher remuneration to the Director as has been agreed to with the Director.
  - x. The Non-Executive Directors shall be paid sitting fees for attending meetings of the Board and Committees of Directors. The amount of sitting fees shall be determined by the Board from time-to-time within and subject to the limits stipulated by the Companies Act, 2013 and rules made thereunder.
  - xi. The Non-Executive Directors shall be paid commission, not exceeding in the aggregate 1% of the net profits of the Company, computed in the manner laid down in the Companies Act, 2013 and rules thereunder. Individual Director shall be paid commission within the overall limit of 1% of net profits as the Board may determine taking into account the number of Meetings attended, contribution in deliberations in meetings and such other criteria and factors as the Board may deem fit.
  - xii. A Non-Executive Director may be appointed Advisor, Consultant or in any other capacity on a fees/remuneration as may be determined by the Board of Directors subject to approval of the members as required under the Companies Act, 2013 and rules made thereunder and/or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - xiii. The Company shall bear costs and expenses incurred by the Directors for attending meetings of the Board/Committees of Directors / members and for attending to the Company's official business.
- (b) Remuneration Policy for the Management Employees.
  - (I) In determining the remuneration of the Senior Management Employees (i.e. KMPs, HODs and Management cadre employees) the Company ensures/considers the following:
    - (i) The relationship of remuneration and performance benchmark is clear.

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- (ii) The balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals.
- (iii) The remuneration is divided into two components viz. fixed component comprising of salaries, perquisites and retirement benefits and variable component comprising of performance bonus/incentive etc.
- (iv) The remuneration including annual increment and performance incentive is based on the criticality of the roles and responsibilities, the Company's performance, individuals' performance vis-a-vis KRAs, industry benchmark and current compensation trends in the market.
- (II) The Company carries out individual performance review based on the Standard Appraisal Matrix and takes into account the Appraisal Score Card and other factors mentioned herein-above while fixing the annual increment and performance incentives.
- (c) Remuneration of employees in staff/worker categories is based on periodical agreements/understandings reached through negotiations with Trade Union/Employees' Representatives. The increase in their remuneration depends upon such agreements/understandings.
- (d) The Company follows its Remuneration Policy in determining employee remuneration.
- (e) This Policy is also available on the Company's website www.sumichem.co.in

## Disclosure pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Remuneration of Directors, Company Secretary and Chief Financial Officer in 2021-22:

Sr. No.	Director(s)/KMP(s)	Remuneration (₹ million)	Ratio to Median Remuneration of employees	% increase/ (decrease) in remuneration in 2021-22 over 2020-21
1	Dr. Mukul G. Asher	2.76	4.67	(0.54)
2	Mr. Chetan Shah	72.03	122.07	12.48
3	Mr. Sushil Marfatia	23.84	40.40	13.61
4	Mr. Hiroyoshi Mukai	Nil	NA	NA
5	Mr. B. V. Bhargava	2.73	4.62	_
6	Mr. Ninad D. Gupte	0.22	0.36	_
7	Mr. Tadashi Katayama	Nil	NA	NA
8	Mrs. Preeti Mehta	2.77	4.69	1.09
9	Mr. Masanori Uzawa	Nil	NA	NA
10	Mr. Pravin D. Desai, Vice President and Company Secretary	8.17	Not Applicable	5.91
11	Mr. Anil Nawal, Chief Financial Officer	11.70	Not Applicable	15.44

- 2. The median remuneration of employees increased by 3.31% in 2021-22 over 2020-21.
- 3. The average remuneration of employees (other than Managing Director, and Executive Director) increased by 4.74% in 2021-22 over 2020-21.

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- 4. The performance bonus for Mr. Chetan Shah, Managing Director and annual performance bonus for Mr. Sushil Marfatia, Executive Director is paid in accordance with the terms of their appointment. The annual performance bonus is based on the specified criteria and is determined by the Board pursuant to the recommendation of the Nomination and Remuneration Committee on the basis of the results of the performance goals of the preceding fiscal year determined under the evaluation system which is in line with Sumitomo Chemical global performance evaluation standard.
- 5. Non-Executive Directors are paid commission not exceeding 1% of the net profits of the Company computed under Section 198 of the Companies Act, 2013 and the same is paid to individual Directors as determined by the Board.
- 6. The total number of employees on the Company's rolls as on 31st March, 2022 is 1696.

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## ANNEXURE - III TO THE REPORT OF THE BOARD OF DIRECTORS

## FORM AOC - 1

[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014]

# Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures Part A - Subsidiaries

(₹ in million)

Sr. Name of the Company No.	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment Other than Investment in Subsidiary Companies	Turnover	Profit / (Loss) Before Taxation	Provision for Taxation	After	Proposed Dividend	% of holdings
1. Excel Crop Care (Europe) NV	Eur	84.00	_	_	_	_	_	_	-6.00	_	-6.00	_	99.00%
		(85.92)	(5.41)	(93.53)	(100.97)	(2.03)	_	_	(-9.28)	_	(-9.28)	_	(99.00%)
2. Excel Crop Care (Africa) Limited	TZS	0.0330	5.61	28.98	37.46	2.87	_	16.46	-2.63	0.25	-2.88	1.40	99.94%
		(0.0318)	(5.41)	(36.15)	(64.96)	(23.40)	-	(60.06)	(10.15)	(0.54)	(9.61)	(5.41)	(99.94%)

(Figures in brackets relate to the Previous Year)

#### Notes:

- 1. Excel Crop Care (Europe) NV, has paid Intermediary Dividend of ₹85.62 million during the Financial Year 2021-22
- 2. Excel Crop Care (Europe) NV, is voluntarily wound up with effect from 23rd December 2021.
- 3. As required by notification issued by MCA, Indian Rupees equivalent of figures given in foreign currencies in the accounts of foreign subsidiaries have been given based on exchange rate as on 31st March 2022 for Balance Sheet items and at average exchange rate for Revenue items
- 4. The Company does not have Associate and Joint Ventures as on 31st March 2022, hence Part B is not applicable

CHETAN SHAH

Managing Director

PRAVIN D. DESAI

ANIL NAWAL Chief Financial Officer

Vice President & Company Secretary

SUSHIL MARFATIA

Executive Director

Mumbai

Mumbai 27<sup>th</sup> May, 2022

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## ANNEXURE - IV TO THE BOARD'S REPORT

## 1. <u>Brief outline on CSR Policy of the Company</u>:

The Company's CSR Policy, which is available on the website of Company <a href="https://www.sumichem.co.in">https://www.sumichem.co.in</a>, encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large.

CSR initiatives of the Company aim towards inclusive development of communities through a range of social interventions, enhancing skills and building social infrastructure to improve their livelihood. Our CSR approach focuses on development of communities around the vicinity of our plants and other offices for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons.

## 2. Composition of CSR Committee:

SI. 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
i	Mr. Chetan Shah	Managing Director (Chairman of the Committee)	3	3
ii	Mr. Sushil Marfatia	Executive Director	3	3
iii	Mr. Ninad D. Gupte	Non- Executive Director	3	3
lv	Mrs. Preeti Mehta	Independent Director	3	3

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	:	www.sumichem.co.in
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 carried out
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		Actual amount spent on CSR in current F.Y. 2021-22 is ₹ 66.29 million against the amount of ₹ 66.16 million required to be spent. The excess amount of ₹ 0.13 million is available for set off in F.Y. 2022-23 under Rule 7(3).
6.	Average net profit of the company as per section 135(5)	:	₹3,308.21 million

7.	a)	Two percent of average net profit of the company as per section 135(5)	:	₹66.16 million
	b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	:	Nil
	c)	Amount required to be set off for the financial year, if any	:	Nil
	d)	Total CSR obligation for the financial year (7a+7b-7c)	:	₹66.16 million

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

Total Amount Spent	Amount Unspent (in ₹ million)					
during the Financial Year (in ₹ million)	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) – amount transferred as follows in respect of short spend on CSR in F.Y. 2020-21			
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer	
66.29	NA	NA	Prime Ministers National Relief Fund	3.54	04/08/2021	
			PM CARES Fund	3.54	06/08/2021	

<sup>(</sup>b) Details of CSR amount spent against **ongoing projects** for the financial year: No ongoing projects undertaken

Details of CSR amount spent against other than ongoing projects for the financial year: (0)

Г			<u></u>			
(8)	(8)	Mode of Implementation - through Implementing Agency	CSR Registration Number	VRTI Bhavnagar CSR Reg. No. CSR00001027 VRTI Mandvi CSR Reg. No. CSR00000085	VRTI Bhavnagar CSR Reg. No. CSR00001027 VRTI Mandvi CSR Reg. No. CSR00000085	VRTI Bhavnagar CSR Reg. No. CSR00001027 VRTI Mandvi CSR Reg. No. CSR00000085
		Mode of Implementatio Agency	Name	Vivekanand Reaserch & Training Institute Bhavangar and Mandvi ("VRII")	Vivekanand Reaserch & Training Institute Bhavangar and Mandvi ("VRTI")	Vivekanand Reaserch & Training Institute Bhavangar and Mandvi ("VRII")
	(7)	Mode of Implementation –	Direct (Yes/No)	Yes, directly and also through Implementing Agency	Yes, directly and also through Implementing Agency	Yes, directly and also through Implementing Agency
	(9)	Amount spent for the	project (in ₹ million)	13.76	30.78	6.71
	(5)	Project	District	Bhavnagar, Gajod and Tarapur	Bhavnagar, Gajod, Vapi, Tarapur and Mumbai	Bhavnagar, Gajod and Tarapur
		Location of the Project	State	Gujarat and Maharashta	Gujarat and Maharashtra	Gujarat and Maharashtra
	(4)	Local Area (Yes/No)		Yes	Yes	Yes
	(3)	Item from the list of activities in Schedule	VII to the Act	Rural Development Projects (Sch. VII, x)	Promoting Preventive Healthcare, Eradicating Hunger, poverty & Malnutrition, Promoting Preventive Health, Care, Making available safe drinking water (Sch.VII.i)	Protection of flora & Fauna, Conservation of Natural resources & maintaining quality of soil, Animal welfare and Ensuring environmental sustainability (Sch. VII, iv)
	(2)	Name of the Project		Cemetery construction, Mamlatdar Office Shed & Police Ground, Solar LED street light Tappar, Cricket Ground development, Infrastructure for Social gatherings, Solar Power Integrated village development projects, etc.	Health and Eye check-up camps, medical support to hospitals and patients, heart surgeries for children from poor family background, etc.	Tree guards to protect newly planted trees, Micro Irrigation Support for needy farmers, provide kits to Improve Soil Quality & Farmer Productivity, Provide solar fencing to the farms for the needy/poor farmers, Nutrition Support to Animal, Fodder Distribution, Plastic waste Collection, Animal Vaccination, cattle shed, Rain water harvesting structure- Pond Deepening, Collection and disposal for Plastic waste, Tree plantation activity, Solar pump for water availability, etc.
	E	Sr. No.		-	2	8

(8)	- through Implementing	CSR Registration Number	VRTI Bhavnagar CSR Reg, No. CSR00001027 VRTI Mandvi CSR Reg. No. CSR00000085	I	
3)	Mode of Implementation - through Implementing Agency	Name	Vivekanand Reaserch & Training Institute Bhavangar and Mandvi ("VRT!")	1	
(7)	Amount Mode of Spent for the Implementation -	Direct (Yes/No)	12.88 Yes, directly and also through Implementing Agency	Yes	
(9)	Amount spent for the	project (in ₹ million)	12.88	2.16 Yes	66.29
(5)	Project	District	Bhavnagar, Gajod, Vapi, Tarapur and Mumbai	Bhavnagar, Tarapur and Mumbai	
	Location of the Project	State	Gujarat and Maharashtra	Gujarat and Maharashtra	
(4)	Local Area (Yes/No)		Yes	Yes	
(3)	Item from the list of activities in Schedule	VII to the Act	Education and Vocation skills and Special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects. (Sch.VII, ii)	Empowering women and children (Sch VII, iii)	
(2)	Name of the Project		School Enrolment program, Agriculture, Dairy - skills training, Women group training, Vocational training to disabled (Blind), etc	Women Empowerment Scheme & Children Education Scheme	Total
(1)	Sr. No.		4	5	

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(d)	Amount	Nil								
(e)	Amount	Nil								
(f)	Total am	₹66.29 million								
(g)	Excess a	Excess amount for set off, if any								
	Sr. No.		(₹ in million)							
	(i)	66.16								
	(ii)		66.29							
	(iii)		0.13							
	(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any		Nil						
	(v)		0.13							

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

		Amount transferred to Unspent CSR	Amount spent in the	Amount transf under Schedul	Amount remaining to be spent in		
		Account under	reporting				succeeding
Sr.	Preceding	section 135(6)	Financial Year	Name of the	Amount	Date of	financial years
No.	Financial Year	(in ₹)	(in ₹ million)	Fund	(₹ in million)	transfer	(in <b>₹</b> )
1.	2020-21	Nil	7.08	Prime Ministers National Relief Fund	3.54	04/08/2021	Nil
				PM CARES Fund	3.54	06/08/2021	

<sup>(</sup>b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): Nil

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

SUSHIL MARFATIA (Executive Director)

CHETAN SHAH (Managing Director & Chairman of CSR Committee)

Mumbai, 27th May, 2022

<sup>10.</sup> In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) - Not applicable

CIN: L24110MH2000PLC124224

# ANNEXURE - V TO THE REPORT OF THE BOARD OF DIRECTORS

Particulars of Employees pursuant to Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr No	Name of the Employee	Designation / Nature of Duties	(Rupees in	Qualification	Experience	Date of commencement	Age (years)	Particulars of Last employment
			million)			of employment		Employer, last post and period for which post held
1.	Chetan Shah	Managing Director	72.03	B.Com., Master of Business Administration	46 Years	01/09/2019	67	Excel Crop Care Limited Managing Director (3 years)
2.	Sushil Marfatia	Executive Director	23.84	B.Com, Chartered Accountant	44 Years	07/11/1996	71	New Chemi Industries Pvt Ltd, CEO (15 years)
3.	Kunal Suresh Mittal	Senior Vice President - Planning and Coordination Office	20.22	B.Com, Chartered Accountant	20 Years	15/01/2020	39	KPMG India Director (12 Years)
4.	Kalpesh Patel	Vice President - Sales & Marketing	18.85	B.Sc (Agri)	33 Years	18/02/2013	54	FMC India Marketing Manager (7 Years)
5.	Rajendra Pralhad Chaudhari	Vice President - Research & Development	18.13	M.Sc (Organic), Ph.D (Organic Chemistry) and post Directorate	34 years	01/09/2019	63	Excel Crop Care Limited Vice President - Research & Development (30 years)
6.	Gopalkrishnan Venkataraman	Vice President - Procurement	17.70	B. Tech, P.G. Diploma and IE	36 Years	01/09/2019	62	Excel Crop Care Limited Vice President - Procurement (31 years)
7.	Anil Kakkar	Vice President	17.24	M.Sc. and MBA	41 Years	01/09/2019	64	Excel Crop Care Limited Vice President - Marketing (31 years)
8.	Pankaj Garara	Vice President - Sales & Marketing	15.39	B.Sc (Agri.)	30 Years	02/05/2011	53	Monsanto India Regional Sales Manager (13 years)
9.	Gaganpreet Singh	Vice President - Sales & Marketing	15.13	M.Sc (Agri.), MBA	26 Years	11/05/2011	48	Sinochem National Sales Manager (1 year
10.	Suresh Ramachandran	Chief Commercial Officer	12.89	Ph. D. in Entomology	23 Years	03/03/2021	52	Indofil Business Head - India Agro (2 Years)
11	Maddika Nagarjuna Reddy	Vice President - Sales & Marketing	12.04	B.Sc. (Agri)	30 Years	02/05/2016	54	Adama India General Manager (2 Years)
12	Anil Nawal	Chief Financial Officer	11.70	B.Com, Chartered Accountant and Company Secretary	34 Years	01/09/2019	56	Excel Crop Care Limited Chief Financial Officer (3.5 years)
13	Hoshiar Singh	National Sales Manager	7.19	M.Sc Agri.	32 Years	01/09/2019	60	Excel Crop Care Limited GM-Sales & Marketing (30 Years)
14	Maruti Raghuttamrao Dharmadhikari	Vice President - Projects	3.42	B.Chem. Engg	39 Years	01/09/2019	60	Excel Crop Care Limited Vice President - Projects (3 Months)
15	Thaneshwar Chandrakar	Zonal Manager	2.58	B.Sc (Biology)	33 Years	01/09/2019	60	Excel Crop Care Limited Zonal Manager (31 years)
16	Devuben Pradipbhai Vaghela	Staff	1.37	1st Standard	45 Years	01/09/2019	61	Excel Crop Care Limited Staff ( 42 Years)
17	Rajesh Vinodrai Desai	Manager - Costing	1.03	B.Com	38 Years	01/09/2019	61	Excel Crop Care Limited Manager - Costing (36 Years)
18	Mukeshkumar Jitendrabhai Bhatt	Staff	0.98	B.Com, Diploma Mechanical	39 Years	01/09/2019	61	Excel Crop Care Limited Staff Supervisor (37 Years)

Notes: 1. Remuneration includes salary, performance bonus, commission, allowances, value of perquisites, Company's contribution to Provident Fund, Superannuation Fund and National Pension Fund and gratuity paid, if any.

<sup>2.</sup> The nature of employment is contractual in all the above cases.

<sup>3.</sup> The employees are not relatives of any Director of the Company.

<sup>4.</sup> Employees at Sr. No. 13 to 18 have been in service only for a part of the year.

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# ANNEXURE - VI TO THE REPORT OF THE BOARD OF DIRECTORS

# SECRETARIAL AUDIT REPORT Form No. MR-3 FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To.

The Members

Sumitomo Chemical India Limited CIN: L24110MH2000PLC124224

Bldg No.1, GF, Shant Manor Co-op Housing Society Ltd

Chakravarti Ashok 'X' Road, Kandivli (E)

Mumbai 400101.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sumitomo Chemical India Limited (L24110MH2000PLC124224) (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2022, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder:
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment (ODI); The Company has not accepted any External Commercial Borrowings (ECB), and hence ECB Guidelines are not applicable to the Company during the financial year under review.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) The Company has further complied with below mentioned laws, which are specifically applicable to the Company as it is in the business of Pesticides & Agrochemicals:
  - i. The Insecticides Act. 1968 and rules made thereunder
  - ii. The Fertilizers (Control) Order, 1985

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As per the representations made by the management and relied upon by me, during the period under review, provisions of the following regulations were not applicable to the Company:

- (i) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (up to 12<sup>th</sup> August 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13<sup>th</sup> August 2021);
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up to 15th August 2021);
- (iv) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (up to 15<sup>th</sup> August 2021);
- (v) Securities and Exchange Board of India (Issue and Listing of Non-Convertible securities) Regulations, 2021(with effect from 16<sup>th</sup> August, 2021)
- (vi) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (up to 9th June 2021) and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June 2021)
- (vii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

I have also examined compliance with the applicable clauses of the following

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with Stock Exchange read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

#### I further report that:

- The Board of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well 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.
- All decisions were carried through unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

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I further report that based on review of compliance mechanism established by the Company and as per the representations made by the management and relied upon by me, I am of the opinion that the management has adequate systems and processes, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there are no specific events/ actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.

#### For Saraf & Associates

Practising Company Secretaries K.G. SARAF Proprietor

FCS: 1596 | CP: 642

FRN. S1988MH004801 PR. 1003/2020

UDIN: F001596D000409443

Place : Mumbai Date : 27<sup>th</sup> May, 2022

Note: This report is to be read with my letter of even date which is annexed as 'ANNEXURE 1' and forms an integral part of this report.

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# 'ANNEXURE 1'

То,

The Members

Sumitomo Chemical India Limited CIN: L24110MH2000PLC124224

Bldg No.1, GF, Shant Manor Co-op Housing Society Ltd Chakravarti Ashok 'X' Road, Kandivli (E) Mumbai 400101.

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
- 2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- 3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
- 5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. my examination was limited to the verification of procedures 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 Saraf & Associates

Practising Company Secretaries K.G. SARAF Proprietor FCS: 1596 | CP: 642

FRN. S1988MH004801 PR. 1003/2020

UDIN: F001596D000409443

Place : Mumbai Date : 27<sup>th</sup> May, 2022

CIN: L24110MH2000PLC124224

# ANNEXURE - VII TO THE REPORT OF THE BOARD OF DIRECTORS

# **Business Responsibility Report 2021-22**

This Report is prepared pursuant to provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

# Section A: General information about the Company

- 1. Corporate Identity Number (CIN) of the Company: L24110MH2000PLC124224
- 2. Name of the Company: Sumitomo Chemical India Limited
- **3. Registered address:** Building No. 1, Ground Floor, Shant Manor Co-Op Housing Society Limited, Chakravarti Ashok 'X' Road, Kandivli (East), Mumbai 400101.
- 4. Website: www.sumichem.co.in
- **5. E-mail id (Investor Contact):** investor.relations@sumichem.co.in
- 6. Financial Year reported: April 1, 2021 to March 31, 2022
- 7. Sector(s) that the Company is engaged in (industrial activity code-wise): Agri inputs: NIC Code 2021
- 8. List three key products/services that the Company manufactures/provides (as in balance sheet): The Company principally manufactures and provides 'agri-inputs' comprising of crop protection products, plant growth nutrients, composts and fertilisers. It also markets products related to environment health chemicals and animal nutrition products.
- 9. Total number of locations where business activity is undertaken by the Company:
  - a) Number of International Locations (Provide details of major 5): Two locations: China and Vietnam
  - b) Number of National Locations: 52
- **10.** Markets served by the Company-Local/State/National/International: North America, Latin America, Europe, Asia, Australia, Africa and India

#### Section B: Financial details of the Company

- 1. Paid up Capital(INR): 4,991.46 million
- 2. Total Turnover(INR): 30,347.85 million
- 3. Total profit after taxes (INR): 4,337.33 million
- 4. Total Spending on Corporate Social Responsibility (CSR)(including previous year's shortfall spent during the year) as percentage of profit after tax (%): 1.69% of Profit after Tax for the financial year 2021-22
- 5. List of activities in which expenditure in 4 above has been incurred: Particulars given in the Annual Report on Corporate Social Responsibility activities in Annexure IV

#### Section C: Other details

- 1. Does the Company have any Subsidiary Company/Companies? Yes
- 2. Do the Subsidiary Companies participate in the BR Initiatives of the Parent Company? No
- 3. Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with participate in the BR initiatives of the Company? No

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#### Section D: BR information

#### 1. Details of the Director/Directors responsible for BR

# a) Details of the Directors responsible for implementation of the BR policy/policies

DIN Number	Name	Designation
00488127	Mr. Chetan Shah	Managing Director
07618601	Mr. Sushil Marfatia	Executive Director

#### b) Details of the BR head

Name: Mr. Chetan Shah

Designation: Managing Director
Telephone number: 022 42522200
E-mail id: <a href="mailto:chetan.shah@sumichem.co.in">chetan.shah@sumichem.co.in</a>

# 2. Principle wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environment and Economic Responsibility of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

- P1 Businesses should conduct and govern themselves with ethics, transparency and accountability
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3 Businesses should promote the well-being of all employees
- P4 Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
- P5 Businesses should respect and promote human rights
- P6 Businesses should respect, protect, and make efforts to restore the environment
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8 Businesses should support inclusive growth and equitable development
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

S.N.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Υ	Υ	Υ	Υ	Υ	Note (a)	Υ	Υ
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Υ	Υ	Υ	Υ	Υ	-	Υ	Υ
3	Does the policy conform to any national/international standards? see (b) below	Y	Υ	Υ	Υ	Υ	Υ	-	Υ	Υ
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director? see (c) below	Y	Y	Y	Y	Y	Υ	-	Y	Υ
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Υ

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S.N.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Indicate the link for the policy to be viewed see (d) below	Y	Y	Y	Y	Υ	Υ	-	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Υ	Y	-	Y	Y
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Υ	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievance related to the policy/policies?	Υ	Y	Y	Y	Y	Y	-	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency? see (e) below		Y	Y	Y	Y	Y	-	Y	Y

#### Notes:

- (a) We do not have documented policy. We have healthy well understood practices on the subject.
- (b) The policies, wherever possible, are developed and aligned with the policies of the holding company, SEBI Regulations, Companies Act, 2013, MCA guidelines, applicable laws, rules and regulations, as the case may be.
- (c) The policies have been approved by the Board wherever required by law, rules and regulations. Other policies are developed and approved internally by appropriate authorities and are signed by MD/Functional Heads as required/appropriate.
- (d) Some policies like Code of Conduct and Ethics for Directors and Senior Management Employees, CSR Policy, Whistle Blower Policy, etc. are displayed on the Company's website (<a href="www.sumichem.co.in">www.sumichem.co.in</a>). Other policies are available on Intranet/ in physical form with suitable access given to the concerned persons.
- (e) Audit/evaluation of working of the policies is carried out by internal auditors; Committees of Directors depending upon scope of their work and in other cases by CEO/Functional Heads/Internal Committees specifically formed for monitoring as the case may be.
- 3. Governance related to BR
- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company: Once every quarter.
- b) Does the Company publish a BR or Sustainability Report? What is the hyperlink for viewing this report? The Company does not publish BR or Sustainability Report.

#### Section E: Principle-wise performance

#### Principle 1

- 1. Does the policy relating to ethics, bribery, and corruption cover only the company?
  - The Policy covers not only the Company but also its business partners assigned with specific jobs.
- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

The Company received one complaint during the past financial year which has been addressed by the management satisfactorily.

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#### Principle 2

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities
  - a) To save natural water resource, sewage treatment plants have been installed in the Company's Bhavnagar and Gajod plants to process civic sewage water to convert into usable industrial water. The recycled water meets about 50% of industrial water requirements of these plants. Similarly, an RO plant has been installed for treatment and recycling of waste water in the Company's Tarapur plant which meets about 25 to 30% of water requirement of the Tarapur plant.
  - b) Several initiatives have been taken to reduce energy consumption as well as to reduce green- house gas impact on environment.
- 2. For each such product, provide the following details in respect of resources use (energy, water, raw material etc.) per unit of product (optional)

Not Applicable.

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

The Company has a policy to make increasing use of green energy and as a part of this initiative the Company has set up Windmills with capacities of 5875 KW and a Solar Power Plant with capacity of 748 KW. Power generated by the Windmills/ Solar Power Plant is captively consumed for production.

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

The Company encourages and nurtures small and medium scale vendors based in vicinity of the Company's manufacturing units for its material and services supply requirements. The Company executives visit these vendor units and interact with them for quality, systems and standards improvements. The Company continues to support self-help groups who supply materials and services for the Company's manufacturing units. The Company is working on initiatives for holding skill and service improvement programs for such small scale vendors.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so:

In the Company's Bhavnagar and Gajod factories, process waste generated by the manufacturing processes undergoes treatment for recovery process and the recovered chemical ingredients are recycled. The recovered/recycled chemical ingredients account for about 1-2% of the inputs.

Pursuant to Plastic Waste Management Rules, 2016, ("Rules"), the Company has outsourced arrangement for collection and recycling of plastic-waste in compliance with the Rules for its Bhavnagar, Gajod and Vapi plants.

# Principle 3

Sr. No.	Particular	As on 31st March 2022
1	Please indicate the total number of employees	1696
2	Please indicate the total number of employees hired on temporary /contractual/casual basis	
3	Please indicate the number of permanent women employees	53
4	Please indicate the number of permanent employees with disabilities	14
5	Do you have an employees association that is recognized by management	Yes
6	What percentage of your permanent employees is member of this recognized employee association?	22%

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

No complaints were filed during the financial year and no complaints were pending at the end of the financial year. No case under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 was filed during the financial year.

8. What percentage of your under mentioned employees were given safety & skill up gradation training in the last year?

Sr. No.	Particular	% of Employees
1	Permanent Employees	72%
2	Permanent women employees	24%
3	Casual Temporary/Contractual Employees	72%
4	Employees with Disabilities	21%

#### Principle 4

1. Has the company mapped its internal and external stakeholder?

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders: Yes

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

The Company provides employment opportunities to the locals including disadvantaged, vulnerable and marginalised. As a part of Corporate Social Responsibility initiative, the Company extends help to the disadvantaged, vulnerable and marginalised stakeholders. Such initiatives include supply of books to students, providing drinking water facilities, fodder for cattle, health check-up camps etc.

#### Principle 5

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

The Code is applicable only to the Company.

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

No Complaint received during the financial year.

#### Principle 6

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

The Policy covers only the Company.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.?

The Company does not have strategies/initiatives for global environmental issues.

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3. Does the company identify and assess potential environmental risks?

Yes

4. Does the company have any project related to Clean Development Mechanism?

Yes

5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy etc. If yes, please give hyperlink for web page etc:

The Company has set up Windmills with capacities of 5875 KW and a Solar Power Plant with capacity of 748 KW. This initiative contributes towards reduction in greenhouse gas emission and towards safe environment. Power generated by Windmills/Solar Power Plant is captively consumed for production.

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

Yes

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

No show cause/legal notice received from pollution monitoring authorities during FY 2021-22. A compensation demand by Gujarat Pollution Control Board raised on the Company's Vapi plant in an earlier year is subject matter of court litigation and hence pending as on 31st March, 2022.

#### Principle 7

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

The Company is a member of trade associations like Federation of Indian Chamber of Commerce & Industry, Indian Merchants' Chamber, Crop Care Federation and Crop Life India and Pesticides Manufacturers and Formulations Association.

2. Have you advocated/lobbied through above association for the advancement or improvement of public good? If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others):

The Company's representatives are office bearers of some of the trade associations and actively participate in advocacy by such association in areas like reforms in agro-chemical industry, promoting good and progressive farm practices and sustainable growth of agriculture.

#### Principle 8

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

The Company has specified programmes/initiatives/projects in pursuit of the policy related to Principle 8. The details in brief are as under:-

The Company fulfills its role as a socially responsible corporate with environmental concern and works for welfare and sustainable development of community at large. The Company's CSR projects support the objective of achieving inclusive growth and overall development of communities.

These projects are in line with Company's CSR policy formulated pursuant to the provisions of the Companies Act, 2013 and are taken up at various work centers, manufacturing locations and other locations in India for the benefit of different segments of the society and specifically for the deprived and underprivileged.

The Company pursues CSR projects in the thrust areas specified under Schedule VII to the Companies Act, 2013. The major thrust areas include women empowerment, animal welfare; education related projects, conservation of natural resources, integrated rural development projects and health support related projects. The Company has undertaken various projects such as making available safe drinking water, support to farmers for setting up drip irrigation system, community hall

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renovation, animal vaccination, ponds renovation, support for development of multispecialty hospital, pediatric heart surgeries of children from economically weaker sections, health check-up/eye check-up camps for needy children, skill development for farmers, support for urological surgeries, support for medical-infrastructure to the charitable trust hospital, solar based lights for weaker section families and support for roads in rural areas.

Details of the various programs/initiatives adopted by the Company are provided in the Annual Report on CSR activities forming part of the Directors' Report.

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

The Company executes its CSR projects through its own in-house teams as well as through NGOs.

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

The Company conducts 'need assessment studies' before conceiving and initiating the CSR projects. Baseline and impact studies and process documentation of CSR Projects are maintained and evaluated from time to time.

All projects are assessed under the agreed strategy, and are monitored at regular intervals by both in-house teams and implementing partners. The performance of CSR projects is measured against targets and budgets by the Company from time to time.

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

In Financial year 2021-22 the Company has spent ₹ 66.29 million on corporate social responsibility projects.

The information about the projects/activities undertaken by the Company is given in the Annual Report on CSR activities forming part of the Directors' Report.

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

The Company's CSR programs are designed keeping in view the needs of the communities and their overall development. The Company encourages active engagement, contribution and participation in its CSR projects by the beneficiaries along with all key stakeholders such as Governments, village panchayats, communities, NGOs and other local institutions. The Company's implementing partners and in-house CSR teams engage and coordinate with key stakeholders for effective implementation of projects which helps in achieving desired end-results and long term sustenance of the initiatives.

The Company participates in Swachh-Bharat Mission to achieve the objective of 'open defecation free' towns/villages by constructing toilets.

# Principle 9

- What percentage of customer complaints/consumer cases are pending as on the end of financial year?
   During 2021-22, no case was filed against the Company in Consumer Forums.
- Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A? Remarks (additional information):

The Company displays on labels what is required as regulatory requirements. We comply with Insecticides Act, 1968; Insecticide Rules, 1971; Fertiliser (Control) Order 1985; Seed Act, 1966; Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules. 2011 on respective product labels.

# 3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year? In the last five years, no case has been filed against the Company, and there is no pending case as on end of the financial

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

year, regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

Yes - as a part of ISO Certification process.

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# MANAGEMENT DISCUSSION AND ANALYSIS

# 1. Industry Structure & Developments:

The Indian agrochemicals industry is highly diverse. It has players who are small and medium dealing in generic off-patent molecules. It has players who are large multinationals with high-priced new generation and patented molecules. The industry has players who manufacture only technical grade pesticides. Some players are pure formulators. The industry also has some players who produce both — technical grade pesticides and formulations. There is an ancillary segment which manufactures intermediates for technical grade pesticides. Your Company is one of the leading players in the industry which has a balanced portfolio of technical as well as formulation products along with backward integration for some products.

India is the fourth largest producer of agrochemicals in the world -after USA, Japan and China. The Indian agrochemicals industry was valued at around USD 5.72 billion in the financial year 2020-21, almost equally accounted for by domestic consumption (approximately USD 2.72 billion) and exports (approximately USD 3.00 billion). It is expected to grow at a CAGR of 8–10% till 2025. The Indian industry has two major advantages - relatively low manufacturing costs and the ability and expertise in efficient handling of toxic and hazardous products and processes. Globally, India is the fifth largest exporter of agrochemicals. Availability of technically trained manpower, seasonal domestic demand and production capacities for generics built to cater to overseas markets are the other reasons for strong exports. India has been attracting multinationals due to good domestic growth opportunities. Domestic segment has been witnessing a steady increase in market acceptance of new generation molecules.

The Indian agrochemicals market is driven by the country's rising population, which leads to increased food production. The demand for food products is increasing whereas the landmass available for farming is gradually decreasing due to increasing urbanization. This is providing an impetus for the farmers to use efficient and safe agrochemicals to increase crop productivity and to protect soil health. The positive trend and integrating farming practices are expected to propel the industry growth. However, low levels of awareness about the advantages of agrochemicals among the farming community and low acceptance of the modern-day farming practices pose hindrance.

As per a Government of India publication, the total area under cultivation in India in 2020-21 was 188.595 million hectares out of which 147.349 million hectares was covered by chemical and bio-pesticides. However, a large part of the cultivated land area is un-irrigated and entirely monsoon dependent. Additionally, small land holdings and continued fragmentation of land holdings come in the way of adoption of farm mechanization and advanced cultivation techniques.

As per the available FAO data, consumption of agrochemicals in India is very low (0.6 kg/ha) as compared to agriculturally advanced countries like as China (13.1 kg/ ha), Japan (11.8 kg/ ha), Brazil (6kg/ha) and USA (2.5 kg/ ha). This points to enormous growth opportunities available to the industry in the domestic farming.

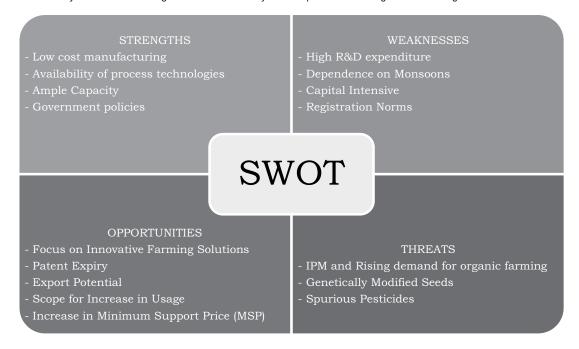
R&D for developing new molecules requires high investments in terms of capital, efforts and time. Active ingredients, that are scheduled to lose global patent protection in the next few years, offer good growth and expansion opportunity for the domestic industry.

New product launches, mergers and acquisitions, partnerships and collaborations and manufacturing expansion are the major strategies adopted by the leading industry players. They also focus on investment in innovations to increase market share. With new product launches planned for the year and for the future years, regular revenue growth is expected to continue in the coming years. Of late, there has been focus on 'Natural Farming' with a view to minimize the use of synthetic chemicals in farming. This, however, is unlikely to have significant impact on the agrochemicals industry in the near future.

Government has been taking several initiatives for boosting farm sector growth. Some of the ambitious steps taken by the Government of India to revive the role of agriculture in the growth of the Indian economy, including increasing MSPs, launch of eNAM portal and direct benefit transfer via PM Kisan Samman Nidhi, have created a robust foundation to enhance farmer's income and encourage wider adoption of high quality agri-inputs. In the recent budget, the government increased farm credit substantially by over 10%. The budget also aims at adding one thousand mandies through the eNam platform which will enable farmers to sell produce at better prices.

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SWOT analysis of the Indian agrochemicals industry can be presented through the following matrix.



Lately, the agrochemicals industry is moving towards safe and environment-friendly products promoting sustainable agricultural practices. Your Company continues to identify and introduce environment friendly products which support farm eco-systems to enhance yield and improve quality of farm produce and at the same time maintain soil fertility in a sustainable manner. Your Company undertakes extensive work at the grassroots level to showcase long term benefits of these products and sustainable cultivation practices in order to encourage the farmers to adopt new concepts.

The Company has presence in all the product segments - insecticides, weedicides, fungicides, fumigants and rodenticides, plant growth nutrition products, bio-rationals and plant growth regulators. Your Company is known for domestic marketing of proprietary products of its Japanese parent — Sumitomo Chemical Company, Limited in agrochemicals, animal nutrition and environment health business segments. The Company is also one of the few industry players having both chemical and biological products in its portfolio. The Company has strong portfolio of generics as well as specialty products and a strong marketing network and counts as a leading Indian crop protection company.

Your Company is also into environment health and animal nutrition businesses — currently these are comparatively small businesses. The Company's environment health business segment, catering to household insecticides players in the country is expected to grow at over 10% in the coming years. The growth of household insecticides market is driven by increasing awareness about health and hygiene, growing incidences of insect-borne diseases like malaria and dengue, growing demand for professional pest control and 'Swatch Bharat' initiative of the Government of India. The animal nutrition business segment caters to the country's animal feed market, also has good growth potential.

#### 2. Opportunities and Threats:

Agriculture and the allied sectors continue to remain central to Indian economy. Agriculture contributes nearly 18% to the GDP. More importantly, it is a source of livelihood for almost 50% of the country's population. Despite the challenges of Covid-19 in the past two years, agriculture sector has grown – farm production gained new highs – and the agrochemical industry continues to meet growing farming needs.

According to CRISIL Report 2021, the agrochemical sector is likely to continue with double-digit growth in revenue in the next two financial years due to strong exports even if the domestic demand suffers owing to unfavourable monsoon and climatic conditions.

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The 'China + one' procurement model has been a key tailwind for the Indian industry as several large overseas customers are diversifying their supplier base. This, along with the continued healthy demand from Brazil and the US (accounting for about 45% of India's exports) and increasing supplies to Europe (accounting for about 15% of Indian exports), is expected to lead to exports growing at 15 per cent this fiscal and 12-13 per cent in the next year. The share of exports in overall domestic industry's revenue is expected to rise further.

Higher area under cultivation and increase in minimum support prices for key crops such as paddy, cotton, groundnut, soybean and bajra, which account for about two-thirds of the domestic crop production, should further boost agrochemicals sector.

The government is expected to bring a production-linked incentive scheme for promotion of the domestic manufacturing of agrochemicals. In the export market, demand remains robust given the need for food security. Given the cost advantage, the domestic agrochemicals industry has good opportunity to gain considerable share in global markets as customers are looking to diversify their supplies away from China. The industry is also trying to engage in backward integration for manufacturing technical grade products as it would like to shift its reliance from China and become self-sufficient in the coming years.

With increasing fragmentation of holdings, there is a need to improve productivity of small and marginal farmers through education, training, skill development and technology. There is need to focus on crop diversification – the existing cropping pattern is skewed towards cultivation of sugarcane, paddy and wheat, which has led to depletion of fresh groundwater resources at an alarming rate in many parts of the country. Crop diversification will promote sustainable agriculture, reduction in import dependence and higher income for the farmers. Cultivation of oilseeds, pulses and horticulture needs to be given priority by addressing the core issues of irrigation, investment, credit and markets. While the Central Government is using minimum support price (MSP) to encourage crop diversification, there is also a need for coordinated simultaneous action from the state governments to facilitate the shift to high value and low water-consuming crops. This will go a long way in realising the objective of doubling farmers' income in a sustainable way.

Short supply of fertilizers, availability of farm labour, low awareness and adoption of technology, increasing cost of pesticides, both active and the inert ingredients, pose crucial challenges to the Indian farmers apart from inevitable seasonal threats like pest attack and uncertain monsoon and climatic conditions.

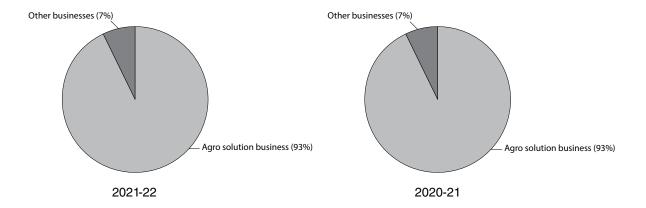
The government has made higher fund allocation for agriculture and has taken several steps in the areas of soil health, irrigation, minimum support price, agri-produce marketing and comprehensive agri-produce export policy to boost income of the farmers.

# 3. Segment-wise performance:

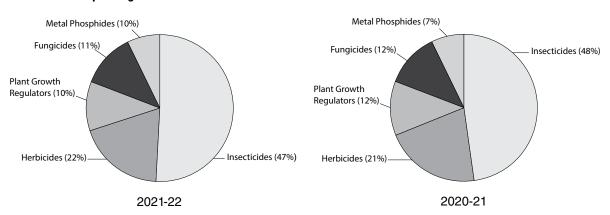
The Company's domestic sale in 2021-22 increased to ₹ 23,654.30 million from ₹ 21,814.53 million in 2020-21. Exports increased from ₹ 4.395.64 million in 2020-21 to ₹ 6.693.55 million in 2021-22.

The Company continues to focus on promoting the branded business in order to increase the customer interface.

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# Sales break up for agro solution business:



#### 4. Risks and Concerns:

The complexity of rural marketing, MSP realization, farmer support policy implementation, low land holding, lack of irrigation facility are the several key challenges which are further compounded by the vast geographic spread of the country as well as the slow technology transfer and low spending power of the farming community. Even today, farmer continues to bear the entire risk in the marketing cycle of farm produce. High volatility in produce price, rising costs of production and resource crunch affect his income. This also impacts his ability and willingness to adopt better agri-inputs, practices and technologies creating a ripple effect on the industry as a whole. The risks and the problems faced by the farming community rub on the agrochemicals industry as well.

Indian farmer loses around 20-25% of the production to pests and diseases. The 37th Standing Committee of the Ministry of Chemicals and Fertilizers estimated that every year, Indian farmers lose nearly ₹ 900 trillion due to pests and diseases This is where pesticides play a vital role in a farmer's life. With increasing phenomena of urbanisation and industrialization, the total available arable land has been reducing over the years encouraging farmers to use more pesticides in order to improve crop yields.

Indian agrochemical industry's dependence on China for sourcing critical raw materials and intermediates is an area of concern. This was evident in the past two years of Covid-19 pandemic which impacted volume and cost of production for Indian players. The logistical and transportation constraints added to the woes of the India industry from time to time during this phase. The 'Make in India', 'Vocal for Local' and 'Production Linked Incentive (PLI) scheme' initiatives of the Government of India is prompting and helping indigenous manufactures to come forward and increase domestic production as also initiate process for setting up facilities for producing these raw materials and intermediates in India.

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Sale of spurious products, concoction of various chemicals under the garb of bio-pesticides, adulterated and sub-standard products pose a grave threat to the industry at large and genuine players in particular. The government has introduced Pesticides Management Bill in the Rajya Sabha in March 2021 to replace existing law. The Bill seeks to regulate manufacture, trade and use of pesticides, with the objective of ensuring availability of safe pesticides and minimize the risk to humans, animals, and environment.

While the governments have launched several initiatives aimed at improving farmers' well-being, it will take time for the benefits to become visible at the ground level. Till then, the inherent problems of Indian farming — seasonal production glut, non-remunerative produce prices, slow adoption of latest technology and practices and skewed benefits of policy framework will continue to adversely affect the industry's growth.

Over the years, genetically modified (GM) crops have gained popularity across the world. The Indian regulators have restricted these crops in India citing need for additional review and studies on the suitability of these varieties in the Indian context. However, on the whole, GM crops present challenge and threat to the industry in the long run.

The Indian agrochemicals industry has large imports as well as exports. Drastic movement in foreign exchange market affects the business dynamics of the industry and need to be managed efficiently.

The Central Government's notification issued in 2020, expressing its intention that Glyphosate will be allowed to be used only through 'pest control operators' is yet to be implemented. Glyphosate, a weedicide, is an important product for the Company. The Company and the industry associations have filed appeals before the appellate authority against the proposal as the same is not feasible and difficult to implement owing to ground realities. The proposal, if implemented, will have impact on domestic use of Glyphosate. It will, however, not impact exports.

#### 5. Internal control systems and their adequacy:

The Company has proper and adequate system of internal audit and controls which ensure that all the assets are safeguarded against loss from unauthorised use or disposition and that all transactions are authorised, recorded and reported correctly.

The Company continuously strives to improve upon/evolve and implement best practices with a view to strengthen the internal control systems.

The Company has assigned internal audit function to a leading firm of Chartered Accountants. Regular internal audit and checks are carried out to ensure that the responsibilities are discharged effectively. All major findings and suggestions arising out of internal audit are reported and reviewed by the Audit Committee. The Management ensures implementation of these suggestions and reviews them periodically.

# 6. Financial Performance & Analysis and major changes in ratios:

The sales for the year under review are ₹ 30,347.85 million as compared to ₹ 26,210.17 million in the previous year. The profit before tax for the year under review is ₹ 5,858.20 million as compared to ₹ 4,531.24 million in the previous year. The profit after tax is ₹ 4,337.33 million in the current year as against ₹ 3,452.97 million in the previous year.

The Return on net worth reduced marginally from 25.24% in 2020-21 to 25.13% in 2021-22 — because of the increased 'net-worth base' owing to ploughing back of profits.

# 7. Human Resource Development/Industrial Relations:

Your Company assigns utmost importance to its human capital. The Company continuously upgrades skills and competencies of the employees through training and development initiatives which help it achieve its corporate goals and provide growth opportunities to the employees.

A fair and objective 'Goal Setting & Performance Review' system for employees linked to the functional and business goals has been well established in the organisation. This also helps in devising and implementing performance based compensation system in order to attract and retain talent.

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The Company has generally enjoyed cordial relations with its employees at its manufacturing units and other business locations. Wage agreements are finalised at regular intervals for workers and staff at different locations. Your Company has put a grievance redressal mechanism in place through which employees can raise issues and concerns and have the same addressed in time.

Employee strength of the Company stood at 1696 as on 31st March, 2022.

# 8. Cautionary Statement:

Statements in this report on Management Discussion and Analysis relating to the Company's objectives, projections, estimates, expectations or prediction may be forward looking within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results might differ materially from those expressed or implied depending upon factors such as climatic conditions, global and domestic demand-supply conditions, raw materials cost, availability and prices of finished goods, foreign exchange market movements, changes in government regulations, tax structure, economic and political developments within India and the countries where the Company conducts its business and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

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# **CORPORATE GOVERNANCE REPORT**

# 1. Company's Philosophy on the Code of Corporate Governance

Corporate Governance primarily involves transparency, full disclosure, independent monitoring of the state of affairs and being fair to all stakeholders. The Corporate Governance Code has also been incorporated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company endeavours not only to meet the statutory requirements in this regard but also to go well beyond them by instituting such systems and procedures as are in accordance with the contemporary trend of making management completely transparent and institutionally sound.

The Company believes in the concept of good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhance stakeholders' value. The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

#### 2. Board of Directors

As on 31st March, 2022, the strength of the Board was nine Directors. The Board comprised of Managing Director, Executive Director and seven Non-Executive Directors.

The Company has obtained the requisite disclosures from the Directors in respect of their directorship in other companies and membership/chairmanship in committees of other companies.

Particulars of composition of the Board of Directors as on 31st March, 2022 and their attendance at the Board Meetings during the year and at the last Annual General Meeting and also the number of directorships/memberships of committees of other companies are as under:

NAME	CATEGORY	NO. OF BOARD MEETINGS ATTENDED DURING 2021-22	ATTENDANCE AT LAST AGM	NO. OF OTHER DIRECTORSHIP IN COMPANIES INCORPORATED IN INDIA (see Note below)	NO. OF OTHER BOARD COMMITTEE(S) OF COMPANIES OF WHICH HE/ SHE IS MEMBER/ CHAIRPERSON*
Dr. Mukul G. Asher Chairman	Independent Non-Executive	4	Yes	_	_
Mr. Chetan Shah Managing Director	Non-Independent Executive	4	Yes	2	_
Mr. Sushil Marfatia Executive Director	Non-Independent Executive	4	Yes	_	_
Mr. Hiroyoshi Mukai	Non-Independent Non-Executive	4	No	_	_
Mr. B.V. Bhargava	Independent Non-Executive	4	Yes	4	5
Mr. Ninad D. Gupte	Non-Independent Non-Executive	4	Yes	1	2
Mr. Tadashi Katayama	Non-Independent Non-Executive	3	No	_	_
Mrs. Preeti Mehta	Independent Non-Executive	4	Yes	5	11
Mr. Masanori Uzawa	Non-Independent Non-Executive	4	Yes	_	_

<sup>\*</sup> Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of companies incorporated in India.

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Note: Directorship in other companies includes following Listed Companies:

Name of Director	Name of Listed Company in which directorship held
Mr. B.V. Bhargava	J K Lakshmi Cement Limited (Independent Director)
Mr. Ninad D. Gupte	Transpek Industry Limited (Independent Director)
Mrs. Preeti Mehta	AMJ Holdings Limited (Independent Director)

The Company held 4 meetings of its Board of Directors during the year on the following dates:

28/05/2021 04/08/2021	29/10/2021	03/02/2022	
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In the opinion of the Board of Directors, Dr. Mukul G. Asher, Mr. B.V. Bhargava and Mrs. Preeti Mehta, the Independent Directors of the Company, are independent of the Company's management and fulfill the conditions laid down for independence by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. None of the Directors of the Company is related to any other Director.

Except Mr. Ninad D. Gupte, who holds 3060 shares, none of the Non-Executive Directors holds beneficial interest in shares of the Company as on 31st March, 2022.

Particulars of Mr. Hiroyoshi Mukai, Non-Executive Director, who retires by rotation and being eligible for re-appointment, are as follows:

Name of the Director	Mr. Hiroyoshi Mukai
Date of Birth	03.10.1966
Date of Appointment	06.06.2017
Qualifications	Bachelor degree of Economics from Osaka University, Japan
Expertise in specific functional areas	Strategy, planning, business development and marketing for crop protection business
Experience	Over 33 years
Other Indian companies in which directorship held	Nil
Other companies in which committee membership/chairmanship held	Nil
No. of shares held in the Company as on 31st March, 2022	One share as nominee of Sumitomo Chemical Company, Limited, Japan, Holding Company
Relationship with other Directors and KMPs	None
Number of Board Meetings attended during the year 2021-22	4
Remuneration drawn in 2021-22	Nil
Remuneration and other terms and conditions of appointment	Mr. Hiroyoshi Mukai has instructed the Company not to pay him sitting fees for Board/Committee meetings and commission of Non-Executive Directors.

Mr. Hiroyoshi Mukai has not resigned as a director of any listed company in the past three years.

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Particulars of Mr. Ninad D. Gupte, Non-Executive Director, who retires by rotation and being eligible for re-appointment, are as follows:

Name of the Director	Mr. Ninad D. Gupte		
Date of Birth	31.08.1953		
Date of Appointment	31.08.2019		
Qualifications	B.Sc., PGDBM (XLRI – Jamshedpur) and Diploma in Tax Management from Bajaj Institute of Management		
Expertise in specific functional areas	Commercial functions, Corporate Management and Indirect Taxes		
Experience	Over 46 years		
Other Indian companies in which directorship held	Transpek Industry Limited (Listed)		
Other companies in which committee membership/ chairmanship held	Chairman of Audit Committee and Nomination and Remuneration Committee of Transpek Industry Limited		
No. of shares held in the Company as on 31st March, 2022	3060		
Relationship with other Directors and KMPs	None		
Number of Board Meetings attended during the year 2021-22	4		
Remuneration drawn in 2021-22 (Sitting Fees)	₹ 0.22 million		
Remuneration and other terms and conditions of appointment	Entitled to sitting fees for attending meetings of the Board/ Committees and non-executive directors' commission as approved by the Board.		

Mr. Ninad D. Gupte has not resigned as a director of any listed company in the past three years.

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#### MEETING OF INDEPENDENT DIRECTORS

The Independent Directors held a Meeting on 1st March, 2022 to discuss the following matters:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company; and
- Evaluation of the quality, quantity, content and timelines of flow of information between the Management and the Board, for the Board to effectively and reasonably perform its duties.

All the three Independent Directors viz. Dr. Mukul G. Asher, Mr. B.V. Bhargava and Mrs. Preeti Mehta attended the meeting.

#### FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

Particulars of the Company's familiarization programme for Independent Directors are disclosed on the Company's website www.sumichem.co.in

#### 3. Audit Committee

#### Terms of reference and composition:

The role of the Audit Committee is to supervise the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors, Internal Auditors and Cost Auditors and fixing their remuneration and other terms of their appointment, review and monitor the auditors' independence and performance, to approve the appointment of the Chief Financial Officer, to review and discuss with the Auditors about the adequacy of internal control systems, the scope of audit including the observations of the Auditors, major accounting policies, practices and entries, compliances with Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legal requirements concerning financial statements, approval and subsequent review of related party transactions, to review the Company's internal financial controls and risk management policies, to review functioning of Whistle Blower Policy, to review Management Discussion and Analysis of financial conditions and results of operations, the financial statements of the Company's subsidiaries and discuss with Internal Auditors any significant findings for follow-up thereon and to review with the Management the Quarterly and Annual Financial Statements before they are submitted to the Board of Directors, scrutiny of loans and investments, reviewing the adequacy of internal audit function and such other roles and functions as may be prescribed from time to time by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Minutes of the Audit Committee Meetings are circulated to the Members of the Board, discussed and taken on record. The Company has complied with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as regards the composition of the Audit Committee.

Details of the composition of the Audit Committee of the Company and the attendance by the Members at the Committee Meetings are summarised below:

Name of Director(s)	Category	No of Meetings held	No. of Meetings attended
Mr. B.V. Bhargava, Chairman	Independent, Non-Executive Director	4	4
Dr. Mukul G. Asher, Member	Independent, Non-Executive Director	4	4
Mr. Tadashi Katayama, Member	Non-Independent, Non-Executive Director	4	3
Mrs. Preeti Mehta, Member	Independent, Non-Executive Director	4	4

The Secretary of the Company acts as the Secretary to the Committee.

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The Audit Committee met on the following dates during the last financial year:

28/05/2021	04/08/2021	29/10/2021	03/02/2022

Audit Committee Meetings are attended by the Chief Financial Officer and senior finance and accounts executives, when required. The Statutory Auditors, Internal Auditors and Cost Auditors of the Company are invited to the Meetings for discussing their reports.

#### 4. Nomination and Remuneration Committee

# Terms of reference and composition:

The Nomination and Remuneration Committee identifies persons who are qualified to become directors and who may be appointed in senior management position in accordance with the criteria laid down and recommend to the Board their appointment and removal.

The Nomination and Remuneration Committee formulates the criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

The Nomination and Remuneration Committee formulates criteria for evaluation of performance of Directors, Chairman of the Board, Committees of Directors and the Board and devises policy on Board diversity.

The other terms of reference of the Company's Nomination and Remuneration Committee are to determine and recommend to the Board and the members, remuneration payable to the Managing Director and Executive Director(s), to determine and advise the Board on the payment of their annual increments and annual performance bonus and to recommend to the Board, all remuneration, in whatever form, payable to senior management. The Committee also has such other roles and functions as may be prescribed from time to time by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The criteria for evaluation of performance of independent directors include, inter-alia, the following:

- independence from the Company, its management, other Directors and Promoters:
- professional qualifications, experience, expertise, knowledge, skill and competence in the area of his/her specialization;
- knowledge and understanding about the Company, its business and industry segment and the risk areas; and
- high level of integrity and devotion of time and efforts for Board/Committee deliberations and the quality of contribution in the deliberations.

Details of the composition of the Nomination and Remuneration Committee of the Company and the attendance by the Members at the Committee Meetings are as follows:

Name of Director(s)	No. of Meetings held	No. of Meetings attended
Mrs. Preeti Mehta, Chairperson	3	3
Dr. Mukul G. Asher, Member	3	3
Mr. B. V. Bhargava, Member	3	3
Mr. Ninad D. Gupte, Member (up to 28th October, 2021)	2	2
Mr. Tadashi Katayama, Member	3	2

The Secretary of the Company acts as the Secretary to the Committee.

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#### Remuneration of Directors:

The Company pays remuneration to the Managing Director and Executive Director by way of salary, annual performance bonus, perquisites and allowances. Salary is paid within the range as approved by the members. The Board, on the recommendations of the Nomination and Remuneration Committee, approves annual increments to the Managing Director and Executive Director.

If, in any financial year, the Company has no or inadequate profits as per the requirements of the Companies Act, 2013, the Company undertakes reasonable efforts and follows process to obtain suitable approvals as may be required for payment of remuneration as stated hereinabove to the Managing Director and Executive Director.

Annual performance bonus is paid to the Managing Director and Executive Director (as per the terms of appointment) based on the specified criteria and is determined by the Board pursuant to the recommendation of the Nomination and Remuneration Committee who takes into account result of the performance of the individual in preceding fiscal year based on the specified evaluation norms.

The Non-Executive Directors are paid sitting fees for meetings of the Board of Directors and of Committees of Directors and commission not exceeding in the aggregate 1% of the net profits of the Company computed in the manner laid down by the Companies Act, 2013 in such proportion and manner as the Board may decide.

Given below are the details of remuneration of Directors for the financial year 2021-22:

(₹ in million)

Director(s)	Sitting fees for Board/Committee Meetings	Salaries and other Perquisites	Commission	Total for the year
Dr. Mukul G. Asher	0.36	_	2.40	2.76
Mr. Chetan Shah	_	72.03	_	72.03
Mr. Sushil Marfatia	_	23.84	_	23.84
Mr. B.V. Bhargava	0.33	_	2.40	2.73
Mr. Hiroyoshi Mukai	_	_	_	_
Mr. Ninad D. Gupte	0.22	_	_	0.22
Mr. Tadashi Katayama	_	_	_	_
Mrs. Preeti Mehta	0.37	_	2.40	2.77
Mr. Masanori Uzawa	_	_	_	_

#### Notes:

- 1. The employment of the Managing Director and the Executive Director is contractual for a period of 3 years terminable by either party giving 90 days' notice.
- 2. Mr. Hiroyoshi Mukai, Mr. Tadashi Katayama and Mr. Masanori Uzawa have instructed the Company not to pay them sitting fees and Non-Executive Directors' commission.
- 3. There were no other pecuniary relationships or transactions of the non-executive Directors with the Company except as stated above.

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# 5. Stakeholders Relationship Committee

Details of the composition of the Stakeholders Relationship Committee of the Company and the attendance by the Members at the Committee Meetings are summarised below:

Name of Director(s)	No. of Meetings held	No. of Meetings attended
Dr. Mukul G. Asher, Chairman	2	2
Mr. Chetan Shah, Member	2	2
Mr. Sushil Marfatia, Member	2	2

Mr. Pravin D. Desai, Vice President and Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Committee.

The Stakeholders Relationship Committee met on the following dates during the last financial year:

28/05/2021	04/08/2021

During the year, one investor complaint was received and resolved. There were no unresolved complaints at the beginning and at the end of the year.

# 6. Corporate Social Responsibility Committee

Details of the composition of the Corporate Social Responsibility Committee of the Company and the attendance by the Members at the Committee Meetings are summarised below:

Name of Director(s)	No. of Meetings held	No. of Meetings attended
Mr. Chetan Shah, Chairman	3	3
Mr. Sushil Marfatia, Member	3	3
Mr. Ninad D. Gupte, Member	3	3
Mrs. Preeti Mehta, Member	3	3

The Corporate Social Responsibility Committee met on the following dates during the last financial year:

_				
	28/05/2021	04/08/2021	25/03/2022	

#### 7. Risk Management Committee

The role of the committee includes identification of enterprise and business risks (including cyber-security related risks and digital enablement), categorization of risks, help devising mitigation measures and monitoring and periodically reviewing risks and mitigation measures and such other functions as may be specified by SEBI (Listing Obligations and Disclosure Requirements), 2015, from time to time.

CIN: L24110MH2000PLC124224

Details of the composition of the Risk Management Committee of the Company and the attendance by the Members at the Committee Meetings are summarised below:

Name of member	Designation	No. of Meetings held	No. of Meetings attended
Dr. Mukul G. Asher, Chairman of the Committee	Independent Director	3	3
Mr. Chetan Shah	Managing Director	3	3
Mr. Sushil Marfatia	Executive Director	3	3
Mr. Ninad D. Gupte	Non-Executive Director	3	3
Mrs. Preeti Mehta	Independent Director	3	3
Mr. Kunal Mittal (with effect from 04/08/2021)	Senior VP (Planning and Coordination Office)	2	2
Mr. V. Gopalakrishnan	VP - Procurement	3	3
Mr. Anil Nawal	Chief Financial Officer	3	3
Mr. Prakash Desai	VP (Manufacturing)	3	3

The Risk Management Committee met on the following dates during the financial year:

04/08/2021 29/09/2021	25/03/2022
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# 8. General Meetings

Location and time of the last three Annual General Meetings:

Year	Location	Day/Date	Time	No. of Special Resolutions
2018-19	Aspee Auditorium, Laxminarayan Mandir Complex, Near Nutan School, Marve Road, Malad (West), Mumbai 400064	Friday, 27th December, 2019	02.30 P.M.	8
2019-20	Not applicable as the Annual General Meeting was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	Thursday, 10th September, 2020	02.30 P.M.	Nil
2020-21	Not applicable as the Annual General Meeting was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	Friday, 30th July, 2021	02.30 P. M.	2

No Special Resolution was passed last year through postal ballot process.

None of the Resolutions proposed to be passed at the ensuing Annual General Meeting to be held on 29h July, 2022 is required or proposed to be passed through postal ballot process.

# 9. Disclosures

# Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges/SEBI and other statutory authorities on all the matters related to capital markets. There are no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or other statutory authorities for the requirements related to capital markets.

# Commodity Price/Forex Risks

The Company carries commodity price risk and foreign exchange risk. Commodity price risk is addressed through close commodity price monitoring and appropriate procurement policies and strategies. Foreign exchange risk is addressed through forward contracts/options / imports denominated in Indian Rupees.

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#### Whistle Blower Policy

The Company has adopted a Vigil Mechanism/Whistle Blower Policy. Any employee can approach Chairman of the Audit Committee with information/disclosure under the said Policy. No employee has been denied access to the Audit Committee as a part of such Mechanism/Policy.

# Compliance with Corporate Governance Requirements

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has complied with the following non-mandatory requirements specified in Schedule II Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- > The Chairman of the Board of Directors is a non-executive director not related to the Managing Director.
- > The Internal Auditors directly report to the Audit Committee.
- The Company endeavours to ensure unmodified audit opinion on its financial statement.

# Policy on 'Material' Subsidiaries

The Company's policy for determining 'material' subsidiaries is disclosed on its website www.sumichem.co.in

#### Policy on Related Party Transactions

The Company's policy on dealing with related party transactions is disclosed on its website <a href="www.sumichem.co.in">www.sumichem.co.in</a>
The Company has no materially significant related party transactions that may have potential conflict with the Company's interest at large.

#### Code of Conduct and Ethics

The Company's Code of Conduct and Ethics is disclosed on its website www.sumichem.co.in

# Terms and conditions of appointment of independent directors

The terms and conditions of appointment of Independent Directors are disclosed on the Company's website www.sumichem.co.in

#### Dividend transferred to Investor Education & Protection Fund

During 2021-22, the Company transferred a sum of ₹ 1.77 million, being unclaimed/unpaid dividend pertaining to Excel Crop Care Limited, which amalgamated with the Company, relating to the financial year 2013-14, to Investor Education and Protection Fund pursuant to the provisions of the Companies Act, 2013 and rules thereunder.

#### Shares transferred to Investors Education and Protection Fund

During 2021-22, the Company transferred 133,529 shares, in respect of which dividend was not claimed/paid for seven consecutive years, to Investor Education and Protection Fund, pursuant to the provisions of Companies Act, 2013 and rules made thereunder.

#### Dividend Distribution Policy

The Company's Dividend Distribution Policy is disclosed on its website www.sumichem.co.in

The Policy seeks to balance members' need for a fair, reasonable and predictable return by way of dividend with the Company's funding needs and requirements for long term sustainable growth.

#### Accounting Standards

The Company follows and adheres to the Accounting Standards applicable to it.

CIN: L24110MH2000PLC124224

#### 10. Means of Communication

- The Company publishes extracts of unaudited and audited financial results in Financial Express, an English newspaper having nationwide circulation and in Loksatta, a Marathi newspaper with wide circulation in Mumbai, where the Company's Registered Office is situated.
- The financial results, annual reports, presentations made to investors and analysts, press releases and other major events/ developments/information concerning the Company are posted on the Company's website: <a href="www.sumichem.co.in">www.sumichem.co.in</a>. These are also submitted to BSE Limited and National Stock Exchange of India Limited for disclosure on their websites at www.bseindia.com and www.nseindia.com
- Management Discussion and Analysis forms part of the Annual Report.

#### 11. General Shareholder Information

• Annual General Meeting:

The Twenty Second Annual General Meeting of the Company will be held on Friday, the 29th July, 2022 at 2.30 pm.

• **Venue** : The Company is conducting meeting through VC/OAVM pursuant to MCA and

SEBI circulars and as such there is no requirement to have a venue for the

AGM. For details, please refer to the Notice of this AGM.

• Financial Year : 1st April – 31st March

• Record Date for Dividend : Friday, the 22nd July, 2022

**Listing on Stock Exchanges** : (a) BSE Limited (BSE) PJ Towers,

Dalal Street, Mumbai – 400001.

(b) The National Stock Exchange of India Limited (NSE)

Exchange Plaza,

Bandra-Kurla Complex,

Bandra (East), Mumbai – 400051.

Listing fees for the year 2022-23 have been paid to both the stock exchanges.

#### Stock Codes (for shares):

BSE Limited (BSE)	542920
The National Stock Exchange of India Limited (NSE)	SUMICHEM
Demat ISIN Number in NSDL and CDSL	INE258G01013

# Volume of shares traded during F.Y. 2021-22:

On BSE: 11,410,378 On NSE: 151,074,673

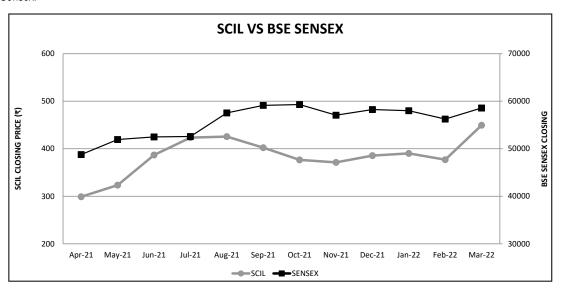
CIN: L24110MH2000PLC124224

# Market Price Data:

	BSE		NSE	
	High	Low	High	Low
April-21	314.40	278.45	314.40	278.10
May-21	330.00	293.75	330.95	294.05
June-21	403.05	316.25	403.40	316.40
July-21	458.00	373.20	458.00	373.10
Aug-21	459.90	386.55	459.90	386.45
Sept-21	434.30	392.55	434.70	392.50
Oct-21	430.90	372.00	429.00	372.00
Nov-21	399.00	345.00	396.60	344.25
Dec-21	396.95	345.75	396.90	345.55
Jan-22	407.00	365.75	407.50	366.05
Feb-22	424.50	341.20	424.55	351.50
Mar-22	452.80	355.00	453.00	357.30

#### Share Price Movements:

Share Price Movement for the period April, 2021 to March, 2022 of Sumitomo Chemical India Limited (SCIL) vs BSE Sensex.



# Market Capitalisation and Price-Earnings Ratio:

		As on 31st March, 2022
a.	Closing Price (BSE) (₹)	449.55
b.	Market Capitalisation (₹ in mio)	224,390.97
C.	Price-Earnings Ratio	51.73

# • Share Related Functions/Activities:

The share related functions and activities are carried out by the Company's Registrars and Transfer Agents — Link Intime India Private Limited having office at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 (Tel.: 49186000).

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# Distribution of Shareholding as on 31st March, 2022:

RANGE	NO. OF Shareholders	PERCENTAGE	NO. OF SHARES	PERCENTAGE
1-500	129,498	91.15	7,645,828	1.53
501-1000	3,995	2.81	3,091,978	0.62
1001-2000	3,012	2.12	4,421,446	0.89
2001-3000	1,539	1.08	3,915,650	0.78
3001-4000	708	0.50	2,503,454	0.50
4001-5000	479	0.34	2,180,304	0.44
5001-10000	1,619	1.14	11,042,417	2.21
Above 10000	1,220	0.86	464,344,659	93.03
Total	142,070	100.00	499,145,736	100.00

# • Categories of Shareholders as on 31st March, 2022:

Category	No. of Shareholders	Voting Strength %	No. of Shares
Promoter and Promoter Group	8	75.00	374,359,302
Insurance Companies	15	4.07	20,339,516
Indian Banks and Mutual Funds	49	2.28	11,367,690
Domestic Companies	661	3.16	15,757,795
Clearing Member	181	0.11	559,133
Foreign Banks and Foreign Portfolio Investors	74	1.70	8,464,269
Non Resident Indians	2,130	0.52	2,618,913
IEPF	1	0.40	1,972,830
Resident Individuals, Hindu Undivided Families, Foreign Nationals, NBFCs, Trusts and Others	138,951	12.76	63,706,288
Total	142,070	100.00	499,145,736

# • Dematerialisation of Shares and Liquidity:

99.29% of the Company's share capital is held in dematerialised form as on 31st March, 2022. The Company's shares are regularly traded on the BSE Limited and National Stock Exchange of India Limited.

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# • Equity Shares in the Demat Suspense Account:

Details of unclaimed equity shares lying in the Company's Unclaimed Shares Suspense Account (in demat form) are given below:

Particulars	No. of Shareholders	No. of Equity Shares
Outstanding as on 1st April, 2021	45	247,111
Shares transferred to Investor Education and Protection Fund during the year	8	18,231
Shares transferred during the year to shareholders from the Suspense Account on receipt of valid request	2	5,737
Outstanding as on 31st March, 2022	35	223,143

The voting rights on the shares outstanding in the Suspense Account are frozen till such shares are claimed by their rightful owners.

# Board skills, expertise and experience:

The Board has determined the following skills, competence and expertise which the Board members should possess. Names of the Directors, who possess such skills etc. are mentioned against the respective skills, competence and experience:

Nature of skill, competence and experience	Name of the Directors
Industry experience/knowledge	Mr. Chetan Shah, Mr. Sushil Marfatia,
	Mr. Tadashi Katayama, Mr. Hiroyoshi Mukai,
	Mr. Ninad D. Gupte and Mr. Masanori Uzawa
Sector knowledge/experience	Mr. Chetan Shah, Mr. Sushil Marfatia,
	Mr. Tadashi Katayama, Mr. Hiroyoshi Mukai,
	Mr. Ninad D. Gupte and Mr. Masanori Uzawa
Experience and expertise in strategic thinking and	Dr. Mukul G. Asher, Mr. Chetan Shah and
planning	Mr. B. V. Bhargava
Knowledge and experience of international business	Mr. Chetan Shah, Mr. Tadashi Katayama,
	Mr. Hiroyoshi Mukai and Mr. Ninad D. Gupte
Finance and accounting knowledge and experience	Mr. Sushil Marfatia and Mr. B. V. Bhargava
Legal and Regulatory experience and knowledge	Mrs. Preeti Mehta, Mr. Chetan Shah and
	Mr. Ninad D. Gupte

# · Credit Rating held by the Company:

The Company continues to hold the 'CRISIL AA/Stable' Long Term Credit Rating assigned by CRISIL Limited to the Company's ₹ 2000 million Bank Loan Facilities.

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#### Fees of the statutory auditors and their network entities:

The details of fees for all services paid / payable by the Company and its subsidiaries, on a consolidated basis, to M/s. SRBC & CO LLP, Statutory Auditors, and all the entities in the network firm/network entity of which the statutory auditors are a part, are as follows:

(₹ in million)

Type of Service	F.Y. 2021-22	F.Y. 2020-21
Audit Fees (including fees for limited reviews)	5.10	5.10
Tax Audit Fees	0.60	0.60
Fees for other matters (certification)	0.60	_
Reimbursement of out-of-pocket expenses	0.06	0.04
Total	6.36	5.74

# Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

There were no complaints relating to sexual harassment filed during the year and there were no complaints pending at the beginning or end of the financial year.

# • Certificate regarding Directors' disqualification:

A certificate from M/s. Saraf & Associates, Practicing Company Secretaries, to the effect that none of the Company's Directors has been debarred or disqualified from being appointed or continuing as Director of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority is annexed to this Report.

#### Plant Locations:

#### **Factories:**

- a. 6/2, Ruvapari Road, Bhavnagar-364005, Gujarat.
- b. Plot No. 205-209, Bhuj-Mundra Road, Near Kera Village, Taluka: Bhuj Dist. Kutch, Gajod-370430, Gujarat
- c. Plot No. 60, B Nanji Industrial Estate, Athal Luhari Road, Kharadpada 396235, Silvassa, Dadara and Nagar Haveli
- d. Plot No. C-5 /184-185, National Highway No. 8, Near GPCB Office, G.I.D.C, Vapi 396 195, Gujarat.
- e. Plot No. T137, 138, 113 and 251, M.I.D.C., Tarapur, Boisar, Palghar, Thane 401 506, Maharashtra.

#### Address for Correspondence:

Corporate Office:	Registered Office:		
Sumitomo Chemical India Limited	Sumitomo Chemical India Limited		
13 & 14, Aradhana Industrial Development Corporation,	Building No. 1, Ground Floor, Shant Manor Co-op		
Near Virwani Industrial Estate, Goregaon (East),	Housing Society Ltd., Chakravarti Ashok 'X' Roa		
Mumbai - 400 063.	Kandivli (E) Mumbai - 400 101		
Tel: 022-42522200	Tel: 022-28866666		
Fax: 022-42522380			

# Address for Correspondence for share related work:

M/s. Link Intime India Pvt. Ltd.

C 101, 247 Park,

L B S Marg, Vikhroli West,

Mumbai 400 083 (Tel.: 022-49186000)

# Email-id of the Compliance Officer and other officials for communicating investor complaints/grievances:

investor.relations@sumichem.co.in

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# Declaration by the Managing Director on Compliance with the Code of Conduct Policy:

As required by Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and the senior management personnel have affirmed compliance with the Code of Conduct.

For Sumitomo Chemical India Limited

CHETAN SHAH Managing Director (DIN: 00488127)

Mumbai, 27th May, 2022

CIN: L24110MH2000PLC124224

# CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE [Pursuant to Regulation 34(3) read with paragraph E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members.

SUMITOMO CHEMICAL INDIA LIMITED CIN: L24110MH2000PLC124224

Bldg. No. 1, GF, Shant Manor Co-op Housing Society Ltd. Chakravarti Ashok 'X' Road, Kandiyli (E). Mumbai Maharashtra 400 101.

I have examined the compliance of the conditions of Corporate Governance by **SUMITOMO CHEMICAL INDIA LIMITED** (CIN - L24110MH2000PLC124224) ('the Company') as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for the year ended on March 31, 2022.

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the management; I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

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

For Saraf and Associates

(Practising Company Secretaries)

K.G.Saraf

Proprietor FCS: 1596 | CP: 642 FRN: S1988MH004801

PR. 1003/2020

Place: Mumbai Date: 27 May 2022

UDIN: F001596D000409597

CIN: L24110MH2000PLC124224

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members.

SUMITOMO CHEMICAL INDIA LIMITED CIN: L24110MH2000PLC124224

Bldg. No. 1, GF, Shant Manor Co-op Housing Society Ltd. Chakravarti Ashok 'X' Road, Kandivli (E), Mumbai Maharashtra 400 101.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SUMITOMO CHEMICAL INDIA LIMITED** having **CIN: L24110MH2000PLC124224** and having registered office at Bldg No.1, GF, Shant Manor Co-op Housing Society Ltd Chakravarti Ashok 'X' Road, Kandivli (E) Mumbai Maharashtra 400101 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 clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company*
1.	Bhupendranath Bhargava	00001823	27/08/2019
2.	Ninad Dwarkanath Gupte	00027523	31/08/2019
3.	Mukul Govindji Asher	00047673	27/08/2019
4.	Chetan Shantilal Shah	00488127	01/09/2019
5.	Preeti Gautam Mehta	00727923	31/08/2019
6.	Sushil Champaklal Marfatia	07618601	07/10/2016
7.	Tadashi Katayama	07628973	31/08/2019
8.	Hiroyoshi Mukai	07835814	06/06/2017
9.	Masanori Uzawa	08782828	10/07/2020

<sup>\*</sup> the date of appointment is as per the MCA Portal.

CIN: L24110MH2000PLC124224

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My 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 Saraf and Associates**

(Practising Company Secretaries)

K.G.Saraf

Proprietor FCS: 1596 | CP: 642 FRN: S1988MH004801 PR. 1003/2020

Place: Mumbai Date : 27 May 2022

UDIN: F001596D000409542

CIN: L24110MH2000PI C124224

#### INDEPENDENT AUDITOR'S REPORT

To the Members of Sumitomo Chemical India Limited

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

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of Sumitomo Chemical India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules 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 Ind AS financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

#### **Kev audit matters**

#### How our audit addressed the key audit matters

Revenue Recognition – Estimation of discounts, incentives, rebates, rebate reversal and sales return (as described in note 2.1 (o) of the standalone Ind AS financial statements)

Revenue is measured net of discounts, incentives, rebates and sales return.

Due to the Company's presence across different marketing regions and the competitive business environment, the estimation of various types of discounts, incentives and rebate schemes which are recognised based on sales made is considered to be complex and judgmental. Further, there is a possibility of sales return of expired products from customers, which requires estimation

Given the significant judgement required and complexity involved in estimating discounts, incentives, rebates and sales return, this is considered as a key audit matter.

We performed following audit procedures:

- Obtained and reviewed schemes and policies relating to discounts, incentives, rebates and sales return;
- b) Evaluated the design and tested the operating effectiveness of Company's internal controls over discounts, incentives and rebates and sales return:
- Obtained calculations for discounts, incentives, rebates accruals under applicable schemes and rebate reversals. Verified on a sample basis and compared the accruals made with the approved schemes;
- Obtained and inspected, on a sample basis, supporting documentation for payment towards discounts, incentives and rebates during the year as well as credit notes issued during and after the year end;
- Analysed the historical trend of payments made towards discounts, incentives, rebates and that of sales return utilized for making estimate of accruals; and
- Assessed the adequacy of the disclosures as per the applicable accounting standards.

CIN: L24110MH2000PI C124224

#### **Kev audit matters**

#### How our audit addressed the key audit matters

Valuation of inventory (as described in note 2.1 (g) of the standalone Ind AS financial statements)

Inventories represent significant portion of total assets as at March 31, 2022 with carrying value of INR 9.377.62 millions (net of allowances).

Inventories are valued at lower of cost and net realization value. The Company writes down inventories to net realisable value on account of obsolescence, expiry and non-moving inventory, based on the management's assessment.

Assessing net realizable value and identification of slow-moving, expired and obsolete inventory are areas which require use of significant judgements and owing to the inherent complexities, this is considered to be a key audit matter.

We performed the following audit procedures:

- Understood and evaluated the process relating to determination of net realizable value of inventories and identification of slow-moving, expired or obsolete inventories;
- Evaluated the design and tested operating effectiveness of internal controls over inventory valuation;
- c) Tested the valuation of inventories, on sample basis, by comparing the value of raw materials and traded goods with the underlying supporting documents. For work in process and manufactured finished goods, verified the bill of materials and tested computation for labour and manufacturing overhead absorption.
- d) Obtained age wise analysis of inventories, made specific inquiries with the management with regards to expiry, slow moving and obsolete inventories and evaluated the adequacy of write-down of inventories provided by the management; and
- Assessed the appropriateness of disclosures in standalone Ind AS financial statements in accordance with the applicable accounting standards.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Board of directors, its annexure, management discussion and analysis report but does not include the standalone Ind AS financial statements and our auditor's report thereon

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit
  procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting
  a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,
  misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone Ind AS 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 Ind AS
  financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date
  of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022 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 "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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- (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, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements Refer note 44A to the standalone Ind AS financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - 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, as disclosed in the note 49(v) to the standalone Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, 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, as disclosed in the note 49(vi) to the standalone Ind AS financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - Based on such audit procedures that were 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 (a) and (b) contain any material misstatement.
  - v. The final dividend paid by the Company during the year in respect of dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 20(f) to the standalone financial statements, 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 dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For S R B C & CO LLP Chartered Accountants ICAI Firm Registration Number: 324982E/E300003

> per Jayesh Gandhi Partner Membership Number: 037924 UDIN: 22037924AJSAIG7241

Mumbai 27th May, 2022

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ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF SUMITOMO CHEMICAL INDIA LIMITED ("THE COMPANY")

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) The Company has maintained proper records showing full particulars of intangibles assets.
  - (b) Property, Plant and Equipment were physically verified by the management in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the standalone Ind AS financial statements included in property, plant and equipment are held in the name of the Company except for the following:

Description of Property	Gross carrying value (INR in millions)	Held in name of	Whether promoter, director or their relative or employee	Period held from	Reason for not being held in the name of Company			
Building - Guest house	2.07	Gujarat Krishi Chem Corporation	No	01-Apr-11	These properties were acquired			
Freehold Land	37.19				pursuant to a scheme of amalgamation and continued to be in the name of			
Building - Office	8.49	Excel Crop Care Limited	Excel Crop Care Limited	Excel Crop Care Limited	Excel Crop Care Limited N	No	31-Aug-19	amalgamating company.
Building - Guest house	26.26							
Leasehold land	100.00							
Building - Office	0.16	Sumitomo Chemical  India Private Limited	No	24-Nov-18	These properties continued to be in erstwhile company name.			
Building - Guest house	1.90	1			Total Turnor			

- (d) The Company has not revalued its property, plant and equipment including right-of-use assets or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2022 and discrepancies were not noticed in respect of such confirmations.
  - (b) The Company has not been sanctioned working capital limits in excess of INR five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has not provided advances in the nature of loans, stood guarantor or provided security to companies, firms, Limited Liability Partnerships or any other parties. Further, during the year the Company has given inter-corporate deposits to companies as follows:

Particulars	Amount (INR in millions)
Aggregate amount of inter-deposits given during the year	
- Subsidiaries	_
- Others	250.00
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiaries	_
- Others	250.00

(b) During the year the Company has not provided guarantees and security to companies, firms, Limited Liability Partnerships or any other parties. Further, during the year the investments made and inter-corporate deposits given by the Company are not prejudicial to the Company's interest.

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- (c) The Company has given inter-deposits during the year to companies where the schedule of receipt of principal and payment of interest has been stipulated and the receipts are regular.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the year.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no guarantees, and security in respect of which provisions of sections 185 and 186 of the Act are applicable. Further, investment made and inter-corporate deposits given in respect of which provisions of section 185 and section 186 of the Act are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to manufacture of Chemicals, Insecticides, Ores & Mineral Products & Fertilizers and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to sales-tax, service tax, duty of excise, cess and value added tax are not applicable to the Company.
  - According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - (b) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise and value added tax on account of dispute are as follows:

Name of the statute	Nature of the dues	Amount (INR in millions)	Period to which the amount relates	Forum where the dispute is pending
		0.93	AY 2004-05	Mumbai High Court
		13.87	AY 2011-12	ITAT, Mumbai
Income Tax Act, 1961	Income Tax	0.66	AY 2018-19	Assessing Officer
		8.51	AY 2019-20	CPC, Bengaluru
		17.72	AY 2017-18	CIT (Appeal), Mumbai
Central Sales Tax Act, 1956	Sales Tax	0.19	FY 1998-99	Sales Tax Officer, Thane
Certifial Sales lax Act, 1930	Sales lax	0.30	FY 2002-03	Deputy Commissioner, Ahmedabad
		0.73	August 2007 to July 2008	Order in Original passed by Additional Commissioner of Central Excise
The Central Excise Act, 1944	Service Tax	6.11	March 2015 to Sept 2016	Commissioner, Central Excise, Thane
		3.04	October 2016 to June 2017	Assistant Commissioner, Division-IV, CGST and Central Excise, Palghar Commissionerate
The Finance Act, 1994	Service Tax	1.26	April 2002 to March 2004	Superintendent of Central Excise, Mumbai
Service Tax Rules	Service Tax	5.27	FY 2005-06 & FY 2012-13 to 2015-16	Additional / Joint Commissioner (Bhavnagar), Assistance Commissioner (Silvassa), Joint Commissioner (Gandhidham)
Customs Act, 1962	Custom Duty	2.30	FY 2012-13	Joint Commissioner of Customs
Bihar Value Added Tax Act, 2005	Value Added Tax	2.09	FY 2007-08, 2011-12 & 2012-13	Deputy Commissioner of Commercial Taxes, Patna.
AP Value Added Tax Act, 2005	Value Added Tax	0.45	FY 2016-17	Commercial Tax Officer, Guntur, Andhra Pradesh
The Central Goods and Services Act, 2017	Goods and Service Tax	0.62	FY 2018-19	Assistant Commissioner of State Tax, Raipur Chattisgarh

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- (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) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
  - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
  - (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
  - (e) On an overall examination of the standalone Ind AS 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, associates or joint ventures.
  - (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
  - (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company and, not commented upon.
- (xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
  - (b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor/ secretarial auditor or by us in Form ADT 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are generally in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) (a) 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 till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
  - (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
  - (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
  - (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has neither incurred cash losses in the current financial year nor 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) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 48 to the standalone Ind AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone Ind AS 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

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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 of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 47 to the standalone Ind AS financial statements.
  - (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act. This matter has been disclosed in note 47 to the standalone Ind AS financial statements.

For S R B C & CO LLP

Chartered Accountants

Time Posistration Number 224092F/F200002

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi Partner

Membership Number: 037924 UDIN: 22037924AJSAIG7241

Place of Signature: Mumbai Date: 27th May, 2022

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# ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF SUMITOMO CHEMICAL INDIA LIMITED ("THE COMPANY")

# Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013, as amended ("the Act")

We have audited the internal financial controls with reference to the standalone Ind AS financial statements of the Company as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS 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") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone Ind AS 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 with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements.

## Meaning of Internal Financial Controls With Reference to the Standalone Ind AS Financial Statements

A company's internal financial controls with reference to the standalone Ind AS 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 controls with reference to the standalone Ind AS 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 the Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to these standalone Ind AS 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 the standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to the standalone Ind AS 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, adequate internal financial controls with reference to the standalone Ind AS financial statements and such internal financial controls with reference to the standalone Ind AS financial statements were operating effectively as at March 31, 2022, 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 ICAI.

For S R B C & CO LLP Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi Partner Membership Number: 037924 UDIN: 22037924AJSAIG7241

Place of Signature: Mumbai Date: 27th May, 2022

CIN: L24110MH2000PLC124224

# STANDALONE BALANCE SHEET AS AT 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

		Notes	As at 31 March, 2022	As 31 March, 20
	SETS		, ,	, ·
(1)	Non-current assets (a) Property, Plant and Equipment	3	3,496.09	2,775.
	(b) Capital work-in-progress	3 4 5 6	211.10	42.
	(c) Right-of-use assets	5	363.60	310.8
	(d) Other Intangible assets (e) Intangible assets under development	o 7	43.49 141.06	6. 99.
	(f) Financial Assets			
	(i) Investments (ii) Loans	8 9	6.26	8.7 7.5
	(iii) Others financial assets	10	7.54 299.99	52.3
	(g) Non-current tax assets (Net)		212.89	199.9
	(h) Other non-current assets	11	95.27	175.0
	Total non-current assets		4,877.29	3,678.
(2)	Current Assets	10	0.077.00	7 500
	(a) Inventories (b) Financial Assets	12	9,377.62	7,538.
	(i) Investments	13	3,560.22	2,902.
	(ii) Trade receivables (iii) Cash and cash equivalents	14 15	8,431.43 567.74	8,455.0 1,769.4
	(iv) Bank balances other than (iii) above	16	218.78	537.4
	(v) Loans	17	4.67	22.0
	(vi) Other financial assets (c) Other current assets	18 19	1,745.04 1,309.63	168. 1,502.
	Total current assets		25,215,13	22,896.2
	TOTAL ASSETS			26.575.2
			30,092.42	20,373.
II. EQI (1)	JITY AND LIABILITIES Equity			
(-)	(a) Equity share capital	20	4,991.46	4,991.4
	(b) Other equity	21	14,252.08	10,286.8
	Total equity		19,243.54	15,278.2
(2)	Liabilities			
	Non-current liabilities (a) Financial liabilities			
	– Lease liabilities	39	247.19	153.
	(b) Provisions	22	223.42	292.0
	(c) Deferred tax liabilities (net)	35	139.07	50.4
	Total non-current liabilities		609.68	495.
	Current liabilities (a) Financial liabilities			
	(i) Lease liabilities	39	128.65	173.
	(ii) Trade payables	22	005.00	275
	(A) total outstanding dues of micro and small enterprises (B) total outstanding dues of creditors other than micro and small enterprises	23 23	225.28 4,972.53	275.9 5,627.9
	(iii) Öther financial liabilities	24	3,997.20	3,568.3
	(b) Öther current liabilities (c) Provisions	25 26	796.48 71.64	1,081. 56.
	(d) Current Tax liabilities	20	47.42	18.
	Total current liabilities		10,239.20	10,801.
	Total liabilities		10,848.88	11,296.9
то:	TAL EQUITY AND LIABILITIES		30,092.42	26,575.2
	accounting policies	2.1		
	panying notes 1 to 51 are an integral part of these standalone Ind AS financial statements.	۷.۱		
40001	-Fanying here is a or are an integral part of those diamond ind no interior diacontonio.			
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As per our report of even date attached

For and on behalf of the Board of Directors of Sumitomo Chemical India Limited CIN: L24110MH2000PLC124224

For S R B C & CO LLP

Chartered Accountants

Firm's Registration No: 324982E/E300003

Jayesh Gandhi Partner

Membership No: 037924

Place: Mumbai Date: 27 May 2022 Chetan Shah Managing Director DIN: 00488127 Anil Nawal

Chief Financial Officer Place: Mumbai

Vice President & Company Secretary

Place: Mumbai Date: 27 May 2022

Sushil Marfatia

DIN: 07618601

Pravin D. Desai

Executive Director

Date: 27 May 2022

CIN: L24110MH2000PLC124224

# STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

		Notes	For the year ended 31 March, 2022	For the year ender 31 March, 202
INCO	ME			
l.	Revenue from operations	27	30,635.73	26,426.50
II.	Other income	28	359.38	189.7
III.	Total income (I + II)		30,995.11	26,616.2
V.	Expenses			
	Cost of materials consumed	29	18,478.75	15,647.2
	Purchase of stock-in-trade		2,309.39	2,083.2
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(1,714.74)	1185.3
	Employee benefits expense	31	2,011.49	1,931.0
	Finance costs	32	61.65	55.5
	Depreciation and amortisation expense	3, 5 & 6	447.92	465.5
	Other expenses	33	3,542.45	3,087.7
	Total expenses (IV)		25,136.91	22,084.9
<b>I</b> .	Profit before tax (III - IV)		5,858.20	4,531.2
/I.	Tax expense:		4 400 00	1 071 0
	<ol> <li>Current tax</li> <li>Adjustment of current tax in respect of earlier years</li> </ol>	34	1,436.88	1,071.8
	<ol> <li>Adjustment of current tax in respect of earlier years</li> <li>Deferred tax charge</li> </ol>		(4.68) 38.60	(54.8
	Adjustment of deferred tax in respect of earlier years	35	50.07	- 01.5
	Total tax expenses (VI)		1,520.87	1,078.2
/II.	Net profit after tax (V-VI)		4,337.33	3,452.9
/III.	Other comprehensive income			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit liability		36.41	17.23
	(ii) Income tax related to items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit liability	34	(9.16)	(4.3
.,	Total other comprehensive income for the year [VIII (i) + VIII (ii)]		27.25	12.89
X.	Total comprehensive income for the year (VII + VIII)		4,364.58	3,465.8
⟨.	Earnings per equity share (Face value of ₹ 10 each) Basic and diluted earnings per share (in ₹)	36	9.60	6.9
			8.69	0.9
-	icant accounting policies	2.1		
ne a	ccompanying notes 1 to 51 are an integral part of these standalone Ind AS financial stat	ешепіѕ.		
	r our report of even date attached For and on behalf			<b> </b> emical India Limite

For S R B C & CO LLP

Chartered Accountants

Jayesh Gandhi

Firm's Registration No: 324982E/E300003

Managing Director DIN: 00488127 Anil Nawal Chief Financial Officer

Partner Membership No: 037924

Place: Mumbai Place: Mumbai
Date: 27 May 2022 Date: 27 May 2022

Sushil Marfatia

Pravin D. Desai

Vice President & Company Secretary

Executive Director DIN: 07618601

Place: Mumbai

Date: 27 May 2022

Chetan Shah

CIN: L24110MH2000PLC124224

# STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

(a)	Equity share capital		
		Note	Amount
	As at 31 March 2020	20	4,991.46
	Changes in equity share capital during the year		<del>_</del>
	As at 31 March 2021	20	4,991.46
	Changes in equity share capital during the year		_
	As at 31 March 2022	20	4,991.46

# (b) Other equity

	Res	Reserves & Surplus			
Particulars	General reserve	Securities premium	Retained earnings	Total other equity	
Balance as at 1 April 2020	3,767.81	2,350.60	977.09	7,095.50	
Profit for the year	_	_	3,452.97	3,452.97	
Other comprehensive income for the year (net of tax)	_	_	12.89	12.89	
Total comprehensive income for the year		_	3,465.86	3,465.86	
Transfer to general reserve	2,750.00	_	(2,750.00)	_	
Dividend on equity shares for the year		_	(274.53)	(274.53)	
Balance as at 31 March 2021	6,517.81	2,350.60	1,418.42	10,286.83	
Profit for the year	_	_	4,337.33	4,337.33	
Other comprehensive income for the year (net of tax)	_	_	27.25	27.25	
Total comprehensive income for the year	_	_	4,364.58	4,364.58	
Transfer to general reserve	3,750.00	_	(3,750.00)	_	
Dividend on equity shares for the year	_	_	(399.32)	(399.32)	
Balance as at 31 March 2022	10,267.81	2,350.60	1,633.67	14,252.08	

Refer note 21B for nature and purpose of reserves

As per our report of even date attached

For S R B C & CO LLP Chartered Accountants

Firm's Registration No: 324982E/E300003

Jayesh Gandhi Partner

Membership No: 037924

Place: Mumbai Date: 27 May 2022

For and on behalf of the Board of Directors of Sumitomo Chemical India Limited CIN: L24110MH2000PLC124224

Chetan Shah Managing Director DIN: 00488127

Anil Nawal Chief Financial Officer

Place: Mumbai Date: 27 May 2022

Sushil Marfatia Executive Director DIN: 07618601 Pravin D. Desai

Vice President & Company Secretary

Place: Mumbai Date: 27 May 2022

# STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022 (Currency: Indian Rupees in millions, unless otherwise stated)

		For the year ended 31 March, 2022	For the year ende 31 March, 202
١.	Cash flow from operating activities	5,858.20	4,531.2
	Adjustments for:		
	Depreciation and amortization expense	447.92	465.5
	Impairment allowance on trade receivables	229.95	205.4
	Export incentive receivable written off	2.25	_
	Sundry debit balance written off	0.23	_
	Profit on sale / disposal of property, plant and equipment	(4.04)	(0.2
	Property, plant and equipment written off (including capital work-in-progress)	11.19	0.0
	Gain on sale of financial assets measured at FVTPL	(66.89)	(73.8
	Excess provisions in respect of earlier years written back (net)	(2.08)	(6.2
	Interest income	(103.54)	(99.5
	Fair valuation gain on financial assets measured at FVTPL	(78.29)	0.1
	Dividend income	(91.44)	(4.0
	Finance costs	61.65	55.5
	Unrealised exchange differences (net)	(30.21)	(5.0
	Operating cash flow before working capital changes	6,234.89	5,068.9
	Working capital adjustments		
	Adjustments for (increase) / decrease in assets		
	Trade receivables	(178.91)	(180.9
	Inventories	(1,839.49)	(1,668.0
	Other non current and current assets	191.75	(517.3
	Other non current and current financial assets	(145.18)	99.5
	Adjustments for increase / (decrease) in liabilities	( )	
	Trade payables	(721.63)	1,079.0
	Non current and current provisions	(16.83)	17.5
	Other non current and current financial liabilities	417.71	1,144.8
	Other non current and current liabilities	(285.06)	280.7
	Cash generated from operating activities	3,657.25	5,324.3
	Income taxes paid (net of refund)	(1,425.37)	(1,079.4
	Net cash flows generated from operating activities (A)	2,231.88	4,244.9
١.	Cash flow from investing activities		
	Purchase of property, plant and equipment, intangible assets and capital work-in-progress (net of capital advances)	(1,135.21)	(432.6
	Proceeds from sale of property, plant and equipment	10.63	4.4
	Proceeds from sale of investment in subsidiary	2.51	-
	Purchase of mutual funds	(4,416.17)	(4,581.7
	Proceeds from sale of mutual funds	3,903.51	2,613.1
	Movement in deposits not considered as cash and cash equivalents :		
	- Investments in such deposits	(3,385.89)	(1,866.9
	- Proceeds from such deposits	2,062.20	1,337.1
	Interest received	58.88	99.5
	Dividend received	91.44	4.0
	Net cash flows used in investing activities (B)	(2,808.10)	(2,823.0

CIN: L24110MH2000PLC124224

## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

C.	Cash flow from financing activities	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Payment of lease liability	(211.71)	(180.91)
	Interest paid	(14.47)	(14.58)
	Dividend paid	(399.32)	(275.12)
	Net cash flows used in financing activities (C)	(625.50)	(470.61)
	Net increase in cash and cash equivalents $(A + B + C)$	(1,201.72)	951.25
	Cash and cash equivalents at the beginning of the year	1,769.46	818.21
	Cash and cash equivalents at the end of the year (Refer note 15)	567.74	1,769.46

#### Notes:

- 1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7, 'Statement of Cash Flows'
- 2. Changes in lease liabilities arising from financing activities :

3	For the year ended 1 March 2022	For the year ended 31 March 2021
Opening balance	326.35	355.81
Cash flows	(211.71)	(180.91)
New leases	214.02	110.48
Accretion of interest	47.18	40.97
Closing balance	375.84	326.35

Significant accounting policies (Refer note 2.1)

The accompanying notes 1 to 51 are an integral part of these standalone Ind AS financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors of Sumitomo Chemical India Limited CIN: L24110MH2000PLC124224

For S R B C & CO LLP

Chartered Accountants

Firm's Registration No: 324982E/E300003

Jayesh Gandhi Partner

Membership No: 037924

Place: Mumbai Date: 27 May 2022 Chetan Shah Managing Director DIN: 00488127 Anil Nawal

Anil Nawal Chief Financial Officer

Place: Mumbai Date: 27 May 2022 Sushil Marfatia Executive Director DIN: 07618601 Pravin D. Desai

Vice President & Company Secretary

Place: Mumbai Date: 27 May 2022

CIN: L24110MH2000PLC124224

## NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

### 1 CORPORATE INFORMATION

Sumitomo Chemical India Limited ('SCIL' or 'the Company') (CIN: L24110MH2000PLC124224) was incorporated originally on 15 February 2000 and converted from Private Limited to Public Limited w.e.f. 24 November 2018. SCIL is a subsidiary of Sumitomo Chemical Company Limited, Japan ('SCCL'). The Company's registered office is at Building No. 1, Ground Floor, Shant Manor Co-Op Housing Society Limited, Chakravarti Ashok 'X' Road, Kandivali (East), Mumbai – 400101 and it's corporate office is at 13/14 Aradhana Industrial Development Corporation, Near Virwani Industrial Estate, Goregaon (East), Mumbai – 400 063. The Company's shares are listed on National Stock Exchange and Bombay Stock Exchange. The Company is primarily engaged in manufacturing and sales of household insecticides, agricultural pesticides, public health insecticides and animal nutrition products.

The standalone Ind AS financial statements for the year ended 31 March 2022 were approved by the Board of Directors and approved for issue on 27 May 2022.

# 2.1 Significant accounting policies

### a Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone Ind AS financial statements.

The standalone Ind AS financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value as explained in accounting policy of fair value measurement [Refer note 2.1(s)] and financial instruments [Refer note 2.1(q)] below. The accounting policies adopted for preparation and presentation of financial statement have been consistent with the previous year.

The standalone Ind AS financial statements are presented in Indian Rupees and all values are rounded to the nearest millions, except when otherwise indicated.

#### b Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these standalone Ind AS financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the standalone Ind AS financial statements are disclosed in note 2.3.

## c Property, plant and equipment

Items of property, plant and equipment, other than freehold land, are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is carried at cost and is not depreciated. Capital work-in-progress is stated at cost.

The cost of an item of property, plant and equipment comprises:

- a) its purchase price, including import duties and all purchase applicable taxes, after deducting trade discounts and rebates.
- b) any directly attributable cost of bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by management.
- c) the estimated costs of dismantling and removing the item and restoring the site on which it is located.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the statement of profit and loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on derecognition of an item of property, plant and equipment is recognised in the statement of profit and loss.

Projects under which the property, plant and equipment is not yet ready for their intended use are carried as capital work in progress at cost determined as aforesaid.

## Subsequent expenditure:

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

## d Intangible assets

The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

Technical know-how fees for new product development is amortised over the period not exceeding five years from the date of agreement with supplier of technology.

CIN: L24110MH2000PLC124224

## NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

#### e Depreciation and amortisation

Depreciation is provided, under the straight line method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except for the following items where useful lives estimated by the management based on internal technical assessment, past trends and expected operational lives differ from those provided in Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used:

Leasehold land and leasehold improvements are amortised over the term of lease.

The key assets and related lives are:

Nature of asset	Life in Years
Factory road	5 to 10
Buildings	10 to 60
Plant and machinery (including computers)	3 to 25
Furniture and fixtures	10
Vehicles	5 to 8
Office equipments	5 to 10
Electrical installation	10
Laboratory equipments	10

Assets costing less than ₹ 25,000/- are fully depreciated in the year of purchase.

Amortisation in respect of all the intangible assets is provided on straight line method over the useful lives of assets.

Nature of asset	Life in Years
Data Registration Expenses	3
Software and License and Registration	4
Technical know-how	5

#### f Impairment of non-financial assets

The carrying values of assets at each reporting date are reviewed for impairment if any indication of impairment exists at cash generating unit ('CGU') level.

If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses including impairment on inventories are recognised in the statement of profit and loss.

When there is an indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the statement of profit and loss, to the extent the amount was previously charged to the statement of profit and loss.

#### g Inventories

Inventories are valued at the lower of cost and net realizable value. 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.

- i) Raw materials and packing materials, components, stores and spares: Cost is determined on moving weighted average basis which is valued at cost. However, raw materials and packing 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. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventory.
- ii) Work-in-progress and finished goods: Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity and other cost bringing the inventories at their present condition and location. Cost is determined on weighted average basis.
- iii) Traded products: Cost includes cost of purchase and other costs incurred in bringing the inventories their present location and condition. Cost is determined on weighted average basis.

CIN: L24110MH2000PLC124224

## NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

#### h Employee benefits

### 1) Short-term employee benefits

### Defined contribution plans

The Company makes contribution towards provident fund, pension fund, superannuation fund and employee's state insurance contribution to a defined contribution retirement benefit plan for qualifying employees. Both the employee and the Company make monthly contribution equal to a specified percentage of the covered employee's salary or a fixed monthly contribution. The monthly contributions payable by the Company are charged to the statement of profit and loss as incurred.

#### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised 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 recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined liability (asset) 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 gratuity benefit scheme are recognised in statement of profit and 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 recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees is recognised during the period when the employee renders the service.

#### 2) Other long-term benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employees renders the related services are recognised as a liability at the present value of the defined benefit obligation at the reporting date. Provision in respect of leave encashment benefits has been made based on actuarial valuation carried out by an independent actuary at the reporting date using Projected unit cost method. The employees can avail upto a certain number of leaves as per the Company's policies in one year and accordingly the liability has been classified into current and non current in the financials.

#### i Foreign currency transactions

## i. Functional and presentation currency

The Company's standalone Ind AS financial statements are prepared in Indian Rupees which is also the Company's functional currency.

### ii. Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

### iii. Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

# j Income taxes

Tax expense for the period comprises of current tax and deferred tax charge or credit. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

#### **Current taxes**

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. For the purpose of computing income taxes management has applied the annual effective tax rate on to the profit before tax for the period ended 31 March 2022.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

# **Deferred taxes**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting

CIN: L24110MH2000PLC124224

## NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that
  affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets — unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

#### k Earnings per share

The basic earnings per equity share ('EPS') is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

### i Provisions and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### m Research and development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period expected future sales from the related project, not exceeding ten years.

#### n Cash and cash equivalents

In cash flow statement, cash and cash equivalents includes cash in hand, bank balances, term deposits with banks and other short term highly liquid investments with original maturities within three months or less.

#### o Revenue Recognition

#### i. Sale of goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customers and when there are no longer any unfulfilled obligations. The performance obligations in contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured at transaction price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

#### Return of Goods

The Company uses the expected value method to estimate liability and corresponding adjustment to cost of sales for the goods that are expected to be returned.

#### Rebates and Discounts

Based on the value and volume of sales, the Company recognises liability towards rebates and discounts. Accordingly, sales are recognised net off rebate and discounts.

#### ii. Other income

 Interest income is recognized on a time proportion basis taking into account the amount outstanding and the effective rate of interest.

CIN: L24110MH2000PLC124224

## NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

- b. Revenue in respect of insurance / other claims, interest etc., is recognised only when it is reasonably certain that the ultimate collection will be made.
- c. Dividend income is recognised in the statement of profit and loss on the date on which right to receive the payment is established.
- Interest u/s 244A of Income tax Act, 1961 is recognised on realisation.

#### iii. Sale of services

Revenue from services contracts are recognized pro-rata over the period of the contract as and when services are rendered and are net of goods and service tax.

#### p Contract balances

#### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract assets represents right to receive the inventory (on estimated sales returns). Refer accounting policy on impairment of financial assets in note 2.1(r).

#### **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 recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

#### q Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency exchange forward contracts.

#### i. Financial assets

Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

## Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the asset's contractual cash flow represents SPPI.

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, dividend income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss.

### Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

## **Equity investments**

Equity investments in subsidiaries are out of scope of Ind AS 109 and hence, the Company has accounted for its investment in subsidiaries at cost.

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## NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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All other equity investments are measured at fair value. Equity instruments, which are held for trading are classified as at FVTPL. For equity instruments other than held for trading, the Company has exercised irrevocable option to recognise in other comprehensive income subsequent changes in the fair value.

Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### Derecognition

The Company derecognises a financial asset when the rights to receive cash flows from the asset have expired or it transfers the right to receive the contractual cash flow on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

#### ii. Financial liabilities

#### Classification

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

## Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the statement profit and loss.

#### Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## r Financial assets impairment

The Company assessed the expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on the Company's past history of recovery, credit worthiness of the counter party and existing and future market conditions.

For all financial assets other than trade receivables, expected credit losses are measured at an amount equal to the 12-month expected credit loss (ECL) unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. For trade receivables, the Company has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the receivables.

### s 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

#### t Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold building	1-9 years
Leasehold vehicles	4-5 years

The right-of-use assets are also subject to impairment. Refer accounting policy in note 2.1(f) Impairment of non-financial assets.

## b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in interest-bearing borrowings.

### c) Short-term leases and leases of low-value assets:

The Company applies the short-term lease recognition exemption to its short-term leases of office premises and storage locations (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## Company as a lessor

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 arising is accounted on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

# u Borrowing cost

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted.

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#### v Dividend

The Company recognises a liability for any dividend declared in the period when it is approved by the shareholders. As per corporate laws in India, a distribution in the nature of final dividend is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

#### w Seamental reporting

As per Ind AS - 108, 'Operating Segments', if a financial statements contains both the consolidated financial statements of the parent that is within the scope of Ind AS - 108 as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS - 108 Operating Segments has been given in the consolidated Ind AS financial statements.

### x Operating cycle

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### 2.2 Recent accounting pronouncements issued but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the standalone financial statements which has material impact on the Company's standalone Ind AS financial statements.

### 2.3 Key accounting estimates, judgments and assumptions

The preparation of these standalone In AS financial statements in conformity with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The management believes that the estimates used in preparation of these standalone Ind AS financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialize.

The areas involving critical estimates or judgments are:

i. Property, plant and equipment & intangible assets

Determination of the estimated useful lives of tangible and intangible assets and the assessment as to which components of the cost may be capitalized. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. [Refer note 2.1(e)]

ii Fair value of financial instruments:

Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts, fair value of which, is determined using the fair value reports provided by respective merchant bankers. [Refer note 2.1(s)]

iii. Impairment of financial assets:

The Company's management reviews periodically items classified as receivables to assess whether a provision for impairment should be recorded in the statement of profit and loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty. Details of impairment provision on trade receivable are given in note 14.

The Company reviews it's carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than it's carrying amount, the impairment loss is accounted for. [Refer note 2.1(r)]

iv. Recognition and measurement of provisions and contingencies:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions. [Refer note 2.1(I)]

v. Assessment of lease transactions

Management assesses the contractual terms of the lease agreements to evaluate whether it is a lease as per Ind AS 116 (Refer note 39)

vi. Recognition and measurement of defined benefit obligations

Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. [Refer note 2.1(h)]

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# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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# Note-3 Property, plant and equipment ('PPE') For the year ended 31 March 2022

		Gross	block			Accumulated d	epreciation		Net blo	ock
Block of asset	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	Charge for the year	Disposals	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Land - Freehold	117.62	683.10	_	800.72	_	_	_	_	800.72	117.62
Land - Leasehold	163.41	_	_	163.41	12.30	2.46	_	14.76	148.65	151.11
Factory road	16.17	_	_	16.17	2.83	4.56	_	7.39	8.78	13.34
Buildings	703.93	64.26	_	768.19	180.37	34.03	_	214.40	553.79	523.56
Plant and machinery	2,552.17	172.48	38.64	2,686.01	784.18	159.69	32.84	911.03	1,774.98	1,767.99
Furniture and fixtures	64.79	4.05	_	68.84	41.46	8.19	_	49.65	19.19	23.33
Vehicles	80.39	46.62	4.62	122.39	38.43	16.88	3.57	51.74	70.65	41.96
Office equipments	66.48	5.67	1.15	71.00	36.72	9.80	1.13	45.39	25.61	29.76
Leasehold improvements	41.46	_	_	41.46	15.69	7.13	_	22.82	18.64	25.77
Electrical installations	92.50	6.25	_	98.75	33.44	9.82	_	43.26	55.49	59.06
Laboratory equipments	34.36	1.00	_	35.36	12.18	3.59	_	15.77	19.59	22.18
	3,933.28	983.43	44.41	4,872.30	1,157.60	256.15	37.54	1,376.21	3,496.09	2,775.68

# For the year ended 31 March 2021

		Gross	s block			Accumulated d	epreciation		Net block		
Block of asset	As at 1 April 2020	Additions	Disposals	As at 31 March 2021	As at 1 April 2020	Charge for the year	Disposals	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	
Land - Freehold	117.62	_	_	117.62	_	_	_	_	117.62	117.62	
Land - Leasehold	163.41	_	_	163.41	9.84	2.46	_	12.30	151.11	153.57	
Factory road	16.17	_	_	16.17	2.83	_	_	2.83	13.34	13.34	
Buildings	681.60	22.35	0.02	703.93	132.95	47.43	0.01	180.37	523.56	548.65	
Plant and machinery	2,346.41	208.09	2.33	2,552.17	577.20	208.48	1.50	784.18	1,767.99	1,769.21	
Furniture and fixtures	62.73	2.18	0.12	64.79	34.73	6.81	0.08	41.46	23.33	28.00	
Vehicles	82.69	2.93	5.23	80.39	29.68	12.25	3.50	38.43	41.96	53.01	
Office equipments	64.83	2.55	0.90	66.48	29.96	7.59	0.83	36.72	29.76	34.87	
Leasehold improvements	44.12	_	2.66	41.46	11.22	7.13	2.66	15.69	25.77	32.90	
Electrical installations	78.17	14.33	_	92.50	23.65	9.79	_	33.44	59.06	54.52	
Laboratory equipments	31.25	3.14	0.03	34.36	9.01	3.19	0.02	12.18	22.18	22.24	
	3,689.00	255.57	11.29	3,933.28	861.07	305.13	8.60	1,157.60	2,775.68	2,827.93	

## Notes:

- 1. Buildings include ₹ 0.002 millions (31 March 2021: ₹ 0.002 millions) being the value of shares in co-operative housing societies.
- 2. The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in note 44B.
- 3. Title deeds of immovable property not held in the name of the Company as at 31 March 2022 and 31 March 2021 are:

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (both years)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
PPE	Building guest house	2.07	Gujarat Krishi Chem Corporation	No	01 April 2011	These properties were acquired
	Freehold land	37.19				pursuant to a scheme of amalgamatio
	Building office	8.49	Excel Crop Care Limited	No	31 August 2019	and continued to be in the name of amalgamating company.
	Building guest house	26.26				
PPE	Leasehold land	100.00				
	Building office	0.16	Sumitomo Chemical India Private Limited	No	24 November 2018	These properties continued to be in erstwhile company name.
	Building guest house	1.90	maia i i i i ato E i i i i ato			orottimo company name.

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# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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## Note-4 Capital work-in-progress

Capital work-in-progress ("CWIP") as at 31 March 2022 is ₹211.10 millions (31 March 2021: ₹42.54 millions)

## a) CWIP ageing schedule as at 31 March 2022

Particulars	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	202.75	1.26	5.28	1.81	211.10
Projects temporarily suspended	_	_	_	_	_
	202.75	1.26	5.28	1.81	211.10

## CWIP ageing schedule as at 31 March 2021

Particulars	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	33.80	6.93	1.81	_	42.54
Projects temporarily suspended	_	_	_	_	_
	33.80	6.93	1.81	_	42.54

b) There are no projects where completion schedule is overdue or has exceeded its cost compared to its original plan as at 31 March 2022 and 31 March 2021.

## Note-5 Right-of-use assets

	Gross block					Accumulated de		Net block		
Particulars	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	Charge for the year	Disposals	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Building	363.32	175.17	_	538.49	180.83	113.64	_	294.47	244.02	182.49
Vehicles	210.35	43.25	_	253.60	82.01	52.01	_	134.02	119.58	128.34
	573.67	218.42	_	792.09	262.84	165.65	_	428.49	363.60	310.83

# For the year ended 31 March 2021

	Gross block					Accumulated d		Net block		
Particulars	As at 1 April 2020	Additions	Disposals	As at 31 March 2021	As at 1 April 2020	Charge for the year	Disposals	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Building	353.87	15.91	6.46	363.32	84.82	97.10	1.09	180.83	182.49	269.05
Vehicles	111.86	98.49	_	210.35	31.90	50.11	_	82.01	128.34	79.96
	465.73	114.40	6.46	573.67	116.72	147.21	1.09	262.84	310.83	349.01

## Note-6 Other Intangible assets

		Gross block				Accumulated amortisation				Net block	
Particulars	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	Charge for the year	Disposals	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021	
Data registration expenses	79.49	8.82	_	88.31	74.50	7.14	_	81.64	6.67	4.99	
Software / License and Registration	13.49	54.65	_	68.14	12.33	18.99	_	31.32	36.82	1.16	
Technical Know-how	9.45	_	_	9.45	9.45	_	_	9.45	_	_	
_	102.43	63.47	_	165.90	96.28	26.13	_	122.41	43.49	6.15	

### For the year ended 31 March 2021

	Gross block				Accumulated amortisation				Net block	
Particulars	As at 1 April 2020	Additions	Disposals	As at 31 March 2021	As at 1 April 2020	Charge for the year	Disposals	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Data registration expenses	77.15	2.34	_	79.49	62.80	11.70	_	74.50	4.99	14.35
Software / License and Registration	13.49	_	_	13.49	10.81	1.52	_	12.33	1.16	2.68
Technical Know-how	9.45	_	_	9.45	9.45	-	_	9.45	_	_
_	100.09	2.34	_	102.43	83.06	13.22	_	96.28	6.15	17.03

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# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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## Note-7 Intangible asset under development

Intangible asset under development ("IAUD") as at 31 March 2022 is ₹ 141.06 millions (31 March 2021: ₹ 99.58 millions)

## a) IAUD ageing schedule as at 31 March 2022

Particulars	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	57.38	37.63	15.77	30.28	141.06
Projects temporarily suspended	_	_	_	_	_
	57.38	37.63	15.77	30.28	141.06

## IAUD ageing schedule as at 31 March 2021

Particulars	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	37.63	15.96	13.87	32.12	99.58
Projects temporarily suspended	_	_	_	_	_
	37.63	15.96	13.87	32.12	99.58

b) There are no projects where completion schedule is overdue or has exceeded its cost compared to its original plan as at 31 March 2022 and 31 March 2021.

### Note-8 Non-current investments

		Numbers		Amount		
		As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	
A.	Fully paid unquoted equity instruments carried at cost					
	Investment in subsidiaries					
	Excel Crop Care (Europe) NV	_	99	_	2.50	
	Face value of Euro 630 each (Refer note below)					
	Excel Crop Care (Africa) Limited	1,699	1,699	5.11	5.11	
	Face value of Tanzanian Schillings 1,00,000 each					
	Investments in other entities					
	Investment in co-operative societies	9,132	9,132	1.12	1.12	
B.	Investments stated at Amortised cost					
	Investments in Government securities (Unquoted)					
	National Saving Certificates Face Value ₹ 0.03 millions			0.03	0.03	
	Total			6.26	8.76	
	Aggregate market value of quoted investments					
	Aggregate amount of quoted investments				_	
	Aggregate amount of unquoted investments			6.26	8.76	
	Aggregate amount of impairment in value of investments			_	_	

#### Note

Excel Crop Care (Europe) NV, Belgium, an unlisted subsidiary of the Company has been voluntarily wound up effective 23 December 2021 since it was not having significant business / commercial activities / sales.

# Note-9 Non current loans (at amortised cost)

As at 31 March 2022	As at 31 March 2021
7.54	7.59
7.54	7.59
	31 March 2022 7.54

			As at 31 March 2022	As a 31 March 202
Security deposits:				
Considered good- Unsecured			59.90	52.2
Credit impaired			2.71	2.7
Less: Allowance for doubtful deposit			(2.71)	(2.7
Deposit with banks (with remaining maturity of more than 12 months)			140.09	0.0
Deposit with corporates (with remaining maturity of more than 12 months)			100.00	_
Total			299.99	52.2
Note-11 Other non-current assets				
			As at 31 March 2022	As a 31 March 202
Unsecured, considered good unless otherwise stated			OT MIGION 2022	011111111111111111111111111111111111111
Capital advances			93.30	175.1
Prepaid expenses			1.97	0.4
Total			95.27	175.6
Note-12 Inventories				
			As at 31 March 2022	As a 31 March 202
Raw materials [Goods in transit: 31 March 2022: ₹ 454.24 millions (31 Ma	urah 2001, ₹ 420.26 mi	Iliano\1		2,651.6
	IICII 2021. <b>₹</b> 429.30 III	1110115)]	2,770.87 656.84	435.6
Work-in-progress			UUU.04 I	
	orah 2021, 7 14 41 mil	liono\1		
			5,347.80	3,695.2
Stock-in-trade [(Goods in transit: 31 March 2022: ₹ 54.84 millions (31 Ma			5,347.80 190.64	3,695.2 349.6
Stock-in-trade [(Goods in transit: 31 March 2022: ₹ 54.84 millions (31 Ma Containers and packing materials			5,347.80 190.64 359.66	3,695.2 349.6 369.9
Stock-in-trade [(Goods in transit: 31 March 2022: ₹ 54.84 millions (31 Ma Containers and packing materials			5,347.80 190.64	3,695.2 349.6 369.9
Stock-in-trade [(Goods in transit: 31 March 2022: ₹ 54.84 millions (31 Ma Containers and packing materials Stores and spares (including fuel)			5,347.80 190.64 359.66	3,695.2 349.6 369.9 35.9
Stock-in-trade [(Goods in transit: 31 March 2022: ₹ 54.84 millions (31 Ma Containers and packing materials Stores and spares (including fuel) <b>Total</b>			5,347.80 190.64 359.66 51.81	3,695.2 349.6 369.9 35.9
Stock-in-trade [(Goods in transit: 31 March 2022: ₹ 54.84 millions (31 Ma Containers and packing materials Stores and spares (including fuel) Total			5,347.80 190.64 359.66 51.81	3,695.2 349.6 369.9 35.9 7,538.1
Stock-in-trade [(Goods in transit: 31 March 2022: ₹ 54.84 millions (31 Ma Containers and packing materials Stores and spares (including fuel) Total  Note-13 Current investments Investment carried at fair value through Profit and Loss account	arch 2021: ₹ 55.59 mill As at <b>31 March 2022</b>	ions)]	5,347.80 190.64 359.66 51.81 9,377.62 As at 31 March 2022	3,695.2 349.6 369.9 35.9 7,538.1
Stock-in-trade [(Goods in transit: 31 March 2022: ₹ 54.84 millions (31 Ma Containers and packing materials Stores and spares (including fuel) Total  Note-13 Current investments Investment carried at fair value through Profit and Loss account	arch 2021: ₹ 55.59 mill As at <b>31 March 2022</b>	ions)]  As at 31 March 2021	5,347.80 190.64 359.66 51.81 9,377.62 As at 31 March 2022	3,695.2 349.6 369.9 35.9 7,538.1
Stock-in-trade [(Goods in transit: 31 March 2022: ₹ 54.84 millions (31 Ma Containers and packing materials Stores and spares (including fuel)  Total  Note-13 Current investments Investment carried at fair value through Profit and Loss account Investments in equity instruments Investments in other entities (Quoted)	arch 2021: ₹ 55.59 mil As at 31 March 2022 Quantit	As at 31 March 2021	5,347.80 190.64 359.66 51.81 9,377.62 As at 31 March 2022 Am	3,695.2 349.6 369.9 35.9 7,538.1 As 31 March 202
Stock-in-trade [(Goods in transit: 31 March 2022: ₹ 54.84 millions (31 March 2022: ₹ 54.84 million	arch 2021: ₹ 55.59 mill As at <b>31 March 2022</b>	ions)]  As at 31 March 2021	5,347.80 190.64 359.66 51.81 9,377.62 As at 31 March 2022	3,695.2 349.6 369.9 35.9 7,538.1 As 31 March 202
Stock-in-trade [(Goods in transit: 31 March 2022: ₹ 54.84 millions (31 March 2022: ₹ 54.84 million	arch 2021: ₹ 55.59 mill As at 31 March 2022 Quantit 420	As at 31 March 2021 y / units 420	5,347.80 190.64 359.66 51.81 9,377.62 As at 31 March 2022 Am	3,695.2 349.6 369.9 35.9 7,538.1 As 31 March 202 ount
Stock-in-trade [(Goods in transit: 31 March 2022: ₹ 54.84 millions (31 March 2022: ₹ 54.84 million	arch 2021: ₹ 55.59 mill As at 31 March 2022 Quantit 420 589,274	As at 31 March 2021 y / units 420 1,067,240	5,347.80 190.64 359.66 51.81 9,377.62 As at 31 March 2022 Am 0.64	3,695.2 349.6 369.9 35.9 7,538.1  As 31 March 202 ount  0.3
Stock-in-trade [(Goods in transit: 31 March 2022: ₹ 54.84 millions (31 March 2022: ₹ 54.84 million	As at 31 March 2022 Quantit 420 589,274 603,488	As at 31 March 2021 y / units 420	5,347.80 190.64 359.66 51.81 9,377.62 As at 31 March 2022 Am 0.64 200.61 267.23	3,695.2 349.6 369.9 35.9 7,538.1  As 31 March 202 ount  0.3
Stock-in-trade [(Goods in transit: 31 March 2022: ₹ 54.84 millions (31 March 2022: ₹ 54.84 million	As at 31 March 2022 Quantit 420 589,274 603,488 1,050,731	As at 31 March 2021 y / units 420 1,067,240	5,347.80 190.64 359.66 51.81 9,377.62 As at 31 March 2022 Am 0.64 200.61 267.23 311.31	3,695.2 349.6 369.9 35.9 7,538.1  As 31 March 202 ount  0.3
Stock-in-trade [(Goods in transit: 31 March 2022: ₹ 54.84 millions (31 March 2022: ₹ 54.84 million	As at 31 March 2022 Quantit  420 589,274 603,488 1,050,731 2,086,872	As at 31 March 2021 y / units 420 1,067,240 300,508 — —	5,347.80 190.64 359.66 51.81 9,377.62 As at 31 March 2022 Am 0.64 200.61 267.23 311.31 591.73	3,695.2 349.6 369.9 35.9 7,538.1  As 31 March 202  ount  0.3 379.7 128.2
Stock-in-trade [(Goods in transit: 31 March 2022: ₹ 54.84 millions (31 March 2022: ₹ 54.84 million	As at 31 March 2022 Quantit 420 589,274 603,488 1,050,731	As at 31 March 2021 y / units 420 1,067,240 300,508 — 21,562,729	5,347.80 190.64 359.66 51.81 9,377.62 As at 31 March 2022 Am 0.64 200.61 267.23 311.31	3,695.2 349.6 369.9 35.9 7,538.1  As 31 March 202  ount  0.3 379.7 128.2 252.1
Stock-in-trade [(Goods in transit: 31 March 2022: ₹ 54.84 millions (31 March 2022: ₹ 54.84 million	As at 31 March 2022 Quantit  420 589,274 603,488 1,050,731 2,086,872 21,562,729 —	As at 31 March 2021 y / units 420 1,067,240 300,508 — 21,562,729 5,295,392	5,347.80 190.64 359.66 51.81 9,377.62 As at 31 March 2022 Am  0.64 200.61 267.23 311.31 591.73 260.49	3,695.2 349.6 369.9 35.9 7,538.1  As 31 March 202  ount  0.3 379.7 128.2 - 252.1 251.9
Stock-in-trade [(Goods in transit: 31 March 2022: ₹ 54.84 millions (31 March 2022: ₹ 54.84 million	As at 31 March 2022 Quantit  420 589,274 603,488 1,050,731 2,086,872	As at 31 March 2021 y / units 420 1,067,240 300,508 — 21,562,729	5,347.80 190.64 359.66 51.81 9,377.62 As at 31 March 2022 Am 0.64 200.61 267.23 311.31 591.73	3,695.2 349.6 369.9 35.9 7,538.1  As 31 March 202  ount  0.3 379.7 128.2 - 252.1 251.9
Stock-in-trade [(Goods in transit: 31 March 2022: ₹ 54.84 millions (31 March 2022: ₹ 54.84 million	As at 31 March 2022 Quantit  420 589,274 603,488 1,050,731 2,086,872 21,562,729 — 15,328,928	As at 31 March 2021 y / units 420 1,067,240 300,508 — 21,562,729 5,295,392	5,347.80 190.64 359.66 51.81 9,377.62 As at 31 March 2022 Am 0.64 200.61 267.23 311.31 591.73 260.49 —	3,695.2 349.6 369.9 35.9 7,538.1  As 31 March 202  ount  0.3 379.7 128.2 - 252.1 251.9
Investment in mutual fund (Unquoted)  ABSL Liquid Fund Regular Growth  Aditya Birla Sun Life Savings Fund - Direct - Growth  Aditya Birla Sun Life Money Manager Fund - Growth  Aditya Birla Sun Life Floating Rate Fund - Direct - Growth  Axis Ultra Short Term Fund  HDFC Low Duration Fund - Direct - Growth  HDFC Ultra Short Term Fund - Growth  HDFC Money Market Fund - Growth	As at 31 March 2022 Quantit  420 589,274 603,488 1,050,731 2,086,872 21,562,729 — 15,328,928 101,634	As at 31 March 2021 y / units 420 1,067,240 300,508 — 21,562,729 5,295,392	5,347.80 190.64 359.66 51.81 9,377.62 ————————————————————————————————————	3,695.2 349.6 369.9 35.9 7,538.1:

nvestment carried at fair value through Profit and Loss account	As at	As a		As 31 March 202
	31 March 2022	31 March 202 y / units	1	nount
Kotak Liquid Fund Regular Growth	Quantit	y / uiiis 	•	251.7
Kotak Liquid Fund Regular Plan Growth	_	61,93		256.4
Kotak Savings Fund - Direct - Growth	2,979,685	2,979,68	1	103.3
Kotak Savings Fund - Growth Regular Plan	7,662,084	7,662,08	1	258.4
Kotak FMP Series 294 - Direct - Growth	18,608,681	7,002,00	- 186.25	_
Kotak Gilt Fund - Growth	1,277,720	_	- 100.29	_
SBI Magnum Low Duration Fund - Direct - Growth	1,277,720	18,06		50.5
SBI Magnum Low Duration Fund - Growth	_	91,69		252.2
SBI Magnum Ultra Short Duration Fund - Growth	13,004	71,44	1	335.3
UTI Money Market Fund - Growth	75,471	/ 1,44	- 186.22	333.0
	70,471			2,002,6
Total			3,560.22	2,902.3
Aggregate carrying value of quoted investments			0.64	0.3
Aggregate carrying value of unquoted investments			3,559.58	2,902.0
Aggregate market value of quoted investments			0.64	0.0
Aggregate amount of impairment in value of investments		l	-	-
Note-14 Trade receivables				
			As at	l As
			31 March 2022	31 March 202
Gross trade receivables (Unsecured)			9,100.33	8,893.9
Less: Allowance for expected credit loss			668.90	438.9
Total Cotal			8,431.43	8,455.0
Votes ·				1
Notes : a) Break-un for security details				·
Notes : a) Break-up for security details				
			As at 31 March 2022	As 31 March 202
a) Break-up for security details			31 March 2022	31 March 202
a) Break-up for security details  frade receivables – unsecured considered good				31 March 202
Break-up for security details  Frade receivables – unsecured considered good  Frade receivables which have significant increase in credit risk			31 March 2022 8,724.53	31 March 202 8,727.5
a) Break-up for security details  frade receivables – unsecured considered good			31 March 2022 8,724.53 — 375.80	31 March 202 8,727.5 - 166.4
Break-up for security details  Frade receivables — unsecured considered good  Frade receivables which have significant increase in credit risk  Frade receivables — credit impaired			31 March 2022 8,724.53	31 March 202 8,727.5 - 166.4
Break-up for security details  Frade receivables – unsecured considered good  Frade receivables which have significant increase in credit risk  Frade receivables – credit impaired  Less: Allowance for expected credit loss:			31 March 2022 8,724.53 — 375.80 — 9,100.33	31 March 202 8,727.5 ————————————————————————————————————
a) Break-up for security details  Frade receivables – unsecured considered good  Frade receivables which have significant increase in credit risk  Frade receivables – credit impaired  Less: Allowance for expected credit loss:  Unsecured, considered good			31 March 2022 8,724.53 — 375.80 — 9,100.33	31 March 202 8,727.5 - 166.4 8,893.9
Break-up for security details  Frade receivables – unsecured considered good  Frade receivables which have significant increase in credit risk  Frade receivables – credit impaired  Less: Allowance for expected credit loss:			31 March 2022 8,724.53 — 375.80 9,100.33 293.10 375.80	31 March 202 8,727.5 - 166.4 8,893.9 272.4 166.4
Frade receivables – unsecured considered good Frade receivables which have significant increase in credit risk Frade receivables – credit impaired  Less: Allowance for expected credit loss: Unsecured, considered good Credit impaired			31 March 2022 8,724.53 — 375.80 9,100.33 293.10 375.80 668.90	31 March 202 8,727.5 - 166.4 8,893.9 272.4 166.4 438.9
a) Break-up for security details  Frade receivables – unsecured considered good  Frade receivables which have significant increase in credit risk  Frade receivables – credit impaired  Less: Allowance for expected credit loss:  Unsecured, considered good			31 March 2022 8,724.53 — 375.80 9,100.33 293.10 375.80	31 March 202 8,727.5 - 166.4 8,893.9 272.4 166.4 438.9
Frade receivables – unsecured considered good Frade receivables which have significant increase in credit risk Frade receivables – credit impaired  Less: Allowance for expected credit loss: Unsecured, considered good Credit impaired			31 March 2022 8,724.53 — 375.80 9,100.33 293.10 375.80 668.90	As: 31 March 202 8,727.5 166.4 8,893.9 272.4 166.4 438.9 8,455.0
Frade receivables — unsecured considered good Frade receivables which have significant increase in credit risk Frade receivables — credit impaired  Less: Allowance for expected credit loss:  Unsecured, considered good  Credit impaired			31 March 2022 8,724.53 — 375.80 9,100.33 293.10 375.80 668.90	31 March 202 8,727.5 - 166.4 8,893.9 272.4 166.4 438.9
Frade receivables — unsecured considered good Frade receivables which have significant increase in credit risk Frade receivables — credit impaired  Less: Allowance for expected credit loss: Unsecured, considered good Credit impaired  Fotal  Total  Trade receivables ageing schedule:  As at 31 March 2022		Undianutad	31 March 2022 8,724.53 — 375.80 9,100.33 293.10 375.80 668.90 8,431.43	31 March 202 8,727.5 166.4 8,893.9 272.4 166.4 438.9 8,455.0
Frade receivables – unsecured considered good Frade receivables which have significant increase in credit risk Frade receivables – credit impaired  Frade receivables ageing schedule:		Undisputed idered good	31 March 2022 8,724.53 — 375.80 9,100.33 293.10 375.80 668.90 8,431.43 Undisputed credit	31 March 202 8,727.5 166.4 8,893.9 272.4 166.4 438.9 8,455.0
Frade receivables — unsecured considered good Frade receivables which have significant increase in credit risk Frade receivables — credit impaired  Frade receivables ageing schedule:		idered good	31 March 2022 8,724.53 — 375.80 9,100.33 293.10 375.80 668.90 8,431.43	31 March 202 8,727.5 166.4 8,893.9 272.4 166.4 438.9 8,455.0
Frade receivables — unsecured considered good Frade receivables which have significant increase in credit risk Frade receivables — credit impaired  Less: Allowance for expected credit loss: Unsecured, considered good Credit impaired  Fotal  D) Trade receivables ageing schedule: As at 31 March 2022  Dutstanding for following periods from due date of payment  Current but not due		idered good 5,990.69	31 March 2022 8,724.53 — 375.80 9,100.33 293.10 375.80 668.90 8,431.43 Undisputed credit	31 March 202 8,727.5 166.4 8,893.9 272.4 166.4 438.9 8,455.0
Frade receivables – unsecured considered good Frade receivables which have significant increase in credit risk Frade receivables – credit impaired  Less: Allowance for expected credit loss: Unsecured, considered good Credit impaired  Fotal  D) Trade receivables ageing schedule: As at 31 March 2022  Dutstanding for following periods from due date of payment  Current but not due  < 6 months		idered good 5,990.69 2,278.19	31 March 2022 8,724.53 — 375.80 9,100.33 293.10 375.80 668.90 8,431.43 Undisputed credit	31 March 202 8,727.5 166.4 8,893.9 272.4 166.4 438.9 8,455.0
Trade receivables – unsecured considered good Frade receivables which have significant increase in credit risk Frade receivables – credit impaired  Less: Allowance for expected credit loss: Unsecured, considered good Credit impaired  Fotal  D) Trade receivables ageing schedule: As at 31 March 2022  Dutstanding for following periods from due date of payment  Current but not due  6 months 6 months- 1 year		5,990.69 2,278.19 162.53	31 March 2022 8,724.53 — 375.80 9,100.33 293.10 375.80 668.90 8,431.43 Undisputed credit	31 March 202 8,727.5 166.4 8,893.9 272.4 166.4 438.9 8,455.0  Total 5,990.6 2,278.1 162.5
Frade receivables — unsecured considered good Frade receivables which have significant increase in credit risk Frade receivables — credit impaired  Frade receivables — credit impaired  Frade receivables — credit impaired  Frade receivables — credit loss:  Unsecured, considered good  Credit impaired  Fotal  Fo		idered good 5,990.69 2,278.19	31 March 2022 8,724.53 — 375.80 9,100.33  293.10 375.80 668.90 8,431.43  Undisputed credit impaired — — —	31 March 202 8,727.5 166.4 8,893.9 272.4 166.4 438.9 8,455.0  Tota 5,990.6 2,278.1 162.5 293.1
Frade receivables – unsecured considered good Frade receivables which have significant increase in credit risk Frade receivables – credit impaired  Frade receivables ageing schedule:  Frade receivables agein		5,990.69 2,278.19 162.53	31 March 2022 8,724.53 — 375.80 9,100.33  293.10 375.80 668.90 8,431.43  Undisputed credit impaired — — — — — — — — — — — — — — — — — — —	31 March 202 8,727.5
Frade receivables — unsecured considered good Frade receivables which have significant increase in credit risk Frade receivables — credit impaired  Frade receivables — credit impaired  Frade receivables — credit impaired  Frade receivables — credit loss:  Unsecured, considered good  Credit impaired  Fotal  Fo		5,990.69 2,278.19 162.53	31 March 2022 8,724.53 — 375.80 9,100.33  293.10 375.80 668.90 8,431.43  Undisputed credit impaired — — —	31 March 202 8,727.5 166.4 8,893.9 272.4 166.4 438.9 8,455.0  Tota 5,990.6 2,278.1 162.5 293.1

CIN: L24110MH2000PLC124224

## NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

A	4 24	March	2024
AS 2	41.51	IVI 2 TC: N	/11/1

Outstanding for following periods from due date of payment	Undisputed considered good	Undisputed credit impaired	Total
Current but not due	3,156.83	_	3,156.83
< 6 months	5,112.69	_	5,112.69
6 months- 1 year	184.08	_	184.08
1-2 years	273.93	_	273.93
2-3 years	_	95.18	95.18
> 3 years	_	71.28	71.28
Total	8,727.53	166.46	8,893.99

- c) There are no outstanding trade receivables which resulted into significant increase in credit risk apart from receivables which are impaired and provided. Refer note 41 for information about credit risk, market risk of trade receivables and movement of allowance for expected credit loss during the year.
- d) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. For receivables from related parties, refer note 38.
- e) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
- f) There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.
- g) There are no disputed receivables, hence the same is not disclosed in the ageing schedule.

## Note-15 Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balance with banks :		
In current account	366.10	226.68
In deposit accounts (with original maturity of less than three months)	201.30	1,542.50
Cash on hand	0.34	0.28
Total	567.74	1,769.46

#### Notes:

- a) For the purpose of the statement of cash flows, cash and cash equivalents comprises of all the above enlisted items.
- b) The Company has total fund and non fund based undrawn borrowing facilities of ₹ 4,000 millions (31 March 2021 : ₹ 4,000 millions). Such sanctioned facilities are unsecured credit arrangements.

### Note-16 Bank balances other than cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Deposits with remaining maturity more than 3 months but less than 12 months	209.00	529.19
In unpaid dividend accounts earmarked with banks*	9.78	8.30
Total	218.78	537.49

<sup>\*</sup> These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities.

## Note-17 Current loans (at amortised cost)

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good unless otherwise stated		
Loans to employees		
Considered good - Unsecured	4.67	22.62
Loans to employees - credit impaired	0.43	0.43
Less: Provision for doubtful loans	(0.43)	(0.43)
Total	4.67	22.62

Note	e-18 Other current financial assets					
				3	As at 1 March 2022	As a 31 March 202
Unse	ecured, considered good unless otherwise stated					
At a	mortised cost					
	Security deposits				23.74	47.3
	Deposit with banks remaining maturity less than 1	2 months			1,253.90	_
	Deposit with corporates remaining maturity less th	nan 12 months			150.00	_
	Earnest money deposit				3.98	4.2
	Export licenses benefit receivable				181.80	_
	Export incentive receivable				58.57	94.0
	Interest receivable				53.38	_
	Others				8.49	11.5
At fa	air value through profit and loss account					
	Derivatives - foreign exchange forward contracts				11.18	11.1
Tota	I				1,745.04	168.2
Note	e-19 Other current assets					
					As at	As a
Inco	ecured, considered good unless otherwise stated			3	1 March 2022	31 March 202
					011 E0	1 050 0
	nces with government authorities				811.59	1,050.0
	aid expenses				24.73	18.6
	tract asset (Right to receive inventory)				56.36	11.5
Adva	ance to suppliers				416.95	422.5
Tota	I				1,309.63	1,502.8
Note	e-20 Equity share capital					
			Number of shares	Amount	Number of shares	Amoun
Δuth	norised:		As at 31 March 2022	As at 31 March 2022	As at 31 March 2021	As at 31 March 2021
	ty shares of ₹ 10 each		500,000,000	5,000.00	500,000,000	5,000.00
Lyui	ty shales of C to each		500,000,000	5.000.00	500,000,000	5,000.00
leen	ed, subscribed and paid-up:			3,000.00	300,000,000	3,000.00
	ty shares of ₹ 10 each, fully paid-up		499,145,736	4,991.46	499,145,736	4,991.46
•			499,145,736	4,991.46	499,145,736	4,991.46
a)	Reconciliation of number of shares outstandi	ng at the beginning a	and end of the year			
			As at 31 N	larch 2022	As at 31 M	larch 2021
	Equity shares		Number	Amount	Number	Amount
	At the commencement of the year		499,145,736	4,991.46	499,145,736	4,991.46
	Equity shares issued during the year			<del></del>		
	At the end of the year		499,145,736	4,991.46	499,145,736	4,991.46
b)	Particulars of shareholders holding more tha	n 5% of a class of sh	ares			
			As at 31 N	larch 2022	As at 31 M	larch 2021
	Name of shareholder	Relationship	No. of Shares	%	No. of Shares	%
	Sumitomo Chemical Company Limited, Japan	Holding company	374,359,295	75.00%	374,359,295	75.00%

CIN: L24110MH2000PLC124224

## NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

## Details of shares held by promoters / promoter group \*

#### As at 31 March 2022

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Sumitomo Chemical Company Limited, Japan	374,359,295	_	374,359,295	75%	0%
Yuya Miyajima *	2	_	2	0%	0%
Tomohito Fujiwara	1	_	1	0%	0%
Hiroyuki Miura	1	_	1	0%	0%
Hiroyoshi Mukai	1	_	1	0%	0%
Hideo Wada	1	_	1	0%	0%
Akira Ohisa	1	_	1	0%	0%
	374,359,302	_	374,359,302		

# c) Details of shares held by promoters / promoter group \*

### As at 31 March 2021

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Sumitomo Chemical Company Limited, Japan	400,825,868	(26,466,573)	374,359,295	75%	(7%)
Yuya Miyajima *	2	_	2	0%	0%
Tomohito Fujiwara	1	_	1	0%	0%
Hiroyuki Miura	1	_	1	0%	0%
Hiroyoshi Mukai	1	_	1	0%	0%
Hideo Wada	1	_	1	0%	0%
Akira Ohisa	1	_	1	0%	0%
	400,825,875	(26,466,573)	374,359,302		

### d) Particulars of shares held by holding company and associates

		As at 31 Marc	h 2022	As at 31 March	n 2021
Name of shareholder	Relationship	No. of Shares	%	No. of Shares	%
Sumitomo Chemical Company Limited, Japan $^{\star}$	Holding company	374,359,300	75.00%	374,359,300	75.00%
SC Environmental Science Co. Ltd, Japan **	Fellow subsidiary	2	0.00%	2	0.00%
		374,359,302	75.00%	374,359,302	75.00%

<sup>\*</sup> Including 5 shares held through its nominees.

## e) Terms/rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

<sup>\*\*</sup> held through a nominee

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# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

	01 April 2021 to 31 March 2022	01 April 2020 31 March 202
Dividend paid on 499,145,736 shares @ ₹ 0.80 per share (FY 2020-21 @ ₹ 0.55 per share)	399.32	274.5
Total	399.32	274.5
	01 April 2021 to 31 March 2022	01 April 2020 31 March 202
Dividend on equity shares not recognised as liability		
Proposed dividend on 499,145,736 shares $@$ ₹ 1.00 per share (FY 2020-21: ₹ 0.80 per share) on equity shares of ₹ 10 each	499.15	399.3
Total	499.15	399.3
ote-21 Other Equity		
Movement of other equity balance		
	As at 31 March 2022	
General reserve		
General reserve Balance at the beginning of the year		31 March 2021
	31 March 2022	31 March 2021 3,767.81
Balance at the beginning of the year	31 March 2022 6,517.81	31 March 2021 3,767.81 2,750.00
Balance at the beginning of the year Add: Amount transferred from Retained earnings	31 March 2022 6,517.81 3,750.00	31 March 2021 3,767.81 2,750.00
Balance at the beginning of the year Add: Amount transferred from Retained earnings  Balance at the end of the year	31 March 2022 6,517.81 3,750.00	31 March 2021 3,767.81 2,750.00 6,517.81
Balance at the beginning of the year Add: Amount transferred from Retained earnings  Balance at the end of the year  Securities premium	31 March 2022 6,517.81 3,750.00 10,267.81	31 March 2021 3,767.81 2,750.00 6,517.81
Balance at the beginning of the year Add: Amount transferred from Retained earnings  Balance at the end of the year  Securities premium As per last balance sheet	31 March 2022 6,517.81 3,750.00 10,267.81	31 March 2021 3,767.81 2,750.00 6,517.81 2,350.60
Balance at the beginning of the year Add: Amount transferred from Retained earnings  Balance at the end of the year  Securities premium As per last balance sheet  Retained earnings	31 March 2022 6,517.81 3,750.00 10,267.81 2,350.60	31 March 2021 3,767.81 2,750.00 6,517.81 2,350.60
Balance at the beginning of the year Add: Amount transferred from Retained earnings  Balance at the end of the year  Securities premium As per last balance sheet  Retained earnings  Balance at the beginning of the year	31 March 2022 6,517.81 3,750.00 10,267.81 2,350.60	31 March 2021  3,767.81  2,750.00  6,517.81  2,350.60  977.09
Balance at the beginning of the year Add: Amount transferred from Retained earnings  Balance at the end of the year  Securities premium As per last balance sheet Retained earnings Balance at the beginning of the year  Additions during the year: Profit for the year Other comprehensive income for the year, net of tax	31 March 2022 6,517.81 3,750.00 10,267.81 2,350.60 1,418.42	31 March 2021  3,767.81  2,750.00  6,517.81  2,350.60  977.09  3,452.97
Balance at the beginning of the year Add: Amount transferred from Retained earnings  Balance at the end of the year  Securities premium As per last balance sheet  Retained earnings  Balance at the beginning of the year  Additions during the year:  Profit for the year  Other comprehensive income for the year, net of tax  Reductions during the year:	31 March 2022  6,517.81 3,750.00  10,267.81  2,350.60  1,418.42  4,337.33 27.25	31 March 2021  3,767.81  2,750.00  6,517.81  2,350.60  977.09  3,452.97  12.89
Balance at the beginning of the year Add: Amount transferred from Retained earnings  Balance at the end of the year  Securities premium As per last balance sheet Retained earnings Balance at the beginning of the year Additions during the year: Profit for the year Other comprehensive income for the year, net of tax Reductions during the year: Dividends	31 March 2022  6,517.81 3,750.00  10,267.81  2,350.60  1,418.42  4,337.33	31 March 2021  3,767.81  2,750.00  6,517.81  2,350.60  977.09  3,452.97  12.89
Balance at the beginning of the year Add: Amount transferred from Retained earnings  Balance at the end of the year  Securities premium As per last balance sheet Retained earnings Balance at the beginning of the year Additions during the year: Profit for the year Other comprehensive income for the year, net of tax Reductions during the year: Dividends Transfer to general reserve	31 March 2022  6,517.81 3,750.00  10,267.81  2,350.60  1,418.42  4,337.33 27.25	31 March 2021  3,767.81  2,750.00  6,517.81  2,350.60  977.09  3,452.97  12.89  (274.53 (2,750.00
Balance at the beginning of the year Add: Amount transferred from Retained earnings  Balance at the end of the year  Securities premium As per last balance sheet Retained earnings Balance at the beginning of the year Additions during the year: Profit for the year Other comprehensive income for the year, net of tax Reductions during the year: Dividends	31 March 2022  6,517.81 3,750.00  10,267.81  2,350.60  1,418.42  4,337.33 27.25  (399.32)	As at 31 March 2021  3,767.81  2,750.00  6,517.81  2,350.60  977.09  3,452.97  12.89  (274.53  (2,750.00  1,418.42

## B Nature and purpose of each reserves

## 1. General Reserve

The general reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

# 2. Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

## 3. Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Note-22 Non-current Provisions			ı .
		As at 31 March 2022	As a 31 March 2021
Provision for Employee Benefits			
Compensated absences		223.42	242.53
Gratuity (Refer note 43)			49.51
Total		223.42	292.04
Note-23 Trade payables			
		As at 31 March 2022	As a 31 March 2021
Due to micro and small enterprises ("MSME") (Refer note 45)		225.28	275.99
Due to others		4,972.53	5,627.56
Total		5,197.81	5,903.5
Notes :			l
a) Trade payable ageing schedule:			
As at 31 March 2022		_	
Outstanding for following periods from due date of payment	Dues to MSME	Dues creditors other than MSME	Tota
Unbilled and not due	223.70	4,455.67	4,679.3
Less than 1 year	1.58	501.38	502.9
1-2 years	_	12.71	12.7
2-3 years	_	2.54	2.5
> 3 years		0.23	0.2
Total	225.28	4,972.53	5,197.8
As at 31 March 2021			
Outstanding for following periods from due date of payment	Dues to MSME	Dues creditors other than MSME	Tota
Unbilled and not due	152.24	2,991.41	3,143.6
Less than 1 year	123.61	2,614.49	2,738.1
1-2 years	0.11	10.26	10.3
2-3 years	0.02	4.61	4.63
> 3 years	0.01	6.79	6.8
Total	275.99	5,627.56	5,903.5
b) There are no disputed trade payables, hence the same is not disclosed in the ageing so	chedule.		
c) For payables to related parties, refer note 38.			
Note-24 Other current financial liabilities			I .
		As at 31 March 2022	As a 31 March 202
Salary, wages and bonus payable		446.05	324.7
Security and trade deposits		347.51	331.18
Unclaimed dividend		9.78	8.30
Payables for capital supplies		99.76	70.83
		3,084.52	2,804.4
Liabilities for discount and scheme			
At fair value through profit and loss account		0.50	20.0
		9.58 3,997.20	3,568.36

Note	te-25 Other current liabilities		1
		As at 31 March 2022	As at 31 March 2021
Cont	ntract liabilities (advance received from customers)	654.73	545.27
Statı	tutory dues (including GST, provident fund, tax deducted at source and others)	131.33	517.93
Othe	er payables	10.42	18.34
Tota	al	796.48	1,081.54
Note	te-26 Current provisions		
		As at 31 March 2022	As at 31 March 2021
Prov	ovision for employee benefits		
Gratı	tuity (Refer note 43)	26.98	33.17
Com	mpensated absences	44.66	23.09
Tota	al	71.64	56.26
Note	te-27 Revenue from operations		
		For the year ended 31 March 2022	For the year ended 31 March 2021
A.	Revenue from contracts with customer		
	a) Sales of products	30,347.85	26,210.17
	b) Sale of services	0.84	0.61
		30,348.69	26,210.78
B.	Other operating revenue		
	a) Export incentives	240.72	165.65
	b) Commission income	5.26	8.18
	c) Excess provision no longer required written back	2.08	6.27
	d) Miscellaneous receipts (scrap sales and others)	38.98	35.62
		287.04	215.72
Tota	al	30,635.73	26,426.50
a.	Revenue information	ı	
		For the year ended 31 March 2022	For the year ended 31 March 2021
	Revenue by product categories		
	Agro Chemicals		
	Domestic	21,418.86	20,084.34
	Export	6,693.55	4,395.64
	Others	28,112.41	24,479.98
	Others  Domestic	337.87	321.27
	High Seas Sales	337.87 1,897.57	1,408.92
	ngn ocas oallo	2,235.44	1,730.19
	Total	<del></del>	-
	Total	30,347.85	26,210.17

b.	Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price				
		For the year ended 31 March 2022	For the year ended 31 March 2021		
	Revenue as per contracted price	34,975.44	30,099.01		
	Rebates/Discounts	4,301.65	3,529.88		
	Sales returns	325.10	358.35		
	Revenue from contract with customers	30,348.69	26,210.78		
C.	Contract balances				
		For the year ended 31 March 2022	For the year ended 31 March 2021		
	Contract assets (Refer note 19)	56.36	11.59		
	Contract liabilities (Refer note 25)	654.73	545.27		
	Note:		•		
d.	Contract assets represents right to receive the inventory (on estimated sales returns) and contract assets are the reporting date.  Significant changes in the contract assets and the contract liabilities balances dur	ring the year are as follows:			
		For the year ended 31 March 2022	For the year ended 31 March 2021		
	Contract assets				
	Opening Balance	11.59	23.93		
	Less: Revenue recognized during the year from balance at the beginning of the year	(11.59)	(23.93		
	Add : Contract assets created for right to receive inventory on estimated sales return	56.36 —————	11.59		
	Closing Balance	56.36	11.59		
	Contract liabilities				
	Opening Balance	545.27	443.07		
	Add : Advance received during the year not recognized as revenue	654.73	545.27		
	Less : Revenue recognized during the year	(545.27)	(443.07		
	Closing Balance	654.73	545.27		
Note	e-28 Other Income				
		For the year ended 31 March 2022	For the year ended 31 March 2021		
Inter	rest income:				
	On interest income on deposits	99.10	99.52		
	On Others	4.45			
Divi	dend income:				
	On investment in subsidiaries	91.43	4.01		
	On others	0.01	_		
	n on sale of financial assets measured at FVTPL	66.89	73.85		
	it on liquidation of subsidiary	2.50	_		
	valuation gain on financial assets measured at FVTPL	78.29	_		
Othe	er income:				
	Rent received	0.12	0.12		
	Net profit on sale of property, plant & equipment	4.04	0.29		
	Miscellaneous income	12.55	11.92		

	For the year ended	For the year ended
	31 March 2022	31 March 2021
Raw materials consumed		
Opening inventory	2,651.68	2,255.62
Add: Purchases	16,777.84	14,345.95
	19,429.52	16,601.57
Less: Closing inventory (Refer note 12)	2,770.87	2,651.68
	16,658.65	13,949.89
Containers and packing materials consumed		
Opening inventory	369.94	284.19
Add: Purchases	1,809.82	1,783.07
	2,179.76	2,067.26
Less: Closing inventory (Refer note 12)	359.66	369.94
	1,820.10	1,697.32
Total cost of materials consumed	18,478.75	15,647.21
	<del></del>	l
Note-30 Changes in inventories of finished goods, work in progress and stock-in-trade		
	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening inventories :	31 Maich 2022	31 Waldit 2021
Work in progress	435.69	288.20
Finished goods	3,695.21	2,775.43
Stock-in-Trade	349.64	231.52
Less: Closing inventories:		
Work in progress (Refer note 12)	656.84	435.69
	5.047.00	3,695.21
Finished goods (Refer note 12)	5,347.80	
Finished goods (Refer note 12) Stock-in-trade (Refer note 12)	5,347.80 190.64	349.64
		349.64
Stock-in-trade (Refer note 12)		349.64
Stock-in-trade (Refer note 12)  Changes in inventories:	190.64	
Stock-in-trade (Refer note 12)  Changes in inventories:  Work in progress	190.64 (221.15)	(147.49
Stock-in-trade (Refer note 12)  Changes in inventories:  Work in progress  Finished goods	190.64 (221.15) (1,652.59) 159.00	(147.49 (919.78 (118.12
Stock-in-trade (Refer note 12)  Changes in inventories:  Work in progress  Finished goods  Stock-in-trade	190.64 (221.15) (1,652.59)	(147.49 (919.78
Stock-in-trade (Refer note 12)  Changes in inventories:  Work in progress  Finished goods  Stock-in-trade	190.64  (221.15) (1,652.59) 159.00  (1,714.74)	(147.49 (919.78 (118.12 (1,185.39
Stock-in-trade (Refer note 12)  Changes in inventories:  Work in progress  Finished goods  Stock-in-trade	190.64 (221.15) (1,652.59) 159.00	(147.49 (919.78 (118.12
Stock-in-trade (Refer note 12)  Changes in inventories:  Work in progress  Finished goods  Stock-in-trade	190.64  (221.15) (1,652.59) 159.00 (1,714.74)  For the year ended	(147.49 (919.78 (118.12 (1,185.39
Stock-in-trade (Refer note 12)  Changes in inventories:  Work in progress  Finished goods  Stock-in-trade  Total  Note-31 Employee benefits expense	190.64  (221.15) (1,652.59)  159.00 (1,714.74)  For the year ended 31 March 2022	(147.49 (919.78 (118.12 (1,185.39 For the year ended 31 March 2021
Stock-in-trade (Refer note 12)  Changes in inventories:  Work in progress  Finished goods  Stock-in-trade  Total  Note-31 Employee benefits expense  Salaries, wages and bonus etc.	190.64  (221.15) (1,652.59) 159.00 (1,714.74)  For the year ended 31 March 2022 1,751.15	(147.49 (919.78 (118.12 (1,185.39 For the year ended 31 March 2021 1,707.10
Changes in inventories:  Work in progress Finished goods Stock-in-trade  Total  Note-31 Employee benefits expense  Salaries, wages and bonus etc.  Contribution to provident and other funds (Refer note 43)	190.64  (221.15) (1,652.59) 159.00 (1,714.74)  For the year ended 31 March 2022 1,751.15 94.52	(147.49 (919.78 (118.12 (1,185.39 For the year ended 31 March 2021 1,707.10

(Currency: Indian rupees in million		
Note-32 Finance costs		1
	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expenses on lease liabilities	47.18	40.97
Others	14.47	14.58
Total	61.65	55.55
Note-33 Other expenses	For the way anded	Lear the year anded
	For the year ended 31 March 2022	For the year ended 31 March 2021
Processing / Sub-contracting charges	68.84	74.74
Contract and labour charges	309.76	282.85
Carriage and freight	908.07	667.01
Power and fuel	346.41	265.12
Stores and spares consumed	87.20	63.09
Repairs and maintenance		
Buildings	2.90	3.54
Plant and Equipment	123.33	117.18
Others	42.42	34.78
Rent	26.77	30.34
Rates and taxes	43.15	12.99
Insurance	55.48	56.41
Travelling and conveyance	181.45	152.25
Sales promotion and advertisement	398.01	344.78
Donations	12.73	1.80
Commission	119.61	120.00
Corporate social responsibility (Refer note 47)	66.29	51.40
Expected credit loss allowance on trade receivables	229.95	205.41
Directors sitting fees	1.27	1.34
Property, plant and equipment written off	0.28	0.01
Exchange difference (net)	12.61	34.48
Research and development	12.03	7.84
Product testing expenses	4.59	11.84
Communication expenses	7.39	11.36
Legal and professional fees	81.01	209.08
Bank charges	17.21	12.74
Payment to auditors (Refer note below)	6.36	5.74
Security charges	21.77	20.01
Miscellaneous expenses	355.56	289.59
Total	3,542.45	3,087.72
Note:	<del></del>	
Auditors remuneration (Net of taxes where applicable)		
Audit fees	3.00	3.00
Tax audit fees	0.60	0.60
Limited review	2.10	2.10
Other services (Certification fees)	0.60	
Reimbursement of out-of-pocket expenses	0.06	0.04
Total	6.36	5.74
10141		=====

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# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

# Note-34 Income taxes

- A. The major components of income tax expenses for the year is as under:
  - (i) Income tax recognized in the statement of profit and loss:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Income tax expense		
In respect of current year	1,436.88	1,071.85
Adjustment of current tax in respect of earlier years	(4.68)	(54.89)
On remeasurements of the defined benefit plans	9.16	4.34
Deferred tax charge		
Origination and reversal of temporary difference	38.60	61.31
Adjustment of deferred tax in respect of earlier years	50.07	_
Total tax expense recognized in the statement of profit and loss	1,530.03	1,082.61

B. Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for 31 March 2022 and 31 March 2021.

	e year ended I March 2022	For the year ended 31 March 2021
Profit before tax	5,858.20	4,531.24
Statutory Income Tax Rate	25.168%	25.168%
Expected tax Expenses	1,474.39	1,140.42
Effects of adjustment to reconcile the expected tax expenses to reported tax expenses.		
Tax effect on non-deductible expenses	23.23	11.61
Deduction under section 80JJAA	(1.11)	(0.93)
Tax effect on deductible income	(24.35)	(13.47)
Education cess claimed as deductible expenses	_	(10.70)
Others	12.49	10.57
	1,484.65	1,137.50
Adjustment of tax expenses in respect of earlier years	45.38	(54.89)
Total tax expense in the statement of profit and loss	1,530.03	1,082.61

# Note-35 Deferred tax liabilities

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

Movement during the year 01 April 2021 to 31 March 2022	Net deferred tax asset/ (liability) 1 April 2021	(charged ) / credit to statement of profit and loss	Net deferred tax asset/(liability) 31 March 2022
Depreciation	(358.36)	(7.08)	(365.44)
Allowance for receivables, loans and other assets	58.29	_	58.29
Fair value gain/(loss) on investments	0.03	(31.10)	(31.07)
Expenses allowable on payment basis	86.82	(16.86)	69.96
Amortisation of expenses u/s 35 DD	53.65	(19.05)	34.60
Lease liabilities	84.02	10.57	94.59
Other temporary differences	25.15	(25.15)	
Deferred tax liabilities (net)	(50.40)	(88.67)	(139.07)

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# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

Movement during the year 01 April 2020 to 31 March 2021	Net deferred tax asset/ (liability) 1 April 2020	(charged ) / credit to statement of profit and loss	Net deferred tax asset/(liability) 31 March 2021
Depreciation	(382.03)	23.67	(358.36)
Allowance for receivables, loans and other assets	109.16	(50.87)	58.29
Fair value gain/(loss) on investments	0.03	_	0.03
Expenses allowable on payment basis	93.66	(6.84)	86.82
Amortisation of expenses u/s 35 DD	72.70	(19.05)	53.65
Lease liabilities	92.24	(8.22)	84.02
Other temporary differences	25.15	_	25.15
Deferred tax liabilities (net)	10.91	(61.31)	(50.40)

The Company does not have any intention to dispose of its freehold and leasehold land in foreseeable future, therefore, deferred tax asset on indexation benefit in relation to these assets has not been recognised.

The Company does not have any tax losses carried forward as at 31 March 2022 and 31 March 2021.

### Note-36 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares. There are no dilutive impacts, therefore basic EPS and diluted EPS is same.

	For the year ended 31 March 2022	For the year ended 31 March 2021
Earnings per share has been computed as under:		
Profit attributable to owners of the Company for basic earnings (A)	4,337.33	3,452.97
Weighted average number of equity shares for the purpose of basic and dilutive earnings per share		
Number of shares at the beginning of the year	499,145,736	499,145,736
Number of equity shares outstanding at the end of the year (B)	499,145,736	499,145,736
Basic and diluted earnings per share (Face value of $\stackrel{?}{_{\sim}}$ 10 each) [(A) / (B)] (in $\stackrel{?}{_{\sim}}$ )	8.69	6.92

### Note-37 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and maximise the shareholder's value.

The Company has adequate cash and bank balances. The Company monitors its capital by a careful scrutiny of the cash and bank balances and a regular assessment of any debt requirements.

### Note-38 Related Party disclosures

# A Names of the related parties where control exists irrespective of whether transactions have occurred or not:

### (1) Holding Company

Sumitomo Chemical Company Limited, Japan

## (2) Post Employment Benefit Plans entity

Sumitomo Chemical India Gratuity Trust Excel Crop Care Gratuity Trust Excel Crop Care Superannuation Trust

### (3) Subsidiary Companies:

Excel Crop Care (Europe) NV, Belgium (upto 23 December 2021) Excel Crop Care (Africa) Limited, Tanzania

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# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

# B Names of other related parties with whom transactions have taken place during the year:

### (1) Fellow Subsidiaries

Sumitomo Chemical Do Brazil Representacoes Ltda, Brazil

Valent BioSciences LLC, USA

Sumitomo Chemical Asia Pte Limited, Singapore

Mycorrhizal Applications, LLC, USA

Sumitomo Chemical Colombia S.A.S., Colombia

Sumitomo Chemical Argentina S.A., Argentina

Sumitomo Chemical Vietnam Company Limited, Vietnam Sumitomo Chemical Brasil Industria Quimica S.A., Brazil

Sumitomo Chemical Australia Pty Limited., Australia

Sumitomo Chemical Philippines, Inc., Philippines

## (2) Key Management Personnel ("KMP")

### i) Executive directors

Chetan Shah (Managing Director) Sushil Marfatia (Executive Director)

### ii) Non executive directors

Dr. Mukul G. Asher Preeti Mehta
B. V. Bhargava Ninad D Gupte

# Tadashi Katayama iii) Chief financial officer

Anil Nawal

### iv) Company secretary

Pravin D Desai

### (3) Relatives of KMP

Mrs. Minoti Ninad Gupte (Wife of Mr. Ninad Gupte)

Mrs. Chetna Pravin Desai (Wife of Mr. Pravin Desai)

Mrs. Pragnya Mukulchandra Asher (Wife of Mr. Mukul Asher)

### (4) Enterprises controlled by key management personnel and their relatives:

Kanga & Company Parksons Packaging Limited

### Disclosures of all transactions between the Company and the related parties and the status of outstanding balances as at 31 March 2022

	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of goods		
Sumitomo Chemical Company Limited	1,208.25	883.11
Sumitomo Chemical Asia Pte Limited	_	2.01
Sumitomo Chemical Colombia S.A.S.	78.96	28.44
Sumitomo Chemical Argentina S.A.	307.26	111.33
Sumitomo Chemical Vietnam Company Limited	2.76	_
Sumitomo Chemical Brasil Industria Quimica S.A.	2,020.57	478.97
Excel Crop Care (Africa) Limited	6.19	37.67
Sale of services		
Sumitomo Chemical Company Limited	0.84	0.59
Purchase of goods		
Sumitomo Chemical Company Limited	3,762.69	2,902.97
Valent BioSciences LLC	531.07	628.58
Mycorrhizal Applications, LLC	45.28	_
Parksons Packaging Limited	14.32	_
Purchase of services		
Sumitomo Chemical Company Limited	4.67	_
Sumitomo Chemical Do Brazil Representacoes Ltda	10.34	9.78
Sumitomo Chemical Asia Pte Limited	2.45	_
Kanga & Company	3.71	0.26

# SUMITOMO CHEMICAL INDIA LIMITED CIN: L24110MH2000PLC124224

# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Currency: Indian Rupees in millions, unless otherwise stated)

	For the year ended 31 March 2022	For the year of 31 March
Commission income		
Sumitomo Chemical Company Limited	5.26	
Remittance on voluntary liquidation of subsidiary		
Excel Crop Care (Europe) NV	5.00	
Miscellaneous income - technical service		
Sumitomo Chemical Company, Limited	4.76	
Valent BioSciences LLC	1.81	
Reimbursement of expenses (net)		
Sumitomo Chemical Company Limited	6.06	1
Valent BioSciences LLC	(17.76)	
Sumitomo Chemical Asia Pte Limited	_	
Mycorrhizal Applications, LLC	_	
Excel Crop Care (Africa) Limited	0.61	
Commission expense		
Excel Crop Care (Africa) Limited	8.06	
Sumitomo Chemical Australia Pty Limited.	3.79	
Sumitomo Chemical Philippines, Inc.	0.45	
Contribution to funds		
Sumitomo Chemical India Gratuity Trust	69.57	
Excel Crop Care Superannuation Trust	20.07	
Excel Crop Care Gratuity Trust	13.15	
Payment on behalf of		
Sumitomo Chemical India Gratuity Trust	8.24	
Excel Crop Care Gratuity Trust	46.00	(
Dividend received		
Excel Crop Care (Europe) NV	86.12	
Excel Crop Care (Africa) Limited	5.31	
Dividend paid		
Sumitomo Chemical Company Limited	299.49	2
Remuneration		
Chetan Shah	72.03	
Sushil Marfatia	23.84	
Anil Nawal	11.70	
Pravin D Desai	8.17	
Dividend paid to KMP and their relatives	0.01	
Payments to non-executive directors (including sitting fees)	8.47	
0.1. 11. 10.4.11. 1.0000	·	
Outstanding as at 31 March 2022:	As at	
	31 March 2022	31 March
Trade receivables		
Sumitomo Chemical Company Limited	177.73	;
Valent BioSciences LLC	11.39	
Excel Crop Care (Africa) Limited	-	
Sumitomo Chemical Colombia S.A.S.	48.09	
Sumitomo Chemical Argentina S.A.	168.87	
Sumitomo Chemical Asia Pte Limited		
Sumitoffio Chemical Asia fle Limiteu	1,676.11	2

CIN: L24110MH2000PLC124224

# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

_	
As at	As at
31 March 2022	31 March 2021
20.26	_
0.64	_
1,868.74	1,514.85
207.99	153.57
23.57	_
2.21	5.58
28.73	35.66
2.18	_
-	_
7.45	_
1.26	_
40.99	37.20
	31 March 2022  20.26 0.64  1,868.74 207.99 23.57 2.21 28.73 2.18 — 7.45 1.26

### Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.

For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2020–21: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The above remuneration to key management personnel compensation excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation of the Company's liability to all its employees.

#### Note-39 Leases

The Company has lease contracts for its office premises and storage locations with lease term between 1 year to 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and sub-leasing the leased assets.

The Company also has certain leases of office premises and storage locations with leased terms of 12 months or less. The Company applies the 'short term lease' recognition exemption for these leases.

a) The movement in lease liabilities during the year ended 31 March 2022 and 31 March 2021 is as follows.

	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	326.35	355.81
Payment of lease liabilities	(211.71)	(180.91)
New leases	214.02	110.48
Accretion of interest	47.18	40.97
Closing balance	375.84	326.35
Classification in balance sheet		
Non-current	247.19	153.33
Current	128.65	173.02
	375.84	326.35

b) Amount recognised in the statement of profit and loss

Particulars	Classified under	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of right-of-use assets	Depreciation and amortisation expense	165.65	147.21
Interest expenses on lease assets	Finance costs	47.18	40.97
Expenses relating to short term leases	Other expenses	26.77	30.34

- c) (i) The details of carrying amount and movements during the year in right of use of asset is disclosed in note 5.
  - (ii) The effective interest rate for lease liabilities is 10%. The maturity is between 2022 to 2031.
  - (iii) The maturity analysis of lease liabilities are disclosed in note 41b liquidity risk management.

CIN: L24110MH2000PLC124224

# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

# **Note-40 Financial Instruments**

# Accounting classification and fair value hierarchy

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below.

As at 31 March 2022		Carrying amo	unt/fair value		Fair value hierarchy			
	FVTPL	FVT0CI	Amortised	Total	Level 1	Level 2	Level 3	Total
			cost					
Financial assets								
Non-current								
Investments								
Government Securities	_	_	0.03	0.03	_	_	_	_
Loans	_	_	7.54	7.54	_	_	_	_
Security deposits	_	_	59.90	59.90	_	_	_	_
Deposit with banks and corporates	_	_	240.09	240.09	_	_	_	_
Current								
Equity instruments in Tata Steel Limited	0.64	_	_	0.64	0.64	_	_	0.64
Investment in mutual fund	3,559.58	_	_	3,559.58	3,559.58	_	_	3,559.58
Loans	_	_	4.67	4.67	_	_	_	_
Derivative assets	11.18	_	_	11.18	_	11.18	_	11.18
	3,571.40	_	312.23	3,883.63	3,560.22	11.18	_	3,571.40
Financial liabilities								
Non current								
Liability towards lease asset	_	_	247.19	247.19	_	_	_	_
Current								
Trade payables	-	_	5,197.81	5,197.81	_	_	_	_
Lease liabilities	_	_	128.65	128.65	_	_	_	_
Derivative liabilities	9.58	_	_	9.58	_	9.58	_	9.58
Other financial liabilities	_	_	3,987.62	3,987.62	_	_	_	_
	9.58	_	9,561.27	9,570.85	_	9.58	_	9.58

As at 31 March 2021		Carrying amount			Fair value hierarchy			
	FVTPL	FVT0CI	Amortised	Total	Level 1	Level 2	Level 3	Total
			cost					
Financial assets								
Non-current								
Investments								
Government securities	-	_	0.03	0.03	_	_	_	_
Loans	-	_	7.59	7.59	_	_	_	_
Security deposits	-	_	52.20	52.20	_	_	-	_
Deposit with banks and corporates	-	_	0.09	0.09	_	_	-	_
Current								
Equity instruments in Tata Steel Limited	0.34	_	_	0.34	0.34	_	_	0.34
Investment in mutual fund	2,902.04	_	_	2,902.04	2,902.04	_	-	2,902.04
Loans	_	_	22.62	22.62	_	_	_	_
Derivative assets	11.15	_	_	11.15	_	11.15	-	11.15
	2,913.53	_	82.53	2,996.06	2,902.38	11.15	_	2,913.53
Financial liabilities								
Non current								
Liability towards lease asset	-	_	153.33	153.33	_	_	_	_
Current								
Trade payables	-	_	5,974.37	5,974.37	_	_	_	_
Liability towards lease asset	_	_	173.02	173.02	_	_	_	_
Derivative liabilities	28.87	_	_	28.87	_	28.87	_	28.87
Other financial liabilities	-	_	3,468.67	3,468.67	_	_	_	_
	28.87	_	9,769.39	9,798.26	_	28.87	_	28.87

### Notes :

i) Abbreviations

FVTPL - Fair value through the profit and loss

FVTOCI - Fair Value through other comprehensive income

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# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

- ii) The investments does not include equity investment which are carried at cost and hence are not required to be disclosed as per Ind AS 107 "Financial instruments disclosures.
- iii) The management has assessed that the fair value of cash and cash equivalents, other balance with banks, loans, trade receivables, other financial assets, lease liabilities, trade payables and other financial liabilities approximate their carrying amounts largely due to the short term maturities of these instruments
- iv) The Company uses the following hierarchy for determining and / or disclosing the fair value of financials instruments by valuation techniques.
  - Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
  - Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
  - Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
- v) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties.

The following methods and assumptions were used to estimate the fair values:

The fair value of quoted equity investment and mutual funds are based on price quotations at the reporting date.

The Company enters into derivative financial instruments with various counterparties, principally with banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The model incorporates various inputs including the credit quality of counter parties, foreign exchange spot and forward rates.

vi) There were no transfers between level 1 and 2 during the year.

### Note-41 Financial risk management objectives and policies

The activities of the Company exposes it to a number of financial risks namely market risk, credit risk and liquidity risk. The Company seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established Compliance Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

# a. Management of credit risk

Credit risk refers to the risk of default on its obligations by a counterparty to the Company resulting in a financial loss to the Company. The Company is exposed to credit risk from its operating activities (trade receivables) and investment securities.

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. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected default rates over the expected life of trade receivables and is adjusted for forward looking estimates.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Company has no concentration of credit risk as the customer base is widely distributed.

Summary of the ageing for trade receivables are as follows.

# Carrying amount as at 31 March 2022

Particulars	Estimated total gross carrying amount at default	ECL - simplified approach	Net carrying amount
Not due & Due < 181 days	8,268.88	95.80	8,173.08
Past due			
181 Days to 1 Year	162.53	59.90	102.63
> 1 Year to 2 Year	293.12	137.40	155.72
> 2 Year to 3 Year	238.20	238.20	_
Above 3 Year	137.60	137.60	_
	9,100.33	668.90	8,431.43

CIN: L24110MH2000PLC124224

# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

Expected credit loss assessment for customers as at 31 March 2022:

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Particulars	Amount
Balance as at 31 March 2020	435.90
Impairment loss recognised / (reversed)	205.41
Amounts written off (Refer note below)	(202.36)
Balance as at 31 March 2021	438.95
Impairment loss recognised / (reversed)	229.95
Amounts written off	_
Balance as at 31 March 2022	668.90

The impairment loss at 31 March 2022 related to several customers that have defaulted on their payments to the Company and are not expected to pay their outstanding balances, mainly due to economic circumstances.

#### Investments

The Company limits its exposure to credit risk by investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

#### b. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities sanctioned with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

# **Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

31 March 2022	Contr	ractual cash flow	rs		
Particulars	Carrying amount	Total	Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Lease liabilities	375.84	454.26	193.15	213.17	47.94
Trade payables	5,197.81	5,197.81	5,197.81	_	_
Other financial liabilities	3,987.62	3,987.62	3,987.62	_	_
Derivative financial liabilities					
Current liabilities					
Forward exchange contracts	9.58	9.58	9.58		
	9,570.85	9,649.27	9,388.16	213.17	47.94

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# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

31 March 2021			Contr	actual cash flow	rs .
Particulars	Carrying amount	Total	Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Lease liabilities	326.35	380.36	159.54	220.82	_
Trade payables	5,974.37	5,974.37	5,974.37	_	_
Other financial liabilities	3,468.67	3,468.67	3,468.67	_	_
Derivative financial liabilities					
Current liabilities					
Forward exchange contracts	28.87	28.87	28.87	_	_
	9,798.26	9,852.27	9,631.45	220.82	

### c. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, price risk and currency rate risk. Financial instruments affected by market risk includes foreign currency receivables/payables, investments and derivative financial instruments. The Company has international trade operations and is exposed to a variety of market risks, including currency and interest rate risks.

### i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The Company mitigates the foreign exchange risk by setting appropriate exposure limits, periodic monitoring of the exposures and hedging exposures using derivative financial instruments like foreign exchange forward contracts. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. However the operating results and financials of the Company may not be impacted due to volatility of the rupee against foreign currencies as the exposure is generally fully hedged.

# Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. Rupees)

The currency profile of financial assets and financial liabilities as at 31 March 2022 and 31 March 2021 are as below:

USD EUR	O Others
Financial assets	
Cash and cash equivalents 0.01 –	- 1.02
Trade and other receivables 2,867.73 4.7	<u> </u>
	6 1.02
Financial liabilities	
Trade and other payables 1,095.59 3.1	6.84
1,095.593.1	7 6.84
Net statement of financial position exposure 1,772.15 1.5	9 (5.82)
Forward exchange contracts - Sell 2,797.45 4.6	5 —
Forward exchange contracts - Buy (1,048.39)	<del>-</del>
31 March 2021 31 March 202 USD EUR	
Financial assets	
Cash and cash equivalents 0.10 –	- 1.07
Trade and other receivables1,433.5462.3	<u> </u>
1,433.6462.3	6 1.07
Financial liabilities	
Trade and other payables 1,863.49 6.0	7 108.52
1,863.49 6.0	7 108.52
Net statement of financial position exposure (429.85) 56.2	9 (107.45)
Forward exchange contracts - Sell 1,428.79 63.9	2 —
Forward exchange contracts - Buy (1,579.09) —	_

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# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US Dollars and EURO would have affected the measurement of financial instruments denominated in US dollars and EURO affected profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or I	oss
Effect in INR	Strengthening	Weakening
31 March 2022		
1% movement		
USD	(35.21)	35.21
EUR	(0.06)	0.06
Others	0.06	(0.06)
	(35.21)	35.21
	Profit or I	oss
Effect in INR	Strengthening	Weakening
31 March 2021		
1% movement		
USD	5.78	(5.78)
EUR	(1.20)	1.20
Others	1.07	(1.07)
	5.65	(5.65)

### ii) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

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 exposure to interest rate risks since its investments are all in fixed rate instruments.

### Exposure to interest rate risk

The interest rate risk arises primarily from borrowings. Since there are no borrowings in the current year, the interest rate profile of the Company's interest-bearing financial instruments is ₹ Nil.

### Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

# iii) Equity risk

The Company's investments in listed and non-listed equity securities are susceptible to market price risk arising from uncertainties in the financial market. The investment in listed and unlisted equity securities are not significant.

### Note-42 Segment information

The Company has disclosed segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of paragraph 3 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in these standalone Ind AS financial statements.

## Note-43 Employee benefits

The Company contributes to the following post-employment plans in India.

### (A) Defined contribution plans:

Provident fund is a defined contribution scheme established under a state plan.

Superannuation fund is a defined contribution scheme. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Contribution to Employees State Insurance Corporation (ESIC)

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# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

Current service cost included under the head - Contribution to provident fund and other funds in note 31 'Employee benefits expense':

	31 March 2022	31 March 2021
Provident fund and family pension fund	65.79	62.07
Superannuation fund	20.07	19.39
ESIC	2.09	1.91
Other funds	6.57	7.46
	94.52	90.83

# (B) Defined benefit plan:

Gratuity plan is classified as a defined benefit plan as the Company's obligation is to provide agreed benefit to plan members. Actuarial and investment risks are borne by the Company.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity was carried out as at 31 March 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

31	March 2022	31 March 2021
Defined benefit obligation	509.72	506.89
Fair value of plan assets	482.74	424.21
Net defined benefit obligation	26.98	82.68

# i. Movement in net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	31 March 2022	31 March	31 March			
		2021	2022	31 March 2021	31 March 2022	31 March 2021
Opening balance	506.89	467.43	424.21	348.56	82.68	118.87
Included in profit or loss:						
Current service cost	59.48	48.19	_	_	59.48	48.19
Past service cost	_	_	_	_	_	_
Interest cost (income)	33.06	25.78	29.12	24.37	3.94	1.41
Sub-total included in statement of profit and loss				_	63.42	49.60
	599.43	541.40	453.33	372.93	146.10	168.47
Included in OCI						
Remeasurement gain:						
Actuarial gain arising from:						
Financial assumptions	(8.11)	(3.33)	_	_	(8.11)	(3.33)
Experience adjustment	(26.35)	(12.18)	_	_	(26.35)	(12.18)
Return on plan assets excluding interest	_	_	1.95	1.72	(1.95)	(1.72)
Sub-total included in OCI				_	(36.41)	(17.23)
	564.97	525.89	455.28	374.65	109.69	151.24
Other						
Contributions paid by the employer	_	_	82.72	68.56	(82.72)	(68.56)
Benefits paid	(55.25)	(19.00)	(55.26)	(19.00)	0.01	_
Closing balance	509.72	506.89	482.74	424.21	26.98	82.68

CIN: L24110MH2000PLC124224

# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

Tho	components	of d	ofinad	honofit	nlan	coet	aro	ac followe:	
ine	components	OI O	lelinea	Denenii	DIAN	COSL	are	as iollows:	

Particulars	31 March 2022	31 March 2021
Recognised in statement of profit and loss		
Current service cost	59.48	48.19
Net interest cost	3.94	1.41
Total	63.42	49.60
Recognised in other comprehensive income		
Remeasurement of net defined benefit liability	(36.41)	(17.23)
Plan assets	·	
Plan assets comprise the following:		

### ii.

Plan assets comprise the following:

31 March 2022 31 March 2021 Insurer managed funds (Life Insurance Corporation of India) 100% 100%

# Actuarial assumptions

The following were the key actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2022	31 March 2021
Discount rate	7.00%	6.85%
Future salary growth	9.75% p.a	9.75% p.a.
Withdrawal rate	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Mortality rate	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table

## Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	31 March 2022		31 March 2021	
	Increase Decrease		Increase	Decrease
Discount rate (0.50% movement)	484.17	537.61	480.68	535.57
Future salary growth (0.50% movement)	536.65	484.78	534.50	381.37
Withdrawal rate (10% movement)	486.11	490.49	504.42	509.36

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters.

Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

# **Expected future cash flows**

The expected future cash out-flows in respect of gratuity as at year end is as follows:

Particulars	31 March 2022	31 March 2021
Up to 1 year	67.87	48.63
Between 1-2 years	20.92	35.67
Between 2-6 years	98.16	90.17
6 to 10+ years	192.75	211.25

The average duration of the defined benefit plan obligation at the end of the reporting year is 12.85 years (31 March 2021: 12.04 years).

The contribution expected to be made by the Company during the financial year 2022-23 is ₹ 26.98 millions.

### (C) Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31 March 2022 based on actuarial valuation using the projected accrued benefit method is ₹ 30.79 millions. (31 March 2021: ₹ 41.29 millions). In the coming financial year it is expected to remain in the similar range.

CIN: L24110MH2000PLC124224

# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

# **Note-44 Contingent liabilities and Commitments**

# A) Contingent liabilities

			As at 31 March 2022	As at 31 March 2021
a.	In re	spect of tax matters		
	Dem	iand raised by authorities against which the Company has filed an appeal		
	i)	Income Tax	67.86	86.23
	ii)	Excise duty	0.73	0.73
	iii)	Service tax	15.67	15.67
	iv)	Customs Duty	2.30	2.30
	v)	VAT / Sales Tax	3.10	4.68
	vi)	Goods and service tax	0.62	4.16
b.	In re	spect of other matters		
	i)	Claims against the Company not acknowledged as debts	171.19	155.19
	ii)	The Code on Social Security 2020 has been notified in the Official Gazette on 29 September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period in which said Code becomes effective and the rules framed thereunder are notified.		

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on the financial statements. Future cash outflows/uncertainties, if any, in respect of above are determinable only on receipt of judgments/decisions pending with various forums/authorities.

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The Company does not expect any reimbursements in respect of the above contingent liabilities.

### B) Capital commitments

	As at 31 March 2022	As at 31 March 2021
Estimated value of contracts in capital account remaining to be executed and not provided for	124.15	298.47
(net of capital advances)		

### Note-45 Total outstanding dues of micro and small enterprises (as per the intimation received from vendors)

	As at 31 March 2022	As at 31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	225.26	266.78
Interest	0.02	9.21
The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	_	_
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	1,145.94	1,349.64
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	0.38	7.15
The amount of interest accrued and remaining unpaid at the end of each accounting period		
2019-20	_	0.40
2020-21	_	8.81
2021-22	0.40	_
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	0.40	9.21

# SUMITOMO CHEMICAL INDIA LIMITED CIN: L24110MH2000PLC124224

# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (Currency: Indian Rupees in millions, unless otherwise stated)

	110000	rch and development expenditure				ایمہ	An at
					31 March	As at 2022 31	As at March 2021
(a)	Rese and	earch and development costs, as certified by the management, loss (in respective heads of accounts) are as under:	debited to the stat	ement of profit			
	(i)	Revenue expenses			10	9.77	91.11
	(ii)	Depreciation and amortisation of expenses			1	1.28	22.07
					12	1.05	113.18
(b)	Capi	tal expenditure incurred during the year on research and develo	opment			9.28	13.38
( )		rate social responsibility					
	-					31 March	31 Marc
(a)	Gros	s amount required to be spent				2022	202
( )	i)	for current year				66.16	51.4
	ii)	for previous year				7.08	_
	,					73.24	51.4
(b)	Amo	unt approved by the Board to be spent during the year				66.29	51.4
(c)		unt spent during the year ending on 31 March 2022	In cash	Yet to be paid in cash	Total		
	(i)	Construction / acquisition of any assets	_	— —	_		
	(ii)	For previous year	7.08	_	7.08		
	(iii)	On purpose other than (i) above	66.29	_	66.29		
	( )	1,1	73.37	_	73.37		
(d)	Amo	unt spent during the year ending on 31 March 2021	In cash	Yet to be paid in cash	Total		
	(i)	Construction / acquisition of any assets	_	_	_		
	(ii)	On purpose other than (i) above	44.32	7.08	51.40		
			44.32	7.08	51.40		
e)	Deta	ils related to spent / unspent obligations:				31 March	31 Marc
						2022	202
	i)	Contribution to public trust				26.03	24.6
	ii)	Contribution to charitable trust				36.99	19.2
	iii)	Others for current year				3.27	7.5
	iv)	Others for previous year				7.08	_
	v)	Unspent amount in relation to:					
		<ul> <li>Ongoing project</li> </ul>				_	-
		- Other than ongoing project				_	_
						73.37	51.4
f)	Deta	ils of other than ongoing project					
	rticular					31 March	31 Marc
a)	Oner	ning balance				2022	202
ω,	-	With Company				7.08	_
	_	In separate CSR unspent A/c				_	_
b)	Amo	unt required to be spent and approved by the Board during the	vear			66.29	51.4
c)		unt spent during the year				33.23	
٠,	-	From Company's bank A/c				73.37	44.3
	_	From separate CSR unspent A/c					
d)		ing balance					
u,	-	With Company				_	7.0
	_	In separate CSR unspent A/c				_	1
		in separate oon unspent /y c					l

CIN: L24110MH2000PLC124224

# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

Ratio	Numerator	Denominator	31 March 2022	31 March 2021	% change	Remarks / Reason for variance
						Refer note below
Debt equity ratio (times)	Total borrowing	Shareholders equity	_	_		Not applicable since no borrowing
Debt service coverage ratio (times)	Earnings available for debt service	Debt service	14.56	13.23	10.02%	
Return on net worth (%) / ROE	Net profit after tax	Average net worth	25.13%	25.24%	(0.43%)	
Current ratio (times)	Current assets	Current liabilities	2.46	2.12	16.17%	
Trade receivables turnover (in times)	Revenue from contracts with customer	Average trade receivable	3.59	3.10	16.11%	
Trade payables turnover (in times)	Expenses	Average trade payables	4.33	3.87	11.82%	
Inventory turnover (in times)	Cost of goods sold	Average inventory	2.27	2.48	(8.63%)	
Net profit ratio (%)	Net profit after tax	Revenue from contracts with customer	14.29%	13.17%	8.49%	
Net capital turnover (in times)	Revenue from contracts with customer	Working capital (Current assets - Current liabilities)	2.03	2.17	(6.49%)	
Return on investment (%)	Mutual fund, interest and dividend income	Average quarterly investments	5.44%	3.90%	39.49%	Dividend received on voluntary liquidation of subsidiary
Return on capital employed (%)	EBIT	Capital employed	34.11%	33.47%	1.91%	

**Note:** Reason for variance has been given for those ratios whereby variation is more than 25% (+/-)

#### **Abbreviations**

- i) Earnings available for debt service Profit before tax + interest expenses including interest expense on lease payments + depreciation and amortisation expenses
- ii) Debt service Interest expenses including interest expense on lease payments + repayment of lease liabilities.
- iii) Net worth includes share capital and other equity
- iv) Expenses includes cost of goods sold and other expenses excluding expected credit loss allowance, CSR, donations, insurance, directors sitting fees, PPE written off, exchange differences (net) and bank charges

### Note-49 Other statutory information

- (i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

CIN: L24110MH2000PLC124224

# NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

(vii)	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

(viii) The Company has complied with the number of layers prescribed under clause 87 of section 2 of the Companies Act, 2013 read with Companies (restriction on number of layers) rules, 2017.

### Note-50 Events after the reporting period

There are no significant events after the reporting period except as disclosed in note 20(f), that require adjustments or disclosures in the standalone Ind AS financial statements as on the balance sheet date.

Note-51 The figures for the previous year have been regrouped/reclassified wherever considered necessary.

As per our report of even date attached

For SRBC & COLLP Chartered Accountants

Firm's Registration No: 324982E/E300003

Jayesh Gandhi

Partner

Membership No: 037924

Place: Mumbai Date: 27 May 2022 For and on behalf of the Board of Directors of Sumitomo Chemical India Limited CIN: L24110MH2000PLC124224

Chetan Shah Managing Director DIN: 00488127

Anil Nawal Chief Financial Officer

Place: Mumbai Date: 27 May 2022

Sushil Marfatia Executive Director DIN: 07618601 Pravin D. Desai

Vice President & Company Secretary

Place: Mumbai Date: 27 May 2022

CIN: L24110MH2000PI C124224

### INDEPENDENT AUDITOR'S REPORT

To the Members of Sumitomo Chemical India Limited

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

#### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Sumitomo Chemical India Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 consolidated Ind AS financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit report furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

# **Key audit matters**

### How our audit addressed the key audit matters

Revenue Recognition – Estimation of discounts, incentives, rebates, rebate reversal and sales return (as described in note 2.1(p) of the consolidated Ind AS financial statements)

Revenue is measured net of discounts, incentives, rebates and sales return.

Due to the Holding Company's presence across different marketing regions and the competitive business environment, the estimation of various types of discounts, incentives and rebate schemes which are recognised based on sales made is considered to be complex and judgmental. Further, there is a possibility of sales return of expired products from customers, which requires estimation.

Given the significant judgement required and complexity involved in estimating discounts, incentives, rebates and sales return, this is considered as a key audit matter.

We performed following audit procedures:

- a) Obtained and reviewed schemes and policies relating to discounts, incentives, rebates and sales return;
- Evaluated the design and tested the operating effectiveness of Holding Company's internal controls over discounts, incentives and rebates and sales return;
- Obtained calculations for discounts, incentives, rebates accruals under applicable schemes and rebate reversals. Verified on a sample basis and compared the accruals made with the approved schemes;
- Obtained and inspected, on a sample basis, supporting documentation for payment towards discounts, incentives and rebates during the year as well as credit notes issued during and after the year end;
- e) Analysed the historical trend of payments made towards discounts, incentives, rebates and that of sales return utilized for making estimate of accruals; and
- Assessed the adequacy of the disclosures as per the applicable accounting standards.

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## **Key audit matters**

## How our audit addressed the key audit matters

**Valuation of inventory** (as described in note 2.1 (h) of the consolidated Ind AS financial statements)

Inventories represent significant portion of total assets as at March 31, 2022 with carrying value of INR 9,377.62 millions (net of allowances).

Inventories are valued at lower of cost and net realization value. The Holding Company writes down inventories to net realisable value on account of obsolescence, expiry and non-moving inventory, based on the management's assessment.

Assessing net realizable value and identification of slow-moving, expired and obsolete inventory are areas which require use of significant judgements and owing to the inherent complexities, this is considered to be a key audit matter.

We performed the following audit procedures:

- Understood and evaluated the process relating to determination of net realizable value of inventories and identification of slow-moving, expired or obsolete inventories;
- Evaluated the design and tested operating effectiveness of internal controls over inventory valuation;
- Tested the valuation of inventories, on sample basis, by comparing the value of Raw Materials and Traded Goods with the underlying supporting documents. For Work in Process and Manufactured Finished Goods, verified the Bill of Materials and tested computation for labour and manufacturing overhead absorption.
- d) Obtained age wise analysis of inventories, made specific inquiries with the management with regards to expiry, slow moving and obsolete inventories and evaluated the computation for write-down of inventories provided by the management; and
- e) Assessed the appropriateness of disclosures in the consolidated Ind AS financial statements in accordance with the applicable accounting standards.

## Information Other than the 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 in the Report of the Board of directors, its annexure, management discussion and analysis report but does not include the consolidated Ind AS financial statements and our auditor's report thereon

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated 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 (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit
procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

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misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated Ind AS 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 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 Ind AS financial statements or, if such
  disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future
  events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which has been audited by the 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.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022 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**

We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose Ind AS financial statements include total assets of ₹ 37.46 millions as at March 31, 2022, total revenues of ₹ 25.04 millions and net cash outflows of ₹ 102.84 millions for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's report have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries are based solely on the reports of such other auditors.

The subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other auditors under generally accepted auditing standards applicable in their countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

# **Report on Other Legal and Regulatory Requirements**

1. With respect to matters specified in paragraph 3 (xxi) of the Companies (Auditor's Report) Order, 2020 ("the Order" or "CARO"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, according to the information and explanations given to us and based on the CARO reports issued by the respective auditors of companies included in the consolidated financial statements, to which reporting under CARO is applicable, we report as under:

Qualification or adverse remark by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the company included in the consolidated financial statements are:

S.	No	Name	CIN	Holding company/subsidiary/ associate/ joint venture	Clause number of the CARO report which is qualified or is adverse
1		Sumitomo Chemical India Limited	L24110MH2000PLC124224	Holding Company	(i)(c)

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- 2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements:
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the 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 the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements:
  - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act:
  - (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, refer to our separate Report in "Annexure 1" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid/provided by the Holding Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
    - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated Ind AS financial statements Refer note 44A to the consolidated Ind AS financial statements:
    - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, during the year ended March 31, 2022;
    - iv. a) The management of the Holding Company has represented to us that, to the best of its knowledge and belief, as disclosed in note 50(v) to the consolidated financial statement, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Holding Company or subsidiary companies to or in any other person(s) or entities, 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 respective Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
      - b) The management of the Holding Company has represented to us that, to the best of its knowledge and belief, as disclosed in note 50(vi) to the consolidated financial statement, no funds have been received by the Holding Company or subsidiary companies from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
      - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
    - (v). The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 20(f) to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For S R B C & CO LLP Chartered Accountants ICAI Firm Registration Number: 324982E/E300003

> per Jayesh Gandhi Partner Membership Number: 037924 UDIN: 22037924AJSBJK4214

Place of Signature: Mumbai Date: May 27, 2022

CIN: L24110MH2000PI C124224

# ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED INDIAS FINANCIAL STATEMENTS OF SUMITOMO CHEMICAL INDIA LIMITED

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Sumitomo Chemical India Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company, as of that date.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS 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") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS 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 with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS 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 internal financial controls with reference to consolidated Ind AS financial statements.

## Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

A company's internal financial control with reference to consolidated Ind AS 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 consolidated Ind AS 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 Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS 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 consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated Ind AS 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 Holding Company has maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S R B C & CO LLP Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi Partner Membership Number: 037924 UDIN: 22037924AJSBJK4214

Place of Signature: Mumbai Date: May 27, 2022

# SUMITOMO CHEMICAL INDIA LIMITED CIN: L24110MH2000PLC124224

# CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2022 (Currency: Indian Rupees in millions, unless otherwise stated)

					1
l.	ASSE	TS	Notes	As at 31 March 2022	As at 31 March 2021
	,	Non-current assets (a) Property, plant and equipment (b) Capital work-in-progress (c) Right-of-use assets (d) Other intangible assets under development (f) Financial assets	3 4 5 6 7	3,496.47 211.10 363.60 43.49 141.06	2,776.29 42.54 310.83 6.15 99.58
		(i) Investments (ii) Loans (iii) Others financial assets (g) Non-current tax assets (net) (h) Other non-current assets	8 9 10 11	1.15 7.54 299.99 216.29 95.27 4.875.96	1.15 7.59 52.29 203.60 175.66 3,675.68
		Current Assets (a) Inventories	12	9,377.62	7,543.63
		(b) Financial assets (i) Investments (ii) Trade receivables (iii) Cash and cash equivalents (iv) Bank balances other than cash and cash equivalents mentioned in (iii) above (v) Loans (vi) Other financial assets (c) Other current assets	13 14 15 16 17 18	3,560.22 8,431.25 572.46 218.78 4.67 1,745.04 1,310.25	2,902.38 8,482.44 1,883.06 537.49 22.62 168.55 1,503.41
		Total current assets TOTAL ASSETS		25,220.29 30.096.25	23,043.58 26,719.26
II.	EQUIT (1)	Y AND LIABILITIES Equity [a) Equity share capital (b) Other equity Equity attributable to equity holders of the parent (c) Non-controlling interests	20 21	4,991.46 14,280.64 19,272.10 0.02	4,991.46 10,420.54 15,412.00
	(2)	Total Equity Liabilities Non-current liabilities (a) Financial liabilities — Lease liabilities	30	19,272.12	15,413.01 153.33
		(b) Provisions (c) Deferred tax liabilities (net)  Total non-current liabilities	39 22 35	223.42 139.07 609.68	292.04 50.40 495.77
		Current liabilities (a) Financial liabilities	00	400.05	470.00
		(i) Lease liabilities (ii) Trade payables (A) total outstanding dues of micro and small enterprises (B) total outstanding dues of creditors other than micro and small	39 23 23	128.65 225.28 4,946.61	173.02 275.99 5,636.48
		enterprises (iii) Other financial liabilities (b) Other current liabilities (c) Provisions (d) Current tax liabilities	24 25 26	3,997.20 797.65 71.64 47.42	3,568.36 1,081.92 56.26 18.45
		Total current liabilities Total liabilities		10,214.45 10,824.13	10,810.48 11,306.25
	ficant a	EQUITY AND LIABILITIES accounting policies surying notes 1 to 52 are an integral part of these consolidated Ind AS financial statements.	2.1 nts.	30,096.25	26,719.26
As pe	er our re	port of even date attached For and on behalf of t	the Board of Di	irectors of Sumitomo Ch	emical India Limited
Chart Firm'	ered Ad s Regis	CIN: L24110MH2000P  & CO LLP  countants ration No: 324982E/E300003  Managing Director DIN: 00488127	LC124224	Sushil Marfatia Executive Director DIN: 07618601	
Partn		ni Anil Nawal No: 037924 Chief Financial Officer		Pravin D. Desai  Vice President & Cor	npany Secretary
Place	: Muml 27 Ma	ai Place: Mumbai		Place: Mumbai Date: 27 May 2022	

CIN: L24110MH2000PLC124224

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

		Notes	For the year ended 31 March, 2022	For the year ended 31 March, 2021
INCO		27	20 645 00	26.449.06
I. II.	Revenue from operations Other income	27 28	30,645.99 267.94	185.70
 III.	Total Income (I+II)	20	30,913.93	26,634.76
IV.	Expenses			20,004.70
ıv.	Cost of materials consumed	29	18,478.76	15,647.21
	Purchase of stock-in-trade		2,310.20	2,087.90
	Changes in inventories of finished goods, work-in-progress and stor		(1,709.10)	(1,181.28
	Employee benefits expense Finance costs	31 32	2,020.13 61.67	1,942.82 55.55
	Depreciation and amortisation expense	3, 4 & 5	448.14	465.83
	Other expenses	33	3,546.82	3,083.74
Total	Expenses (IV)		25,156.62	22,101.77
V.	Profit before tax (III - IV)		5,757.31	4,532.99
VI.	Tax expense:		0,.0	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	1. Current Tax		1,436.88	1,074.98
	<ol> <li>Adjustment of current tax in respect of earlier years</li> <li>Deferred Tax charge</li> </ol>	34	(3.69) 38.60	(57.36
	Adjustment of deferred tax in respect of earlier years		38.00 50.07	01.3
	Total tax expenses (VI)		1,521.86	1,078.93
VII.	Profit for the year (V-VI)		4.235.45	3,454.06
			4,200.40	3,434.00
VIII.	Other comprehensive income  A. Items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit liability		36.41	17.23
	Income tax related to items that will not be reclassified to prof	it or loss	(9.16)	(4.34
			27.25	12.89
	B. Items that will be reclassified to profit or loss	•	(2.41)	2.00
	Exchange difference arising on translation of foreign operation	IS	(3.41)	3.09
w	Total other comprehensive income for the year		23.84	l —
X.	Total comprehensive income for the year (VII+VIII)		4,259.29	3,470.04
	Profit for the year Attributable to:		4,235.45	3,454.06
	Equity holders of the parent		4,235.58	3,453.05
	Non-controlling interests		(0.13)	1.01
	Other comprehensive income		20.04	15.00
	Attributable to: Equity holders of the parent		23.84 23.84	15.98 15.98
	Non-controlling interests		20.04	10.50
	Total comprehensive income			
	Attributable to:		4,259.29	3,470.04
	Equity holders of the parent Non-controlling interests		4,259.42 (0.13)	3,469.03 1.01
Χ.	Earnings per equity share (Face value of ₹ 10 each)		(0.13)	1.01
	Basic and diluted earnings per share (in ₹)	36	8.49	6.92
-	ficant accounting policies	2.1		
he a	ccompanying notes 1 to 52 are an integral part of these consolidated	Ind AS financial statements.		
·	r our report of even date attached	For and on behalf of the Board of CIN: L24110MH2000PLC124224	Directors of Sumitomo C	hemical India Limite
	R B C & CO LLP ered Accountants			
	s Registration No: 324982E/E300003	Chetan Shah  Managing Director	Sushil Marfatia Executive Director	
	h Gandhi	DIN: 00488127	DIN: 07618601	
Partne	er	Anil Nawal	Pravin D. Desai	
Meml	bership No: 037924	Chief Financial Officer	Vice President & Co	mpany Secretary
	: Mumbai	Place: Mumbai	Place: Mumbai	
Date:	27 May 2022	Date: 27 May 2022	Date: 27 May 2022	

CIN: L24110MH2000PLC124224

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

(a)	Equity share capital		
	Note	e	Amount
	As at 31 March, 2020 20	o	4,991.46
	Changes in equity share capital during the year		_
	As at 31 March, 2021 20	)	4,991.46
	Changes in equity share capital during the year		_
	<b>As at 31 March 2022</b> 20	)	4,991.46
(b)	Other equity		

	Attributable to	equity holder	s of parent				
	Reserves & surplus  General Securities Retained reserve premium earnings		Other com- prehensive income	Total	Non- controlling interests	Total other equity	
Particulars			Retained Foreign				
Balance as at 1 April 2020	3,768.14	2,350.60	1,076.52	30.81	7,226.07	_	7,226.07
Profit for the year	_	_	3,453.05	_	3,453.05	1.01	3,454.06
Other comprehensive income for the year (net of tax)	_	_	12.89	3.09	15.98	_	15.98
Total comprehensive income for the year	_	_	3,465.94	3.09	3,469.03	1.01	3,470.04
Dividend on equity shares for the year	_	_	(274.56)	_	(274.56)	_	(274.56)
Transfer to general reserve	2,750.00	_	(2,750.00)	_	_	_	_
Balance as at 31 March 2021	6,518.14	2,350.60	1,517.90	33.90	10,420.54	1.01	10,421.55
Profit for the year	_	_	4,235.58	_	4,235.58	(0.13)	4,235.45
Other comprehensive income for the year (net of tax)	_	_	27.25	(3.41)	23.84	_	23.84
Total comprehensive income for the year	_	_	4,262.83	(3.41)	4,259.42	(0.13)	4,259.29
Transfer to general reserve	3,750.00	_	(3,750.00)	_	_	_	_
Reduction on voluntary liquidation Excel Crop Care (Europe) NV	(0.32)	_	0.53	(0.21)	_	(0.86)	(0.86)
Dividend on equity shares	_	_	(399.32)	_	(399.32)	_	(399.32)
Balance at 31 March 2022	10,267.82	2,350.60	1,631.94	30.28	14,280.64	0.02	14,280.66

Refer note 21B for nature and purpose of reserves

As per our report of even date attached

For S R B C & CO LLP Chartered Accountants

Firm's Registration No: 324982E/E300003

Jayesh Gandhi Partner

Membership No: 037924

Place: Mumbai Date: 27 May 2022 For and on behalf of the Board of Directors of Sumitomo Chemical India Limited CIN: L24110MH2000PLC124224

Chetan Shah
Managing Director
DIN: 00488127
Anil Nawal

Chief Financial Officer

Place: Mumbai Date: 27 May 2022 Sushil Marfatia Executive Director DIN: 07618601 Pravin D. Desai

Vice President & Company Secretary

Place: Mumbai Date: 27 May 2022

# SUMITOMO CHEMICAL INDIA LIMITED CIN: L24110MH2000PLC124224

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022 (Currency: Indian Rupees in millions, unless otherwise stated)

		For the year ended 31 March 2022	For the year ender 31 March 202
A.	Cash flow from operating activities		
Prof	it before tax	5,757.31	4,532.99
Adju	stments for:		
	Depreciation and amortization expense	448.14	465.83
	Impairment allowance on trade receivables	227.86	205.24
	Sundry debit balance written off	0.23	-
	Export incentive receivable written off	2.25	
	Excess provisions in respect of earlier years written back (net)	(2.08)	(6.2
	Profit on sale/disposal of property, plant and equipment	(4.04)	(0.2
	Gain on sale of financial assets measured at FVTPL	(66.89)	(73.8
	Property, plant and equipment written off (including capital work-in-progress)  Assets written off out of capital work in progress	0.28 10.91	0.0
	Interest income	(103.54)	(99.5
	Fair valuation gain on financial assets measured at FVTPL	(78.29)	0.1
	Finance costs	61.67	55.5
	Unrealised exchange differences (net)	(33.61)	(1.9
Oper	ating cash flow before working capital changes	6,220.20	5,077.8
Nor	king capital adjustments		
	stments for (increase)/decrease in assets		
,	Trade receivables	(149.25)	(188.7
	Inventories	(1,833.99)	(1,663.5
	Other non current and current assets	191.68	(517.0
	Other non current and current financial assets	(144.90)	99.5
Adju	stments for increase/(decrease) in liabilities		
	Trade payables	(756.47)	1,083.9
	Non current and current provisions	(16.83)	17.5
	Other non current and current financial liabilities	417.71	1,144.2
	Other non current and current liabilities	(284.27)	279.7
	Cash generated from operating activities	3,643.88	5,333.4
	Income taxes paid (net of refund)	(1,426.07)	(1,079.3
let	cash flows generated from operating activities (A)	2,217.81	4,254.1
3.	Cash flow from investing activities		
	Purchase of property, plant and equipment, intangible assets and capital work-in-progress (net of capital advances)	(1,135.19)	(432.6
	Proceeds from sale of property, plant and equipment	10.63	4.4
	Purchase of mutual funds	(4,416.17)	(4,581.7
	Proceeds from sale of mutual funds	3,903.51	2,613.1
	Movement in deposits not considered as cash and cash equivalents :		
	<ul> <li>Investments in such deposits</li> </ul>	(3,385.89)	(1,866.9
	<ul> <li>Proceeds from such deposits</li> </ul>	2,062.20	1,337.7
	Interest received	58.88	99.5
Net	cash flows used in investing activities (B)	(2,902.03)	(2,826.5

CIN: L24110MH2000PLC124224

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

For the year ended 31 March 2022	For the year ended 31 March 2021
(211.71)	(180.91)
(14.49)	(14.58)
(400.18)	(275.15)
(626.38)	(470.64)
(1,310.60)	956.92
1,883.06	926.14
572.46	1,883.06
	31 March 2022  (211.71) (14.49) (400.18) (626.38) (1,310.60) 1,883.06

Notes:

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7, 'Statement of Cash Flows'.

2. Changes in lease liability arising from financing activities :

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balances	326.35	355.81
Cash flows	(211.71)	(180.91)
New leases	214.02	110.48
Accretion of interest	47.18	40.97
Closing balance	375.84	326.35
Significant accounting policies (Refer note 2.1)		

The accompanying notes 1 to 52 are an integral part of these consolidated Ind AS financial statements.

As per our report of even date attached.

For S R B C & CO LLP Chartered Accountants

Firm's Registration No: 324982E/E300003

Jayesh Gandhi Partner

Membership No: 037924

Place: Mumbai Date: 27 May 2022 For and on behalf of the Board of Directors of Sumitomo Chemical India Limited CIN: L24110MH2000PLC124224

Chetan Shah Managing Director DIN: 00488127

Anil Nawal Chief Financial Officer

Place: Mumbai Date: 27 May 2022 Sushil Marfatia Executive Director DIN: 07618601 Pravin D. Desai

Vice President & Company Secretary

Place: Mumbai Date: 27 May 2022

CIN: L24110MH2000PLC124224

# NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

### 1 CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of Sumitomo Chemical India Limited ('SCIL' or 'the Company') and its subsidiaries (collectively, 'the Group') for the year ended 31 March, 2022. The Company was incorporated originally on 15 February 2000 and converted from Private Limited to Public Limited w.e.f. 24 November 2018. SCIL is a subsidiary of Sumitomo Chemical Company Limited, Japan ('SCCL'). The Company's registered office is at Building No. 1, Ground Floor, Shant Manor Co-op Housing Society Limited, Chakravarti Ashok 'X' Road, Kandivali (East), Mumbai – 400 101 and it's corporate office is at 13/14 Aradhana Industrial Development Corporation, Near Virwani Industrial Estate, Goregaon (East), Mumbai – 400 063. The Company's shares are listed on National Stock Exchange and Bombay Stock Exchange. The Group is primarily engaged in manufacturing and sales of household insecticides, agricultural pesticides, public health insecticides and animal nutrition products.

The consolidated Ind AS financial statements for the year ended 31 March 2022 were approved by the Board of Directors and approved for issue on 27 May 2022.

### 2.1 Significant accounting policies

## a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act. 2013. (Ind AS compliant Schedule III), as applicable to the consolidated Ind AS financial statements.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value as explained in accounting policy of fair value measurement [Refer note 2.1 (t)] and financial instruments [Refer note 2.1 (r)] below.

The accounting policies adopted for preparation and presentation of financial statement have been consistent with the previous year.

The consolidated Ind AS financial statements are presented in rupees and all values are rounded to the nearest millions, except when otherwise indicated

The list of subsidiary companies considered for consolidation together with proportion of shareholding held by the Group is as follows:

Name of subsidiaries	Country of incorporation	As at 31 March 2022	As at 31 March 2021
Excel Crop Care (Africa) Limited	Tanzania	99.94%	99.94%
Excel Crop Care (Europe) NV (Refer note below)	Belgium	_	99.00%

Excel Crop Care (Europe) NV, Belgium, an unlisted subsidiary of the Company has been voluntarily wound up effective 23 December 2021 since it was not having significant business/commercial activities/sales.

# b) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated Ind AS financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated Ind AS financial statements are disclosed in note 2.3.

### c) Basis of consolidation

The consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2022.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

CIN: L24110MH2000PI C124224

# NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March. When the end of the reporting year of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

### Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income are attributed to the equity holder of the parent of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### d) Property, plant and equipment

Items of property, plant and equipment, other than freehold land, are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is carried at cost and is not depreciated. Capital work in progress is stated at cost.

The cost of an item of property, plant and equipment comprises:

- a) its purchase price, including import duties and all purchase applicable taxes, after deducting trade discounts and rebates.
- b) any directly attributable cost of bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by management.
- c) the estimated costs of dismantling and removing the item and restoring the site on which it is located.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the statement of profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on derecognition of an item of property, plant and equipment is recognised in the statement of profit and loss.

Projects under which the property, plant and equipment is not yet ready for their intended use are carried as capital work-in-progress at cost determined as aforesaid.

### Subsequent expenditure:

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Group and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

# e) Intangible assets

The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

Technical know-how fees for new product development is amortised over the period not exceeding five years from the date of agreement with supplier of technology.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

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### f) Depreciation and amortisation

Depreciation is provided, under the straight line method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except for the following items where useful lives estimated by the management based on internal technical assessment, past trends and expected operational lives differ from those provided in Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used:

Leasehold land and leasehold improvements are amortised over the term of lease.

The key assets and related lives are:

Nature of asset	Life in years
Factory road	5 to 10
Buildings	10 to 60
Plant and machinery (including computers)	3 to 25
Furniture and fixtures	10
Vehicles	5 to 8
Office equipment	5 to 10
Electrical installation	10
Laboratory equipments	10

Assets costing less than ₹ 25,000/- are fully depreciated in the year of purchase.

Amortisation in respect of all the intangible assets is provided on straight line method over the useful lives of assets.

Nature of asset	Life in years
Data registration expenses	3
Software and license and registration	4
Technical knowhow	5

# g) Impairment of non-financial assets

The carrying values of assets at each reporting date are reviewed for impairment if any indication of impairment exists at cash generating unit ('CGU') level.

If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses including impairment on inventories are recognised in the statement of profit and loss.

When there is an indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the statement of profit and loss, to the extent the amount was previously charged to the statement of profit and loss.

# h) Inventories

Inventories are valued at the lower of cost and net realizable value. 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.

- i) Raw materials and packing materials, components, stores and spares: Cost is determined on a moving weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventory.
- ii) Work-in-progress and finished goods: Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity and other cost bringing the inventories at their present condition and location. Cost is determined on weighted average basis.
- iii) Traded products: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

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# NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

# i) Employee benefits

### 1) Short-term employee benefits

### Defined contribution plans

The Group makes contribution towards provident fund, pension fund, superannuation fund and employee's state insurance contribution to a defined contribution retirement benefit plan for qualifying employees. Both the employee and the Group makes monthly contribution equal to a specified percentage of the covered employee's salary or a fixed monthly contribution. The monthly contributions payable by the Group are charged to the statement of profit and loss as incurred.

### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised 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 recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined liability (asset) 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 gratuity benefit scheme are recognised in the statement of profit and 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 recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees is recognised during the period when the employee renders the service.

# 2) Other long-term benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employees renders the related services are recognised as a liability at the present value of the defined benefit obligation at the reporting date. Provision in respect of leave encashment benefits has been made based on actuarial valuation carried out by an independent actuary at the reporting date using projected unit cost method. The employees can avail upto a certain number of leaves as per the Group's policies in one year and accordingly the liability has been classified into current and non current in the financials.

### j) Foreign currency transactions

#### i. Functional and presentation currency

The Group's consolidated Ind AS financial statements are prepared in Indian Rupees which is also the Group's functional currency.

### ii. Initial recognition

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate between the functional currency and the foreign currency at the date of the transaction.

### iii. Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

In respect of non-monetary items, where a gain or loss is recognized in other comprehensive income as required by other Ind AS, the exchange component of that gain or loss is also recognized in other comprehensive income.

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# NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

### iv. Group Companies

On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees at the rate of exchange prevailing at the reporting date and their consolidated statement of profit and loss are translated at average rate during the year. The exchange differences arising on translation for consolidation are recognized in other comprehensive income.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operations recognized in OCI is reclassified to consolidated statement of profit and loss as part of the gain or loss on disposal.

### k) Income taxes

Tax expense for the period comprises of current tax and deferred tax charge or credit. It is recognised in profit or loss except to the extent that it relates items recognised directly in equity or in OCI.

#### Current taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. For the purpose of computing income taxes management has applied the annual effective tax rate on to the profit before tax for the year ended 31 March 2022.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

# Deferred taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets — unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

# Earnings per share

The basic earnings per equity share ('EPS') is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year and dilutive equity equivalent shares, except where the results would be anti-dilutive.

### m) Provisions and contingencies

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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# NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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# n) Research and development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period expected future sales from the related project, not exceeding ten years.

### o) Cash and cash equivalents

In cash flow statement, cash and cash equivalents includes cash in hand, bank balances, term deposits with banks and other short term highly liquid investments with original maturities within three months or less.

### p) Revenue Recognition

### i. Sale of goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customers and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured at transaction price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Our customers have the contractual right to return goods only when authorised by the Group. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

### Return of Goods

The Group uses the expected value method to estimate liability and corresponding adjustment to cost of sales for the goods that are expected to be returned

### Rebates and Discounts

Based on the value and volume of sales, the Group recognises liability towards rebates and discounts. Accordingly, sales are recognised net off rebate and discounts.

### ii. Other income

- a. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the effective rate of interest.
- b. Revenue in respect of insurance/other claims, interest etc., is recognised only when it is reasonably certain that the ultimate collection will be made.
- c. Dividend income is recognised in the statement of profit and loss on the date on which right to receive the payment is established.
- d. Interest u/s 244A of Income tax Act, 1961 is recognised on realisation.

### iii. Sale of services

Revenue from services contracts are recognized pro-rata over the period of the contract as and when services are rendered and are net of goods and service tax.

### q) Contract balances

# Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional

Contract assets represents right to receive the inventory (on estimated sales returns). Refer accounting policies on impairment of financial assets in note 2.1(s).

### 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 recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

### r) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency exchange forward contracts.

### i. Financial assets

### Classification

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

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### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

### Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the asset's contractual cash flow represents SPPI.

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, dividend income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss.

### Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

## **Equity Investments**

All equity investments are measured at fair value. Equity instruments, which are held for trading are classified as at FVTPL. For equity instruments other than held for trading, the Group has exercised irrevocable option to recognise in other comprehensive income subsequent changes in the fair value.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### Derecognition

The Group derecognises a financial asset when the rights to receive cash flows from the asset have expired or it transfers the right to receive the contractual cash flow on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

## ii. Financial liabilities

### Classification

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

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### Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### s) Financial assets impairment

The Group assessed the expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on the Group's past history of recovery, credit worthiness of the counter party and existing and future market conditions.

For all financial assets other than trade receivables, expected credit losses are measured at an amount equal to the 12-month expected credit loss (ECL) unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. For trade receivables, the Group has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the receivables.

### t) 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

#### u) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments

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made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold building 1-9 years
Leasehold vehicle 4-5 years

The right-of-use assets are also subject to impairment. Refer accounting policies in note 2.1(g) Impairment of non-financial assets.

### b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in interest-bearing borrowings.

### c) Short-term leases and leases of low-value assets:

The Group applies the short-term lease recognition exemption to its short-term leases of office premises and storage locations (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### Group as a lessor

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 arising is accounted on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

# v) Borrowing cost

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted.

#### w) Dividend

The Group recognises a liability for any dividend declared in the period when it is approved by the shareholders. As per corporate laws in India, a distribution in the nature of final dividend is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

# x) Segmental reporting

As per Ind AS - 108, 'Operating Segments', if a financial statements contains both the consolidated Ind AS financial statements of the parent that is within the scope of Ind AS - 108 as well as the parent's separate financial statements, segment information is required only in the consolidated Ind AS financial statements. Accordingly, information required to be presented under Ind AS - 108 Operating Segments has been given in the consolidated Ind AS financial statements.

### y) Operating cycle

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

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# NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

### A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

# 2.2 Recent accounting pronouncements issued but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the consolidated financial statements which has material impact on the Group's consolidated Ind AS financial statements.

### 2.3 Key accounting estimates, judgments and assumptions

The preparation of these consolidated Ind AS financial statements in conformity with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The management believes that the estimates used in preparation of these consolidated Ind AS financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialize.

The areas involving critical estimates or judgments are:

### i. Property, plant and equipment & Intangible assets:

Determination of the estimated useful lives of tangible and intangible assets and the assessment as to which components of the cost may be capitalized. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. [Refer note 2.1 (f)]

### ii. Fair value of financial instruments:

Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts, fair value of which, is determined using the fair value reports provided by respective merchant bankers. [Refer note 2.1(t)]

### iii. Impairment of financial assets:

The Group's management reviews periodically items classified as receivables to assess whether a provision for impairment should be recorded in the statement of profit and loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty. Details of impairment provision on trade receivable are given in note 14.

The Group reviews it's carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than it's carrying amount, the impairment loss is accounted for. [Refer note 2.1(s)]

### iv. Recognition and measurement of provisions and contingencies:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions. [Refer note 2.1(m)]

## v. Assessment of lease transactions:

Management assesses the contractual terms of the lease agreements to evaluate whether it is a lease as per Ind AS 116 (Refer note 39)

# vi. Recognition and measurement of defined benefit obligations:

Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. [Refer note 2.3(i)]

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### NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

#### Note 3: Property, plant and equipment ('PPE')

#### For the year ended 31 March 2022

		Gross	s block			Accumulated d	epreciation		Net ble	ock
Block of assets	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	Charge for the year	Disposals	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Land - Freehold	117.62	683.10	_	800.72	_	_	_	_	800.72	117.62
Land - Leasehold	163.41	_	_	163.41	12.30	2.46	_	14.76	148.65	151.11
Factory road	16.17	_	_	16.17	2.83	4.56	_	7.39	8.78	13.34
Buildings	703.93	64.26	_	768.19	180.37	34.03	_	214.40	553.79	523.56
Plant and machinery	2,552.26	172.48	38.64	2,686.10	784.18	159.88	32.84	911.22	1,774.88	1,768.08
Furniture and fixtures	64.79	4.05	_	68.84	41.46	8.19	_	49.65	19.19	23.33
Vehicles	80.99	46.62	4.62	122.99	38.51	16.91	3.57	51.85	71.14	42.48
Office equipments	66.48	5.66	1.15	70.99	36.72	9.80	1.13	45.39	25.60	29.76
Leasehold improvements	41.46	_	_	41.46	15.69	7.13	_	22.82	18.64	25.77
Electrical installations	92.50	6.25	_	98.75	33.44	9.82	_	43.26	55.49	59.06
Laboratory equipments	34.36	1.00	_	35.36	12.18	3.59	_	15.77	19.59	22.18
	3,933.97	983.43	44.41	4,872.98	1,157.68	256.37	37.54	1,376.51	3,496.47	2,776.29

#### For the year ended 31 March 2021

		Gross	s block			Accumulated de	epreciation		Net block		
Block of assets	As at 1 April 2020	Additions	Disposals	As at 31 March 2021	As at 1 April 2020	Charge for the year	Disposals	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	
Land - Freehold	117.62	_	_	117.62	_	_	_	_	117.62	117.62	
Land - Leasehold	163.41	_	_	163.41	9.84	2.46	_	12.30	151.11	153.57	
Factory road	16.17	_	_	16.17	2.83	_	_	2.83	13.34	13.34	
Buildings	681.60	22.35	0.02	703.93	132.95	47.43	0.01	180.37	523.56	548.65	
Plant and machinery	2,346.41	208.18	2.33	2,552.26	577.20	208.48	1.50	784.18	1,768.08	1,769.21	
Furniture and fixtures	62.73	2.18	0.12	64.79	34.73	6.81	0.08	41.46	23.33	28.00	
Vehicles	83.29	2.93	5.23	80.99	29.44	12.57	3.50	38.51	42.48	53.85	
Office equipments	64.83	2.55	0.90	66.48	29.96	7.59	0.83	36.72	29.76	34.87	
Leasehold improvements	44.12	_	2.66	41.46	11.22	7.13	2.66	15.69	25.77	32.90	
Electrical installations	78.17	14.33	_	92.50	23.65	9.79	_	33.44	59.06	54.52	
Laboratory equipments	31.25	3.14	0.03	34.36	9.01	3.19	0.02	12.18	22.18	22.24	
	3,689.60	255.66	11.29	3,933.97	860.83	305.45	8.60	1,157.68	2,776.29	2,828.77	

#### Notes:

- 1. Buildings include ₹ 0.002 millions (31 March 2021: ₹ 0.002 millions) being the value of shares in co-operative housing societies:
- 2. The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in note 44B
- 3. Title deeds of immovable property not held in the name of the Company as on 31 March 2022 and 31 March 2021 are:

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### NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

Relevant line item in the balance sheet	Description of item of property	Gross carrying value (both years)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
PPE Building guest house		2.07	Gujarat Krishi Chem Corporation	No	01 April 2011	These properties were aquired pursuant to a scheme of amalgamation and continued to
	Freehold land	37.19	Excel Crop Care	No	31 August 2019	be in the name of amalgamating company
	Building - office	8.49	Limited			oopay
	Building - guest house	26.26				
PPE	Leasehold land	100.00	Sumitomo	No	24 November 2018	These properties continued to be
Building - office Building - guest house		0.16	Chemical India Private Limited			in erstwhile company name.
		1.90				

#### Note 4: Capital work-in-progress

Capital work in progress ('CWIP') as at 31 March 2022 is ₹ 211.10 millions (31 March 2021: ₹ 42.54 millions)

#### (a) CWIP ageing schedule as at 31 March 2022

Particulars	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	202.75	1.26	5.28	1.81	211.10
Projects temporarily suspended	_	_	_	_	_
	202.75	1.26	5.28	1.81	211.10

### CWIP ageing schedule as at 31 March 2021

Particulars	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	33.80	6.93	1.81	_	42.54
Projects temporarily suspended	_	_	_	_	_
	33.80	6.93	1.81	_	42.54

<sup>(</sup>b) There are no projects where completion schedule is overdue or has exceeded its cost compared to its original plan as at 31 March 2022 and 31 March 2021.

#### Note 5: Right-of-use assets

		Gross block				Accumulated do		Net block		
Particulars	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	Charge for the year	Disposals	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Building	363.32	175.17	_	538.49	180.83	113.64		294.47	244.02	182.49
Vehicles	210.35	43.25	_	253.60	82.01	52.01	_	134.02	119.58	128.34
	573.67	218.42	_	792.09	262.84	165.65	_	428.49	363.60	310.83

### For the year ended 31 March 2021

		Gross block					Accumulated depreciation			
Particulars	As at 1 April 2020	Additions	Disposals	As at 31 March 2021	As at 1 April 2020	Charge for the year	Disposals	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Building	353.87	15.91	6.46	363.32	84.82	97.10	1.09	180.83	182.49	269.05
Vehicles	111.86	98.49	_	210.35	31.90	50.11	_	82.01	128.34	79.96
	465.73	114.40	6.46	573.67	116.72	147.21	1.09	262.84	310.83	349.01

CIN: L24110MH2000PLC124224

### NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

Note	6	:	0	lther	intand	iible	assets
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		Gross block			Accumulated depreciation				Net block	
Particulars	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	Charge for the year	Disposals	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Data registration expenses	79.49	8.82	_	88.31	74.50	7.14	_	81.64	6.67	4.99
Software/license and registration	13.49	54.65	_	68.14	12.33	18.99	_	31.32	36.82	1.16
Technical know-how	9.45	_	_	9.45	9.45	_	_	9.45	_	_
-	102.43	63.47	_	165.90	96.28	26.13	_	122.41	43.49	6.15

#### For the year ended 31 March 2021

		Gross b	lock		Accumulated amortisation				Net block	
Particulars	As at 1 April 2020	Additions	Disposals	As at 31 March 2021	As at 1 April 2020	Charge for the year	Disposals	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Data registration expenses	77.15	2.34	_	79.49	62.80	11.70	_	74.50	4.99	14.35
Software/license and registration	13.49	_	_	13.49	10.81	1.52	_	12.33	1.16	2.68
Technical know-how	9.45	_	_	9.45	9.45	_	_	9.45	_	_
	100.09	2.34	_	102.43	83.06	13.22	_	96.28	6.15	17.03

#### Note 7: Intangible asset under development

Intangible asset under development ('IAUD') as at 31 March 2022 is ₹ 141.06 millions (31 March 2021: ₹ 99.58 millions)

#### (a) IAUD ageing schedule as at 31 March 2022

Particulars	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	57.38	37.63	15.77	30.28	141.06
Projects temporarily suspended	_	_	_	_	_
	57.38	37.63	15.77	30.28	141.06

#### IAUD ageing schedule as at 31 March 2021

Particulars	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	37.63	15.96	13.87	32.12	99.58
Projects temporarily suspended	_	_	_	_	_
	37.63	15.96	13.87	32.12	99.58

<sup>(</sup>b) There are no projects where completion schedule is overdue or has exceeded its cost compared to its original plan as at 31 March 2022 and 31 March 2021.

#### Note 8 : Non current investments

		Numbers		Amount		
		As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	
A.	Fully paid unquoted equity instruments carried at cost Investments in other entities					
В.	Investment in co-operative societies  Investments stated at amortised cost	9,132	9,132	1.12	1.12	
υ.	Investments in Government securities (Unquoted)					
	National saving certificates face value ₹ 0.03 millions			0.03	0.03	
	Total			1.15	1.15	
	Aggregate amount of unquoted investments			1.15	1.15	
	Aggregate amount of impairment in value of investments			–	_	

Note 9 : Non current loans (at amortised cost)				
( amorno)			As at	As a
the second and desired and such as allowed as a second such as			31 March 2022	31 March 2021
Unsecured, considered good unless otherwise stated  Loans to employees			7.54	7.59
Total			7.54	7.59
Note 10 : Other non current financial assets (at amortised o	cost)			
			As at	As a
Unsecured, considered good unless otherwise stated			31 March 2022	31 March 2021
Security deposits				
Considered goods - Unsecured			59.91	52.20
Credit impaired			2.71	2.71
Less: Allowance for doubtful deposit	20)		(2.71)	(2.7
Deposit accounts (with remaining maturity of more than 12 month Deposit with corporates (with remaining maturity of more than 12	,		140.09 100.00	0.09
Total	months		299.99	52.29
Note 11 : Other non-current assets				
			As at 31 March 2022	As a 31 March 202
Insecured, considered good unless otherwise stated			31 March 2022	OT Maron 202
Capital advances			93.30	175.1
Prepaid expenses			1.97	0.49
<b>Total</b>			95.27	175.6
Note 12 : Inventories			'	
			As at	As a
			31 March 2022	31 March 202
Raw materials [Goods in transit: 31 March 2022: ₹ 454.24 million	ns (31 March 2021: ₹ 4	29.36 millions)]	2,770.86	2,651.6
Work-in-progress	(04 Mb 0004 <b></b>	4.44	656.83	435.6
Finished goods [Goods in transit: 31 March 2022: ₹ 21.34 millio Stock-in-trade [Goods in transit: 31 March 2022: ₹ 54.84 million	·	'- <del>-</del>	5,347.79 190.64	3,695.2 355.1
Containers and packing materials	15 (51 Maion 2021. C 50		359.67	369.9
Stores and spares (including fuel)			51.82	35.9
<b>T</b> otal			9,377.62	7,543.6
Note 13 : Current investments			<u> </u>	
	1	1	1	
nvestment carried at fair value through profit and loss account	As at 31 March 2022	As at 31 March 2021	As at   31 March 2022	As a 31 March 202
	Quanity/	units	Amoun	t
nvestments in equity instruments				
nvestments in other entities (Quoted)	400	400	0.04	0.0
Tata Steel Limited face value of ₹ 10 each fully paid-up	420	420	0.64	0.34
ABSL Liquid Fund Regular Growth	589,274	1,067,240	200.61	379.70
Aditya Birla Sun Life Savings Fund - Direct- Growth	603,488	300,508	267.23	128.2
Aditya Birla Sun Life Money Manager Fund - Regular-	1,050,731	-	311.31	_
Growth	2 000 070		591.73	
Aditya Birla Sun Life Floating Rate Fund - Direct- Growth	2,086,872	_	<b>591.73</b>	_
Axis Ultra Short Term Fund	21,562,729	21,562,729	260.49	252.16
AXIS OTHE SHOTE ICHIT I UND	,,	21,002,720		

Account  HDFC Ultra Short Term Fund - Growth  HDFC Money Market Fund -Growth  HDFC Gilt Fund - Growth  ICICI Prudential Money Market Fund - Direct - Growth  ICICI Prudential Gilt Fund - Growth  Kotak Liquid Fund Regular Growth	31 March 2022 15,328,928 101,634 1,673,123	31 March 2021 15,328,928	31 March 2022 188.20	31 March 202
HDFC Money Market Fund -Growth HDFC Gilt Fund - Growth ICICI Prudential Money Market Fund - Direct - Growth ICICI Prudential Gilt Fund - Growth Kotak Liquid Fund Regular Growth	101,634	10,020,020		181.5
HDFC Gilt Fund - Growth ICICI Prudential Money Market Fund - Direct - Growth ICICI Prudential Gilt Fund - Growth Kotak Liquid Fund Regular Growth	•	_	470.18	-
ICICI Prudential Money Market Fund - Direct - Growth ICICI Prudential Gilt Fund - Growth Kotak Liquid Fund Regular Growth	.,,	_	75.10	_
ICICI Prudential Gilt Fund - Growth Kotak Liquid Fund Regular Growth	681,798	681,798	209.24	200.3
	929,922	_	75.03	_
		60,791	_	251.7
Kotak Liquid Fund Regular Plan Growth	_ i	61,935	_	256.4
Kotak Savings Fund - Direct - Growth	2,979,685	2,979,685	107.36	103.3
Kotak Savings Fund - Growth Regular Plan	7,662,084	7,662,084	267.33	258.4
Kotak FMP Series 294 - Direct - Growth	18,608,681	-	186.25	-
Kotak Gilt Fund - Growth	1,277,720	-	100.29	-
SBI Magnum Low Duration Fund -Direct- Growth	-	18,063	_	50.5
SBI Magnum Low Duration Fund - Growth	-	91,697	_	252.2
SBI Magnum Ultra Short Duration Fund - Growth	13,004	71,446	63.01	335.3
UTI Money Market Fund - Regular- Growth	75,471	-	186.22	
Total			3,560.22	2,902.3
Aggregate carrying value of quoted investments			0.64	0.3
Aggregate carrying value of unquoted investments			3,559.58	2,902.0
Aggregate market value of quoted investments			0.64	0.3
Aggregate amount of impairment in value of investments				0.0
NOTE 14 : Irade receivables			As at 31 March 2022	As : 31 March 202
Note 14 : Trade receivables  Gross trade receivables (Unsecured)  Less: Allowance for expected credit loss			As at 31 March 2022 9,101.50 670.25	
Gross trade receivables (Unsecured)			31 March 2022 9,101.50	31 March 202 8,922.6
Gross trade receivables (Unsecured) Less: Allowance for expected credit loss			31 March 2022 9,101.50 670.25	31 March 202 8,922.6 440.2
Gross trade receivables (Unsecured) Less: Allowance for expected credit loss Total Notes :			31 March 2022 9,101.50 670.25	31 March 202 8,922.6 440.2
Gross trade receivables (Unsecured) Less: Allowance for expected credit loss  Total  Notes:			31 March 2022 9,101.50 670.25 8,431.25	31 March 202 8,922.6 440.2
Gross trade receivables (Unsecured) Less: Allowance for expected credit loss  Total  Notes:  a) Break-up for security details			31 March 2022 9,101.50 670.25 8,431.25 As at 31 March 2022	31 March 202 8,922.6 440.2 8,482.4 As: 31 March 202
Gross trade receivables (Unsecured) Less: Allowance for expected credit loss  Total  Notes: a) Break-up for security details  Trade receivables — unsecured considered good	t risk		31 March 2022 9,101.50 670.25 8,431.25	31 March 202 8,922.6 440.2 8,482.4
Gross trade receivables (Unsecured) Less: Allowance for expected credit loss  Total  Notes: a) Break-up for security details  Trade receivables — unsecured considered good Trade receivables which have significant increase in credit	t risk		31 March 2022 9,101.50 670.25 8,431.25 ————————————————————————————————————	31 March 202 8,922.6 440.2 8,482.4 As: 31 March 202 8,754.9
Gross trade receivables (Unsecured) Less: Allowance for expected credit loss  Total  Notes: a) Break-up for security details  Trade receivables — unsecured considered good	t risk		31 March 2022 9,101.50 670.25 8,431.25 As at 31 March 2022 8,724.35 — 377.15	31 March 202 8,922.6 440.2 8,482.4 31 March 202 8,754.9 ————————————————————————————————————
Gross trade receivables (Unsecured) Less: Allowance for expected credit loss  Total  Notes: a) Break-up for security details  Trade receivables — unsecured considered good Trade receivables which have significant increase in credit receivables — credit impaired	t risk		31 March 2022 9,101.50 670.25 8,431.25 ————————————————————————————————————	31 March 202 8,922.6 440.2 8,482.4 As: 31 March 202 8,754.9
Gross trade receivables (Unsecured) Less: Allowance for expected credit loss  Total  Notes: a) Break-up for security details  Trade receivables — unsecured considered good Trade receivables which have significant increase in credit rade receivables — credit impaired  Less: Allowance for expected credit loss:	t risk		31 March 2022 9,101.50 670.25 8,431.25 ————————————————————————————————————	31 March 202 8,922.6 440.2 8,482.4 As: 31 March 202 8,754.9 167.7 8,922.6
Gross trade receivables (Unsecured) Less: Allowance for expected credit loss  Total  Notes: a) Break-up for security details  Trade receivables — unsecured considered good Trade receivables which have significant increase in credit Trade receivables — credit impaired  Less: Allowance for expected credit loss: Unsecured, considered good	t risk		31 March 2022 9,101.50 670.25 8,431.25 ————————————————————————————————————	31 March 202 8,922.6 440.2 8,482.4 As: 31 March 202 8,754.9 ————————————————————————————————————
Gross trade receivables (Unsecured) Less: Allowance for expected credit loss  Total  Notes: a) Break-up for security details  Trade receivables — unsecured considered good Trade receivables which have significant increase in credit rade receivables — credit impaired  Less: Allowance for expected credit loss:	t risk		31 March 2022 9,101.50 670.25 8,431.25 ————————————————————————————————————	31 March 202 8,922.6 440.2 8,482.4 As: 31 March 202 8,754.9 167.7 8,922.6
Gross trade receivables (Unsecured) Less: Allowance for expected credit loss  Total  Notes: a) Break-up for security details  Trade receivables — unsecured considered good Trade receivables which have significant increase in credit Trade receivables — credit impaired  Less: Allowance for expected credit loss: Unsecured, considered good	t risk		31 March 2022 9,101.50 670.25 8,431.25 ————————————————————————————————————	31 March 202 8,922.6 440.2 8,482.4 As: 31 March 202 8,754.9 ————————————————————————————————————

CIN: L24110MH2000PLC124224

#### NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

#### b) Trade receivable ageing schedule

#### March 31, 2022

Outstanding for following periods from due date of payment	Undisputed considered good	Undisputed credit impaired	Total
Current but not due & Retention	5,990.69	_	5,990.69
< 6 months	2,278.19	_	2,278.19
6 months- 1 year	162.35	_	162.35
1-2 years	293.12	_	293.12
2-3 years	_	238.20	238.20
> 3 years	_	138.95	138.95
	8,724.35	377.15	9,101.50

#### March 31, 2021

Outstanding for following periods from due date of payment	Undisputed considered good	Undisputed credit impaired	Total
Current but not due & Retention	3,150.79	_	3,150.79
< 6 months	5,152.54	_	5,152.54
6 months- 1 year	177.67	_	177.67
1-2 years	273.93	_	273.93
2-3 years	_	95.18	95.18
> 3 years	_	72.58	72.58
	8,754.93	167.76	8,922.69

- c) There are no outstanding trade receivables which resulted into significant increase in credit risk apart from receivables which are impaired and provided. Refer note 41 for information about credit risk, market risk of trade receivables and movement of allowance for expected credit loss during the year.
- d) No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. For receivables from related parties refer note 38.
- e) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
- f) There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.
- g) There are no disputed receivables, hence the same is not disclosed in the ageing schedule.

#### Note 15: Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balance with banks :		
In current account	370.82	340.28
In deposit accounts (with original maturity of less than three months)	201.30	1,542.50
Cash on hand	0.34	0.28
Total	572.46	1,883.06

#### Notes:

- a) For the purpose of the statement of cash flows, cash and cash equivalents comprises of all the above enlisted items.
- b) The Group has total fund based and non fund based undrawn borrowing facilities of ₹ 4,000 millions (31 March 2021: ₹ 4,000 millions). Such sanctioned facilities are unsecured credit arrangements.

	As at   31 March 2022	As at 31 March 2021
Deposits with remaining maturity more than 3 months but less than 12 months	209.00	529.19
n unpaid dividend accounts earmarked with banks*	9.78	8.30
Total Total	<u>218.78</u>	537.49
These balances are not available for use by the Group as they represent corresponding unclaimed	dividend liabilities.	
Note 17 : Current loans (at amortised cost)		
	As at 31 March 2022	As at 31 March 2021
Insecured, considered good unless otherwise stated		
oans to employees		
Considered good – Unsecured	4.67	22.62
Loans to employees – credit impaired	0.43	0.43
Less: Provision for doubtful loans	(0.43)	(0.43
<u>Total</u>	4.67	22.62
Note 18 : Other current financial assets	'	
tote 10 . Other current intaneur assets	As at	As a
	31 March 2022	31 March 202 <sup>-</sup>
Insecured, considered good unless otherwise stated		
At amortised cost  Security deposits	23.74	47.62
Deposit with banks remaining maturity less than 12 months	1,253.90	41.02 —
Deposit with corporates remaining maturity less than 12 months	150.00	_
Earnest money deposit	3.98	4.21
Export licence benefit receivables	181.80	_
Export incentive receivable	58.57	94.03
Interest receivable	53.38	8.72
Others	8.49	2.82
At fair value through profit and loss account  Derivatives - foreign exchange forward contracts	11.18	11.15
Total	1,745.04	168.55
Note 19 : Other current assets		
tote 13. Other ourrent assets	As at	As a
	31 March 2022	31 March 2021
Insecured, considered good unless otherwise stated	044.0=	4.050.45
Balances with government authorities Prepaid expenses	811.87 25.08	1,050.47 18.80
Contract asset (Right to receive inventory)	25.06 56.36	11.59
Advances to suppliers	416.94	422.55
iotal	1,310.25	1,503.41
(-) (-) (-) (-) (-) (-) (-) (-) (-) (-)	=====	

Not	e-20 : Equity share capital						
			S	hares as at 31 M	ount as at arch 2022	Number of shares as a 31 March	as a 31 March
Aut	horised:			2022		2021	
Equ	ity shares of ₹ 10 each		500,00	0,000 5,00	0.00	500,000,000	5,000.00
			500,00	0,000 5,00	0.00	500,000,000	5,000.00
Issı	ued, subscribed and paid-up:			:			
Equ	ity shares of ₹ 10 each, fully paid-up		499,14		1.46	499,145,736	
			499,14	5,736 4,99	1.46	499,145,736	4,991.46
a)	Reconciliation of number of shares outstand	ling at the beginning	and end of the yea	r			
			As	at 31 March 2022	2	1	March 2021
	Equity shares				ount	Number	
	At the commencement of the year		499,14	5,736 4,99	1.46	499,145,736	4,991.46
	Equity shares issued during the year					_	
	At the end of the year		499,14	5,736 4,99	1.46	499,145,736	4,991.46
b)	Particulars of shareholders holding more th	an 5% of a class of s	hares				
	Name of shareholder	Relationship	As	at 31 March 2022	2	As at 31	March 2021
			No. of S	hares	%	No. of Shares	%
	Sumitomo Chemical Company Limited, Japan	Holding company	374,35	9,295 75.	00%	374,359,295	75.00%
c)	Details of shares held by promoters/promot	er group *					
		As at	31 March 2022				
	Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year		total shares	% change during the yea
	Sumitomo Chemical Company Limited, Japan	374,359,295	_	374,359,295		75%	09
	Yuya Miyajima *	2	_	2		0%	09
	Tomohito Fujiwara	1	_	1		0%	09
	Hiroyuki Miura	1	_	1		0%	09
	Hiroyoshi Mukai	1	_	1		0%	0%
	Hideo Wada	1	_	1		0%	09
	Akira Ohisa	1		1	_	0%	09
		374,359,302		374,359,302	-		
		As at	31 March 2021				
							% change during
	Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of	total shares	the yea
	Promoter name  Sumitomo Chemical Company Limited, Japan	the beginning of		the end of the		total shares 75%	-
		the beginning of the year	the year	the end of the year			the yea
	Sumitomo Chemical Company Limited, Japan	the beginning of the year 400,825,868	the year	the end of the year 374,359,295		75%	the yea
	Sumitomo Chemical Company Limited, Japan Yuya Miyajima *	the beginning of the year 400,825,868 2	the year	the end of the year 374,359,295 2		75% 0%	(7% 09
	Sumitomo Chemical Company Limited, Japan Yuya Miyajima * Tomohito Fujiwara	the beginning of the year 400,825,868 2 1	the year	the end of the year 374,359,295 2		75% 0% 0%	(7%
	Sumitomo Chemical Company Limited, Japan Yuya Miyajima * Tomohito Fujiwara Hiroyuki Miura	the beginning of the year 400,825,868 2 1	the year	the end of the year 374,359,295 2		75% 0% 0% 0%	(7% 0% 0%
	Sumitomo Chemical Company Limited, Japan Yuya Miyajima * Tomohito Fujiwara Hiroyuki Miura Hiroyoshi Mukai	the beginning of the year 400,825,868 2 1 1	the year	the end of the year 374,359,295 2		75% 0% 0% 0% 0%	(7% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0%

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#### NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

### d) Particulars of shares held by holding company and associates

Name of shareholder Relationship		As at 31 Mar	ch 2022	As at 31 Mai	rch 2021
		No. of Shares	%	No. of Shares	%
Sumitomo Chemical Company Limited, Japan *	Holding company	374,359,300	75.00%	374,359,300	75.00%
SC Environmental Science Co. Ltd, Japan **	Fellow subsidiary	2	0.00%	2	0.00%
Total		374,359,302	75.00%	374,359,302	75.00%

<sup>\*</sup> Including 5 shares held through its nominees.

#### e) Terms/rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

#### f) Dividend on equity share declared and paid during the period 01 April 2021 to 31 March 2022

	01 April 2021 to 31 March 2022	01 April 2020 to 31 March 2021
Final dividend on 499,145,376 shares @ ₹ 0.80 per share (FY 2019-20: ₹ 0.55 per share) on equity shares of ₹ 10 each	399.32	274.53
Total	399.32	274.53
	01 April 2021 to 31 March 2022	01 April 2020 to 31 March 2021
Dividend on equity shares not recognised as liability		
Proposed dividend on 499,145,736 shares $@$ ₹ 1.00 per share (FY 2020-21: ₹ 0.80 per share) on equity shares of ₹ 10 each	499.15	399.32
Total	499.15	399.32

<sup>\*\*</sup> held through a nominee

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#### NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

#### Note 21: Other equity

#### A. Summary of other equity balance

Cammary C. Cincil Equation	,	ı
	As at 31 March 2022	As at 31 March 2021
General reserve		
Balance at the beginning of the year	6,518.14	3,768.14
Add: Amount transferred from retained earnings	3,750.00	2,750.00
Less: Reduction on voluntary liquidation Excel Crop Care (Europe) NV	(0.32)	_
Balance at the end of the year	10,267.82	6,518.14
Securities premium		
As per last balance sheet	2,350.60	2,350.60
Foreign currency translation reserve		
Balance as per last financial statements	33.90	30.81
Add/(Less) : Exchange difference during the year on account of net investments in non-integral foreign operations	(3.41)	3.09
Add/(Less) : Exchange difference related to general reserve	(0.21)	_
Balance at the end of the year	30.28	33.90
Retained earnings		
Balance at the beginning of the year	1,517.90	1,076.52
Additions during the year:		
Profit for the year	4,235.58	3,453.05
Other comprehensive income for the year, net of tax	27.25	12.89
Reductions during the year:		
Dividends	(399.32)	(274.56)
Transfer to general reserve	(3,750.00)	(2,750.00)
Reduction on voluntary liquidation Excel Crop Care (Europe) NV	0.53	_
Net surplus of retained earnings	1,631.94	1,517.90
Balance at the end of the year	14,280.64	10,420.54

#### B. Nature and purpose of each reserves

#### 1. General reserve

The general reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Group in accordance with the Companies Act, 2013.

#### 2. Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

#### 3. Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Note	22 : Non-current provisions			
			As at	As a
			31 March 2022	31 March 202 <sup>-</sup>
	ision for employee benefits		202.42	0.40 5
	pensated absences ity (Refer note 43)		223.42	<b>242.5</b> 3 49.5
				-
Total			<u>223.42</u>	292.04
Note	23 : Trade payables			
			As at 31 March 2022	As a 31 March 202
Due t	o micro and small enterprises (MSME) (Refer note 45)		225.28	275.9
	o others		4,946.61	5,636.4
Total			5,171.89	5,912.4
Note	:			
a)	Trade payable ageing schedule			
	March 31, 2022			
	Outstandings for following periods from due date of payment	Dues to MSME	Dues of creditors other than MSME	Tota
	Unbilled and not due	223.70	4,429.75	4,653.4
	Less than 1 year	1.58	501.38	502.9
	1-2 years	_	12.71	12.7
	2-3 years	_	2.54	2.5
	>3 years	225.28	0.23 4,946.61	0.2 5,171.8
	March 31, 2021	220.20	4,540.01	5,171.0
	Outstandings for following periods from due date of payment	Dues to MSME	Dues of creditors other than MSME	Tota
	Unbilled and not due	152.24	3,000.33	3,152.5
	Less than 1 year	123.61	2,614.49	2,738.1
	1-2 years	0.11	10.26	10.3
	2-3 years	0.02	4.61	4.6
	>3 years	0.01	6.79	6.8
	12. 77.	275.99	5,636.48	5,912.4
	<ul><li>b) There are no disputed payables, hence the same is not disclosed in th</li><li>c) For payables to related parties, refer note 38.</li></ul>	e ageing schedule.		
Note	24: Other current financial liabilities			
			As at 31 March 2022	As a 31 March 202
Salar	y, wages and bonus payable		446.05	324.7
	rity and trade deposits		347.51	331.1
	aimed dividend		9.78	8.3
Paval	oles for capital supplies		99.76	70.8
	lities for discount and scheme		3,084.52	2,804.4
	ir value through profit and loss account		2,50 1102	_,001.1
	ative financial liabilities - forward contracts		9.58	28.8
Total			3,997.20	3,568.3
ivial			3,551.20	ა,ნ00.5 

	25: Other current liabilities	As at	As a
^ ~ ~ t=	not liabilities (advance received from avatement)	31 March 2022	31 March 2021
	act liabilities (advance received from customers) ory dues (including GST, provident fund, tax deducted at source and others)	655.04 132.19	545.28 514.85
	payables	10.42	21.79
Total		<del>797.65</del>	1,081.92
Note	26: Current provisions		1 .
Provi	sion for employee benefits	As at 31 March 2022	As a 31 March 2021
	nensated absences	44.67	23.09
	ity (Refer note 43)	26.98	33.17
<b>Fotal</b>		71.64	56.2
			I
vote	27: Revenue from operations	For the year ended	For the year ende
		31 March 2022	For the year ender 31 March 202
۹.	Revenue from contracts with customers		
	a) Sale of products	30,358.12	26,232.50
	b) Sale of services	0.84	0.6
Total		30,358.96	26,233.1
3.	Other operating revenue		
	a) Export incentives	240.72	165.6
	b) Commission income	5.26	8.3
	c) Excess Provisions in respect of earlier years written back (net)	2.08	6.2
	d) Miscellaneous receipts (scrap sales and others)	38.97	35.6
		287.03	215.8
<b>Total</b>		30,645.99	26,449.0
۱.	Revenue information		
	Revenue from sale of product category-wise  Agro Chemicals	For the year ended 31 March 2022	For the year ender 31 March 202
	Agrio Chemicais  Domestic	21,418.86	20,084.3
	Export	6,703.82	4,418.0
		28,122.68	24,502.3
	Others Domestic	28,122.08 337.87	321.2
	High Seas Sales	1,897.57	1,408.92
	111g11 0000 00100	2,235.44	1,730.19
	Total	30,358.12	26,232.56
			I ====================================

b.	Reconciliation of the amount of revenue recognised in the consolidated statement of profit and loss with the contracted price						
		For the year ended 31 March 2022	For the year ended 31 March 2021				
	Revenue as per contracted price	34,985.71	30,121.40				
	Rebates/Discounts	4,301.65	3,529.88				
	Sales returns	325.10	358.35				
	Revenue from contract with customers	30,358.96	26,233.17				
C.	Contract Balances	<del></del>					
		For the year ended 31 March 2022	For the year ended 31 March 2021				
	Contract assets (Refer note 19)	56.36	11.59				
	Contract liabilities (Refer note 25)	655.04	545.28				
	e: tract assets represents right to receive the inventory (on estimated sales returns) and contract oods at the reporting date.  Significant changes in the contract assets and the contract liabilities balances dur		om customers for sale				
		For the year ended 31 March 2022	For the year ended 31 March 2021				
	Contract assets						
	Opening Balance	11.59	23.93				
	Less : Revenue recognized during the year from balance at the beginning of the year	(11.59)	(23.93				
	Add : Contract assets created for right to receive inventory on estimated sales return	56.36	11.59				
	Closing Balance	56.36	11.59				
	Contract liabilities						
	Opening balance	545.28	443.77				
	Add : Advance received during the year not recognized as revenue	655.04	545.28				
	Less : Revenue recognized during the year	(545.28)	(443.77				
	Closing Balance	655.04	545.28				
Note	e 28: Other income						
		For the year ended 31 March 2022	For the year ended 31 March 2021				
Inter	rest income	OT MAION EOLL					
IIILOI	On interest income on security deposits	99.10	99.52				
	Others	4.44	_				
Divid	dend income						
D	On quoted equity instruments measured at Fair value through profit and loss	0.01	_				
Gain	n on sale of financial assets measured at FVTPL	66.89	73.85				
Profi	it on liquidation of subsidiary	2.50	_				
	valuation gain on financial assets measured at FVTPL	78.29	_				
Othe	er income						
	Rent received	0.12	0.12				
	Not profit an only of property plant and againment	4.04	0.29				
	Net profit on sale of property, plant and equipment						
	Miscellaneous income	12.55	11.92				

	For the year ended	For the year ended 31 March 2021
law materials consumed	31 March 2022	31 Maich 2021
Opening inventory	2,651.68	2,255.62
. dd: Purchases	16,777.85	14,345.95
	19,429.53	16,601.57
ess: Closing inventory (Refer note 12)	2,770.86	2,651.68
	16,658.67	13,949.89
Containers and packing materials consumed		-
pening inventory	369.94	284.19
dd: Purchases	1,809.82	1,783.07
	2,179.76	2,067.26
ess: Closing inventory (Refer note 12)	359.67	369.94
	1,820.09	1,697.32
otal cost of materials consumed	18,478.76	15,647.21
lote 30 : Changes in inventories of finished goods, work in progress and stock-in-trade		
	For the year ended	For the year ended
	31 March 2022	31 March 2021
Opening inventories :		
Vork in progress	435.69	288.20
inished goods	3,695.21	2,774.09
tock-in-Trade	355.28	242.61
ess: Closing inventories:		
Vork in progress (Refer note 12)	656.84	435.69
inished goods (Refer note 12)	5,347.80	3,695.21
Stock-in-trade (Refer note 12)	190.64	355.28
changes in inventories:		
Vork in progress	(221.15)	(147.49)
inished goods	(1,652.59)	(921.12)
ctock-in-Trade	164.64	(112.67)
otal	(1,709.10)	(1,181.28)
lote 31 : Employee benefits expense		
	For the year ended	For the year ended
Salaries, wages and bonus etc.	31 March 2022 1,758.98	31 March 2021 1,717.71
contribution to provident and other funds (Refer note 43)	1,758.98 95.26	91.83
Gratuity expense (Refer note 43)	95.26 63.42	49.60
staff welfare expenses	102.47	83.68
otal	<u> 2,020.13</u>	1,942.82

	For the year ended 31 March 2022	For the year ender 31 March 202
nterest expenses on leased liabilities	47.18	40.9
Others	14.49	14.5
Total		55.5
lotai	<u>61.67</u>	
Note 33 : Other expenses		
	For the year ended 31 March 2022	For the year ende 31 March 202
Other expenses		
Processing/Sub-contracting charges	68.84	74.7
Contract and labour charges	309.76	282.8
Carriage and freight	908.07	667.0
Power and fuel	346.43	265.1
Stores and spares consumed	87.20	63.0
Repairs and maintenance		
Buildings	2.90	3.5
Plant and equipment Others	123.33 42.42	117. <sup>-</sup> 34.7
dent	42.42 28.34	32.
Rates and taxes	43.24	13.0
nsurance	55.46	57.8
Travelling and conveyance	181.28	152.
Sales promotion and advertisement	398.61	346.6
Onations	12.73	1.8
Commission	111.41	101.5
Corporate social responsibility (Refer note 47)	66.29	51.4
Expected credit loss allowance on trade receivables	230.11	205.2
Directors sitting fees	1.27	1.3
Property, plant and equipment written off	0.28	0.0
Exchange difference (net)	14.76	32.6
Research and development	12.03	7.8
Product testing expenses	4.59	11.8
Communication expenses	7.39	11.3
egal and professional fees	87.57	216.9
Bank charges	18.10	13.7
Payment to auditors	6.36	5.7
Security charges	21.77	20.0
Miscellaneous expenses	356.28	291.8
Total	3,546.82	3,083.7
		-

. 04	Income Dance			
	: Income taxes			
ine (i)	e major components of income tax expenses for the year is as under:  Income tax recognized in the statement of profit and loss:			
(1)	income tax recognized in the statement of profit and loss.	Eor	the year ended	For the year ended
			31 March 2022	31 March 2021
	Income tax expense			
	In respect of current year		1,436.88	1,074.98
	Adjustment of current tax in respect of earlier years		(3.69)	(57.36
	On remeasurements of the defined benefit plans		9.16	4.34
	Deferred tax charge			
	Origination and reversal of temporary difference		38.60	61.31
	Adjustment of deferred tax in respect of earlier years		50.07	_
	Total tax expense recognized in the statement of profit and loss		1,531.02	1,083.27
Rec	conciliation of tax expenses and the accounting profit multiplied by India's d	lomestic tax rate for 31	March 2022 and 3	1 March 2021
			the year ended 31 March 2022	For the year ended
Pro	ofit before tax	•	5,757.31	4,532.99
	tutory income tax rate		25.168%	25.168%
	•		1.449.00	
	ected tax expenses		1,449.00	1,140.80
	ects of adjustment to reconcile the expected tax expenses to reported tax ex	xpenses:		
	effect on non-deductible expenses		23.23	11.61
Dec	duction under section 80JJAA		(1.11)	(0.93
Tax	effect on deductible income		(1.12)	(13.4)
Edu	ucation cess claimed as deductible expenses		-	(10.7)
Diff	erence in higher tax rate due to different jurisdiction		2.17	2.69
Oth	ers		12.47	10.57
			1,484.64	1,140.63
Effe	ect of adjustment of tax expenses in respect of earlier years		46.38	(57.36
Tota	al tax expense in the statement of profit and loss		1,531.02	1,083.27
te 35 :	: The major components of deferred tax (liabilities)/assets arising on accou	nt of temporary differe	nces are as follows	•
Mo	ovement during the year April 2021 to 31 March 2022	• •	(Charged)/Credit to statement of profit and loss	Net deferred ta asset/(liability 31 March 2022
Dep	preciation	(358.36)	•	(365.44
	owances for receivables, loans and other assets	58.29	_	58.29
Fair	r value gain/(loss) on investments	0.03	(31.10)	(31.0
Ехр	enses allowable on payment basis	86.82	(16.86)	69.9
Am	ortisation of expenses u/s 35 DD	53.65	(19.05)	34.6
Leas	se liabilities	84.02	10.57	94.5
Oth	er temporary differences	25.15	(25.15)	_
Def	ferred tax liabilities (net)	(50.40)	(88.67)	(139.07

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Movement during the year 01 April 2020 to 31 March 2021	Net deferred tax asset/ (liability) 1 April 2020	(Charged)/Credit to statement of profit and loss	Net deferred tax asset/(liability) 31 March 2021
Depreciation	(382.03)	23.67	(358.36)
Allowances for receivables, loans and other assets	109.16	(50.87)	58.29
Fair value gain/(loss) on investments	0.03	_	0.03
Expenses allowable on payment basis	93.66	(6.84)	86.82
Amortisation of expenses u/s 35 DD	72.70	(19.05)	53.65
Lease liabilities	92.24	(8.22)	84.02
Other temporary differences	25.15	_	25.15
Deferred tax liabilities (net)	10.91	(61.31)	(50.40)

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Group does not have any intention to dispose of its freehold and leasehold land in the foreseeable future, therefore, deferred tax asset on indexation benefit in relation to these assets has not been recognized.

The Company does not have any tax losses carried forward as at 31 March 2022 and 31 March 2021.

#### Note 36: Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to owners of the Group by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares. There are no dilutive impacts, therefore basic EPS and diluted EPS is same.

	Year ended 31 March 2022	Year ended 31 March 2021
Earnings per share has been computed as under:		
Profit attributable to owners of the Group for basic earnings (A)	4,235.58	3,454.06
Weighted average number of equity shares for the purpose of basic and dilutive earnings per share		
Number of shares at the beginning of the year	499,145,736	499,145,736
Number of equity shares outstanding at the end of the year (B)	499,145,736	499,145,736
Basic and diluted earnings per share (Face value of ₹ 10 each) [ (A)/(B)] (in ₹)	8.49	6.92

#### Note 37: Capital management

The Group's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and maximise the shareholders value.

The Group has adequate cash and bank balances. The Group monitors its capital by a careful scrutiny of the cash and bank balances and a regular assessment of any debt requirements.

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#### NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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#### Note 38: Related party disclosures

#### A. Names of the related parties where control exists irrespective of whether transactions have occurred or not:

#### (1) Holding Company

Sumitomo Chemical Company Limited, Japan

#### (2) Post Employment Benefit Plans entity

Sumitomo Chemical India Gratuity Trust

Excel Crop Care Superannuation Trust

**Excel Crop Care Gratuity Trust** 

#### B. Names of other related parties with whom transactions have taken place during the year:

#### (1) Fellow Subsidiaries

Sumitomo Chemical Do Brazil Representacoes Ltda, Brazil

Valent BioSciences LLC. USA

Sumitomo Chemical Asia Pte Limited, Singapore

Mycorrhizal Applications, LLC, USA

Sumitomo Chemical Colombia S.A.S, Colombia

Sumitomo Chemical Argentina S.A, Argentina

Sumitomo Chemical Vietnam Company Limited, Vietnam

Sumitomo Chemical Brasil Industria Quimica S.A, Brazil

Sumitomo Chemical Australia Pty Limited, Australia

Sumitomo Chemical Philippines, Inc., Philippines

#### (2) Key Management Personnel ("KMP")

#### i) Executive directors

Chetan Shah (Managing Director)

Sushil Marfatia (Executive Director)

#### ii) Non executive directors

Dr. Mukul G. Asher

B. V. Bhargava

Tadashi Katayama

Preeti Mehta

Ninad D Gupte

#### iii) Chief financial officer

Anil Nawal

#### iv) Company secretary

Pravin D Desai

#### (3) Relatives of KMP

Mrs. Minoti Ninad Gupte (Wife of Ninad Gupte)

Mrs. Pragnya Mukulchandra Asher (Wife of Mr Mukul Asher)

Mrs. Chetna Pravin Desai (Wife of Mr Pravin Desai)

### (4) Enterprises controlled by key management personnel and their relatives:

Kanga & Company

Parksons Packaging Limited

	For the year ended 31 March 2022	For th year ende 31 March 202
ale of goods (Net of rebate and discount)		
Sumitomo Chemical Company Limited	1,208.25	883.1
Sumitomo Chemical Asia Pte Limited	-	2.0
Sumitomo Chemical Colombia S.A.S.	78.96	28.4
Sumitomo Chemical Argentina S.A.	307.26	111.3
Sumitomo Chemical Vietnam Company Limited	2.76	_
Sumitomo Chemical Brazil Industria Quimica S.A.	2,020.57	478.9
ale of services		
Sumitomo Chemical Company Limited	0.84	0.5
rurchase of goods		
Sumitomo Chemical Company Limited	3,762.69	2,902.9
Valent BioSciences LLC	531.07	628.5
Mycorrhizal Applications, LLC	45.28	_
Parksons Packaging Limited	14.32	_
Purchase of services		
Sumitomo Chemical Company, Limited	4.67	-
Sumitomo Chemical Do Brazil Representacoes Ltda	10.34	9.7
Sumitomo Chemical Asia Pte Limited	2.45	_
Kanga & Company	3.70	0.2
Commission income Sumitomo Chemical Company Limited	5.26	5.8
Aiscellaneous income - technical service		
Sumitomo Chemical Company Limited	4.76	2.9
Mycorrhizal Applications, LLC	1.81	2.9
teimbursement of expenses (net)		
Sumitomo Chemical Company Limited	6.06	133.1
Valent BioSciences LLC	(17.76)	(4.3
Sumitomo Chemical Asia Pte Limited	-	6.2
Mycorrhizal Applications, LLC	-	(2.9
commission expense		
Sumitomo Chemical Australia Pty Limited	3.79	-
Sumitomo Chemical Philippines, Inc	0.45	
contribution to funds		
Sumitomo Chemical India Gratuity Trust	69.57	7.2
Excel Crop Care Superannuation Trust	20.07	17.3
Excel Crop Care Gratuity Trust	13.15	_
ayment on behalf of		
Sumitomo Chemical India Gratuity Trust	8.24	_
Excel Crop Care Gratuity Trust	46.00	61.3

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	For the year ended 31 March 2022	For the year ended 31 March 2021
Dividend paid	000.40	014.00
Sumitomo Chemical Company Limited, Japan	299.49	214.96
Remuneration		24.24
Chetan Shah Sushil Marfatia	72.03 23.84	64.04 21.66
Anil Nawal	11.70	10.43
Pravin D Desai	8.17	7.85
Dividend paid to KMP and their relatives	0.01	0.01
Payments to non-executive directors (including sitting fees)	8.47	8.54
Outstanding as at 31 March 2021:	As at 31 March 2022	As a' 31 March 2021
Trade Receivables		
Sumitomo Chemical Company Limited	177.73	32.13
Valent BioSciences LLC	11.39	2.91
Sumitomo Chemical Colombia S.A.S.	48.09	18.74
Sumitomo Chemical Argentina S.A.	168.87	70.58
Sumitomo Chemical Brasil Industria Quimika S.A.	1,676.11	241.25
Other receivables		
Excel Crop Care Gratuity Trust	20.26	_
Sumitomo Chemical Gratuity Trust	0.64	_
rade Payables		
Sumitomo Chemical Company Limited	1,868.74	1,514.85
Valent BioSciences LLC	207.99	153.57
Mycorrhizal Applications, LLC	23.57	_
Sumitomo Chemical Asia Pte Limited	2.21	5.58
Sumitomo Chemical Australia Pty Limited	2.18	_
Sumitomo Chemical Do Brazil Representacoes Ltda	7.45	_
Parksons Packaging Limited	1.26	_
5 5		

#### Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.

For the year ended 31 March 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The above remuneration to key management personnel compensation excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation of the Group's liability to all its employees.

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#### Note 39 : Leases

The Group has lease contract for it's office premises and it's storage location with lease terms between 1 year to 9 years. The Group's obilgations under it's leases are secured by the lessor's titles to the lease assets. Generally, the Group is restricted from assigning and sub leasing the leased assets.

The Group also has certain leasees of office premises and storage locations with lease terms of 12 months or less. The Group applies the 'short term lease' recognition exemption for these leases.

a) The movement in lease liabilities during the year ended 31 March 2022 and 31 March 2021 is as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balances	326.35	355.81
Payment of lease liabilities	(211.71)	(180.91)
New leases	214.02	110.48
Accretion in interest	47.18	40.97
Closing balance	375.84	326.35
Non-current	247.19	153.33
Current	128.65	173.02
Total	375.84	326.35

a) Amount recognised in the statement of profit and loss

Particulars	Classified under	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of right-of-use assets	Depreciation and amortisation expense	165.65	147.21
Interest expenses on lease assets	Finance costs	47.18	40.97
Expenses relating to short term leases	Other expenses	28.34	32.16

- c) (i) The details of carrying amount and movement during the year is disclosed in note 5.
  - (ii) The effective interest rate for lease liabilities is 10%. The maturity is between 2022 to 2031.
  - (iii) The maturity analysis of lease liability are disclosed in note 41b liquidity risk management.

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#### NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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#### Note 40 :Financial instruments

#### A. Accounting classification and fair value hierarchy

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below.

As at 31 March 2022	(	Carrying amo	unt/ fair value			Fair value	hierarchy	
	FVTPL	FVTOCI	Amortised	Total	Level 1	Level 2	Level 3	Total
			cost					
Financial assets								
Non-current								
Investments								
Government securities	-	_	0.03	0.03	_		_	_
Loans	-	_	7.54	7.54	_		_	_
Security deposits	-	_	59.91	59.91	_		_	_
Deposits with banks and corporates	-	_	240.09	240.09	_		_	_
Current								
Equity instruments in Tata Steel Limited	0.64	_	_	0.64	0.64		_	0.64
Investment in mutual fund	3,559.58	_	_	3,559.58	3,559.58		_	3,559.58
Loans	-	_	4.67	4.67	_		_	_
Derivatives assets	11.18	_	_	11.18	_	11.18	_	11.18
	3,571.40	_	312.24	3,883.64	3,560.22	11.18	_	3,571.40
Financial liabilities				-	-			-
Non current								
Liability towards lease asset	_	_	247.19	247.19	_		_	_
Current								
Trade payables	_	_	5,171.89	5,171.89	_		_	_
Liability towards lease asset	-	_	128.65	128.65	_		_	_
Derivative liabilities	-	_	99.76	99.76	_	99.76	_	99.76
Other financial liabilities	_	_	3,897.44	3,897.44	_		_	_
	_	_	9,544.93	9,544.93	_	99.76	_	99.76

As at 31 March 2021		Carrying amount/ fair value				Fair value hierarchy			
	FVTPL	FVTOCI	Amortised	Total	Level 1	Level 2	Level 3	Total	
			cost						
Financial assets									
Non-current									
Investments									
Government securities	_	_	0.03	0.03	_		_	_	
Loans	_	_	7.59	7.59	_		_	_	
Security deposits	-	_	52.20	52.20	_		_	_	
Deposits with banks and corporates		_	0.09	0.09	_		_	_	
Current									
Equity instruments in Tata Steel Limited	0.34	_		0.34	0.34		_	0.34	
Investment in mutual fund	2,902.04	_		2,902.04	2,902.04		_	2,902.04	
Loans	_	_	22.62	22.62	_	_	_	_	
Derivatives assets	11.15	_		11.15	_	11.15	_	11.15	
	2,913.53	_	82.53	2,996.06	2,902.38	11.15	_	2,913.53	
Financial liabilities									
Non current									
Liability towards lease asset	_	_	194.00	194.00	_	_	_	_	
Current									
Trade payables	_	_	5,912.47	5,912.47	_		_	_	
Liability towards lease asset	_	_	173.02	173.02	_	_	_	_	
Derivative liabilities	70.82	_	_	70.82	_	70.82	_	70.82	
Other financial liabilities	-	_	3,497.54	3,497.54	_	_	_	_	
	70.82	_	9,777.03	9,847.85	_	70.82	_	70.82	

#### Notes:

- i) Abbreviation
  - $\ensuremath{\mathsf{FVTPL}}$  Fair valuation through profit and loss
  - FVTOCI Fair value through other comprehensive income
- ii) The investments does not include equity investment which are carried at cost and hence not required to be disclosed as per Ind AS 107 "Financial instruments disclosures"
- iii) The management has assessed that the fair value of cash and cash equivalents, other balances with banks, loans, trade receivables, other financial assets, lease liabilities, trade payables and other financial liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.
- iv) The Group uses the following hierarchy to determining end or disclosing the fair value of financial instruments by valuation techniques.
  - Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
  - Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
  - Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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v) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties.

The following methods and assumptions were used to estimate the fair values:

The fair value of quoted equity investment and mutual funds are based on price quotations at the reporting date.

The Group enters into derivative financial instruments with various counterparties, principally with banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The model incorporates various inputs including the credit quality of counter parties, foreign exchange spot and forward rates.

vi) There were no transfers between level 1 and 2 during the year.

#### Note 41: Financial risk management objectives and policies

The activities of the Group exposes it to a number of financial risks namely market risk, credit risk and liquidity risk. The Group seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance.

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### a. Management of credit risk

Credit risk refers to the risk of default on its obligations by a counterparty to the Group resulting in a financial loss to the Group. The Group is exposed to credit risk from its operating activities (trade receivables) and investment securities.

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. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of default rates over expected life of trade receivables and is adjusted for forward looking estimats.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Group has no concentration of credit risk as the customer base is widely distributed.

Summary of the ageing for trade receivables are as follows:

#### Carrying amount as at 31 March 2022

Particulars	Estimated total gross carrying amount at default	ECL- simplified approach	Net carrying amount
Not due & Due < 181 days	8,268.70	95.80	8,172.90
Past due			
181 Days to 1 Year	162.53	59.90	102.63
> 1 Year to 2 Year	293.12	137.40	155.72
> 2 Year to 3 Year	238.20	238.20	_
Above 3 Year	138.95	138.95	_
	9,101.50	670.25	8,431.25

#### Expected credit loss assessment for customers as at 31 March 22:

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the period was as follows.

Particulars	Amount ₹
Balance as at 1 April 2020	437.37
Add: Impairment loss recognised/(reversed)	205.24
Less: Amounts written off (Refer note below)	(202.36)
Balance as at 31 March 2021	440.25
Add: Impairment loss recognised	230.11
Less: Amounts written off	0.11
Balance as at 31 March 2022	670.25

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The impairment loss at 31 March 2022 related to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

#### Investments

The Group limits its exposure to credit risk by investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Other than trade and other receivables, the Group has no other financial assets that are past due but not impaired.

#### b. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities sanctioned with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

#### **Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

31 March 2022			Contractual	cash flows	
Particulars	Carrying amount	Total	Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Lease liabilities	375.84	454.26	193.15	213.17	47.94
Trade payables	5,171.89	5,171.89	5,171.89	_	_
Other financial liabilities	3,897.44	3,897.44	3,897.44	_	_
Derivative financial liabilities					
Current liabilities					
Forward exchange contracts	99.76	99.76	99.76	_	_
	9,544.93	9,623.35	9,362.24	213.17	47.94
31 March 2021			Contractual	cash flows	
Particulars	Carrying amount	Total	Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Lease liabilities	326.35	380.36	159.54	220.82	_
Trade payables	5,912.47	5,912.47	5,912.47	_	_
Other financial liabilities	3,497.54	3,497.54	3,497.54	_	_
Derivative financial liabilities					
Current liabilities					
Forward exchange contracts	70.82	70.82	70.82	_	_
	9,807.18	9.861.19	9,640.37	220.82	_

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#### c. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, price risk and currency rate risk. Financial instruments affected by market risk includes foreign currency receivables/payables, investments and derivative financial instruments. The Group has international trade operations and is exposed to a variety of market risks, including currency and interest rate risks.

#### i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The Group mitigates the foreign exchange risk by setting appropriate exposure limits, periodic monitoring of the exposures and hedging exposures using derivative financial instruments like foreign exchange forward contracts. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. However the operating results and financials of the Group may not be impacted due to volatility of the rupee against foreign currencies as the exposure is generally fully hedged.

#### Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. Rupees)

The currency profile of financial assets and financial liabilities as at 31 March 2022 and 31 March 2021 are as below:

	31 March 2022	31 March 2022	31 March 2022
	USD	EURO	Others
Financial assets	000	Lono	Others
Cash and cash equivalents	3,79	0.03	1.02
Trade and other receivables	2,896.06	4.76	_
	2,899.85	4.79	1.02
Financial liabilities	<del></del>		
Trade and other payables	1,097.01	3.17	6.84
	1,097.01	3.17	6.84
Net statement of financial position exposure	1,802.84	1.62	(5.82)
Forward exchange contracts - Sell	2,797.45	4.65	` _
Forward exchange contracts - Buy	(1,048.39)	_	_
	31 March 2021	31 March 2021	31 March 2021
	USD	EURO	Others
Financial assets			
Cash and cash equivalents	7.52	_	1.07
Trade and other receivables	1,462.17	69.08	_
	1,469.69	69.08	1.07
Financial liabilities			
Trade and other payables	1,881.84	6.07	108.49
	1,881.84	6.07	108.49
Net statement of financial position exposure	(412.15)	63.01	(107.42)
Forward exchange contracts - Sell	1,428.79	63.92	_
Forward exchange contracts - Buy	(1,579.09)	_	_

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#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US Dollars and EURO would have affected the measurement of financial instruments denominated in US dollars and EURO and affected the profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in Rupees	Profit or	loss
	Strengthening	Weakening
31 March 2022		
1% movement		
USD	(35.52)	35.52
EUR	(0.06)	0.06
Others	0.06	(0.06)
	(35.52)	35.52
Effect in Rupees	Profit or	loss
	Strengthening	Weakening
31 March 2021		
1% movement		
USD	5.62	(5.62)
EUR	(1.27)	1.27
Others	1.07	(1.07)
	5.42	(5.42)

#### ii) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

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 exposure to interest rate risks since its investments are all in fixed rate instruments.

#### Exposure to interest rate risk

The interest rate risk arises primarily from borrowings. Since there are no borrowings in the current year, the interest rate profile of the Group's interest-bearing financial instruments is ₹ Nil.

#### Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

#### iii) Equity risk

The Group's investments in listed and non-listed equity securities are susceptible to market price risk arising from uncertainties in the financial market. The investment in listed and unlisted equity securities are not significant.

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#### Note 42: Segment information

#### A. General Information

#### (a) Factors used to identify the entity's reportable segments, including the basis of organisation

For management purposes, the Group is organised into business units based on its products and services and two reportable segments, as follows:

- Agro Chemicals
- Others

#### B. Information about reportable segments

31 March 2022	Repo	rtable segment	s
Particulars	Agro Chemicals	Others	Total
Income			
Revenue from contracts with customers	28,123.51	2,235.45	30,358.96
Other operating revenue	281.74	5.29	287.03
Total segment revenue	28,405.25	2,240.74	30,645.99
Unallocated revenue (other income)			267.94
Total income			30,913.93
Segment results	6,145.43	131.15	6,276.58
Unallocated corporate expenses			457.60
Profit before finance cost and tax			5,818.98
Finance costs			61.67
Profit after finance cost but before tax			5,757.31
Tax expenses			
<ul> <li>Current tax</li> </ul>			1,436.88
<ul> <li>Adjustment of current tax in respect of earlier years</li> </ul>			(3.69
<ul> <li>Deferred tax credit</li> </ul>			38.60
<ul> <li>Adjustment of deferred tax in respect of earlier years</li> </ul>			50.07
Profit for the year			4,235.45
Segment assets	23,103.50	572.03	23,675.53
Unallocated corporate assets			6,420.72
Total assets			30,096.25
Segment liabilities	9,546.56	623.50	10,170.06
Unallocated corporate liabilities			654.07
Total liabilities			10,824.13
Capital expenditure	1,333.67	0.09	1,333.76
Unallocated corporate capital expenditure			141.60
Total capital expenditure			1,475.36
Depreciation and amortization	351.29	0.50	351.79
Unallocated depreciation and amortization			96.35
Total depreciation and amortization			448.14
Non cash expenses	161.74	19.46	181.20
Unallocated non cash expenses			74.95
Total non cash expenses			256.15

31 March 2021	Repo	rtable segment	S
Particulars	Agro Chemicals	Others	To
Income			
Revenue from contracts with customers	24,502.98	1,730.19	26,233.
Other operating revenue	210.09	5.80	215.
Total segment revenue	24,713.07	1,735.99	26,449.
Unallocated revenue (other income)			185.
Total income			26,634.
Segment results	4,692.75	126.02	4,818.
Unallocated corporate expenses			230.
Profit before finance cost and tax			4,588.
Finance costs			55.
Profit after finance cost but before tax			4,532.
Tax expenses			
<ul> <li>Current tax</li> </ul>			1,074.
<ul> <li>Previous Year Adjustments</li> </ul>			(57.
<ul> <li>Deferred tax (credit)</li> </ul>			61.
Profit for the year			3,454.
Segment assets	22,726.84	673.41	23,400.
Unallocated corporate assets			3,300.
Total assets			26,700.
Segment liabilities	10,045.71	869.99	10,915.
Unallocated corporate liabilities			372.
Total liabilities			11,287.
Capital expenditure	341.07	_	341.
Unallocated corporate capital expenditure			64.
Total capital expenditure			405.
Depreciation and amortization	447.76	0.71	448.
Unallocated depreciation and amortization			17.
Total depreciation and amortization			465.
Non cash expenses	238.69	(2.00)	236.
Unallocated non cash expenses			1.
Total non cash expenses			237.

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#### C. Geographic information

Further, the Group has considered the export operations as a separately identifiable geographic segment due to operations in the Japan and other countries. The Group has identified secondary segments based on geographic locations and has reported India and outside India as geographic segments as below:

As at 31 March 2022	As at 31 March 2021
Segment revenue	
India 23,654.30	21,814.53
Outside India 6,703.82	4,418.03
Total revenue 30,358.12	26,232.56
As at 31 March 2022	As at 31 March 2021
Segment assets*	
India 4,863.49	3,661.60
Outside India 3.78	5.34
Total assets 4,867.27	3,666.94

<sup>\*</sup>Non-current assets are excluding financial instruments and deferred tax assets.

#### D. Information about major customers

Revenues from no single external customer represented more than 10% of the Group's total revenues.

#### Note 43: Employee benefits

The Group contributes to the following post-employment plans.

#### (A) Defined contribution plans:

- ) Provident fund is a defined contribution scheme established under a state plan.
- 1) Superannuation fund is a defined contribution scheme. The scheme is funded with an insurance company in the form of a qualifying insurance policy.
- III) Contribution to Employees State Insurance Corporation (ESIC)

Current service cost included under the head - Contribution to provident fund and other funds in note 31 'Employee benefits expense':

	31 March 2022	31 March 2021
Provident fund and family pension fund	65.79	62.08
Superannuation fund	20.07	19.39
ESIC	2.09	1.91
Other funds	7.31	8.45
Total	95.26	91.83

#### (B) Defined benefit plan:

Gratuity plan is classified as a defined benefit plan as the Group's obligation is to provide agreed benefit plan to members. Actuarial and investment risks are borne by the Group.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity was carried out as at 31 March 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

31	March 2022	31 March 2021
Defined benefit obligation	509.72	506.89
Fair value of plan assets	482.74	424.21
Net defined benefit obligation	26.98	82.68

	Defined benefit obligation Fair value			olan assets	Net defined benefit (asset) liability	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 Marc 202
Opening balance	506.89	467.43	424.21	348.56	82.68	118.8
Included in profit or loss:						
Current service cost	59.48	48.19	_	_	59.48	48.1
Past service cost	_	_	_	_	_	-
Interest cost (income)	33.06	25.78	29.12	24.37	3.94	1.4
Sub-total included in statement of profit and loss					63.42	49.6
_	599.43	541.39	453.33	372.93	146.10	168.4
Included in OCI						
Remeasurement gain:						
Actuarial gain arising from:						
Financial assumptions	(8.11)	(3.33)	_	_	(8.11)	(3.3
Experience adjustment	(26.35)	(12.18)	_	_	(26.35)	(12.
Return on plan assets excluding interest income	_	_	1.95	1.72	(1.95)	(1.
Sub-total included in OCI					(36.41)	(17.
_	564.97	525.89	455.28	374.65	109.69	151.2
Other						
Contributions paid by the employer	_	_	82.72	68.56	(82.72)	(68.
Benefits paid	(55.25)	(19.00)	(55.26)	(19.00)	0.01	
Closing balance	509.72	506.89	482.74	424.21	26.98	82.6
The components of defined benefit plan cost	are as follows:					
Particulars				31 Marci	1 2022	31 March 202
Recognised in statement of profit and loss						
Current service cost					47.62	48.1
Net interest cost					3.95	1.4
Total					51.57	49.6
Recognised in other comprehensive income						
Remeasurement of net defined benefit liability/(as	set)				(36.41)	(17.2
Plan assets						
Plan assets comprise the following						
				31 March	2022	31 March 202
Insurer managed funds (Life Insurance Corporatio	n of India)				100%	100

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#### NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

#### iii. Actuarial assumptions

The following were the key actuarial assumptions at the reporting date (expressed as weighted averages).

31 March 2022 31 March 2021 6.85% Discount rate 7.00% Future salary growth 9.75% p.a. 9.75% p.a. Withdrawal rate 5% at younger ages 5% at younger ages reducing to 1% at reducing to 1% at older ages older ages Indian Assured Lives Mortality rate **Indian Assured Lives** Mortality (2012-14) Mortality (2012-14) Table

#### iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	31 March 20	22	31 March 202	21
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	472.32	525.76	480.68	535.57
Future salary growth (0.50% movement)	524.80	472.92	534.50	381.37
Withdrawal rate (10% movement)	486.11	490.49	504.42	509.36

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters.

Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

#### v. Expected future cash flows

The expected future cash out-flows in respect of gratuity as at year end is as follows:

Particulars	31 March 2022	31 March 2021
Up to 1 year	54.41	48.63
Between 1-2 years	20.92	35.67
Between 2-6 years	98.16	90.17
6 to 10+ years	192.75	211.25

The average duration of the defined benefit plan obligation at the end of the reporting year is 12.85 years (31 March 2021: 12.04 years).

The contribution expected to be made by the Company during the financial year 2022-23 is Rs. 26.98 millions

#### (C) Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement. The charge towards compensated absences for the period ended 31 March 2022 based on actuarial valuation using the projected accrued benefit method is ₹ 30.79 millions. (31 March 2021: ₹ 41.29 millions). In the coming financial year it is expected to remain in the similar range.

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#### NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

#### Note 44: Contingent liabilities and commitments

#### A) Contingent liabilities

			As at 31 March 2022	As at 31 March 2021
a.	In re	spect of tax matters		
	Dem	and raised by authorities against which the Company has filed an appeal		
	i)	Income Tax	67.86	86.23
	ii)	Excise duty	0.73	0.73
	iii)	Service tax	15.67	15.67
	iv)	Customs Duty	2.30	2.30
	v)	VAT/Sales Tax	3.10	4.68
	vi)	Goods and service tax	0.62	4.16
b.	In re	spect of other matters		
	i)	Claims against the Company not acknowledged as debts	171.19	155.19
	ii)	The Code on Social Security 2020 has been notified in the Official Gazette on 29 September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period in which said Code becomes effective and the rules framed thereunder are notified.		

The Group's pending litigations comprise of claims against the Group primarily by the customers and proceedings pending with tax authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on the financial statements. Future cash outflows/uncertainties, if any, in respect of above are determinable only on receipt of judgments/decisions pending with various forums/authorities.

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The Group does not expect any reimbursements in respect of the above contingent liabilities.

#### B) Capital commitments

	As at 31 March 2022	As at 31 March 2021
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	124.15	298.47

#### Note 45: Total outstanding dues of micro and small enterprises (as per the intimation received from vendors)

	As at 31 March 2022	As at 31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	225.26	266.78
Interest	0.02	9.21
The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	_	_
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	1,145.94	1,349.64
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	0.38	7.15
The amount of interest accrued and remaining unpaid at the end of each accounting period		
2019-20	_	0.40
2020-21	_	8.81
2021-22	0.40	_
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	0.40	9.21

					As at 31 March 2022	As at 31 March 2021
(a)	Research and development costs, as certified by the and loss (in respective heads of accounts) are as the second s	ne management, ınder:	debited to the stateme	nt of profit		
(i)	Revenue expenses				109.77	91.11
(ii)	Depreciation and amortisation of expenses				11.28	22.07
					121.05	113.18
(b)	Capital expenditure incurred during the year on res	search and devel	opment		9.28	13.38
ote 47 :	Corporate social responsibility					
					As at   31 March 2022	As : 31 March 202
(a)	Gross amount required to be spent				31 Maicii 2022	31 IVIAIGII 202
()	i) for current year				66.16	51.4
	ii) for previous year				7.08	_
					73.24	51.4
(b)	Amount approved by the Board to be spent during the year				66.29	51.4
(c)	Amount spent during the year ending on 31 March 2022	In cash	Yet to be paid in cash	Total		
	(i) Construction/acquisition of any assets	_	_	_		
	(ii) For previous year	7.08	_	7.08		
	(iii) On purpose other than (i) above	66.29		66.29		
(-1)	Associate associate disciplination and disciplinati	73.37	— V:11: 1: : : : : : : : : : : : : : : : :	73.37		
(d)	Amount spent during the year ending on 31 March 2021  (i) Construction/acquisition of any assets	In cash	Yet to be paid in cash	Total		
	(ii) On purpose other than (i) above	44.32	7.08	51.40		
	(ii) Oii pai poso otiloi tilaii (i) abovo	44.32	7.08	51.40		
e)	Details related to spent/unspent obligations:				31 March 2022	31 March 202
	i) Contribution to public trust				26.03	24.6
	ii) Contribution to charitable trust				36.99	19.2
	iii) Others for current year				3.14	0.4
	iv) Others for previous year				7.08	_
	v) Unspent amount in relation to:					
	<ul> <li>Ongoing project</li> </ul>				-	7.0
	<ul> <li>Other than ongoing project</li> </ul>				-	-
					73.24	51.4
f) Dort	Details of other than ongoing project ticulars				31 March 2022	31 March 202
г <b>а</b> п	Opening balance				31 Maicii 2022	31 Maich 202
a)	With Company				7.08	_
	<ul><li>In separate CSR unspent A/c</li></ul>					_
b)	Amount required to be spent and approved by the Board during the year				66.29	51.4
c)	Amount spent during the year				İ	
	<ul> <li>From Company's bank A/c</li> </ul>				73.37	44.3
	<ul> <li>From separate CSR unspent A/c</li> </ul>				-	-
d)	Closing balance				l	
	<ul><li>With Company</li></ul>				-	7.0
	<ul> <li>In separate CSR unspent A/c</li> </ul>				— l	-

CIN: L24110MH2000PLC124224

#### NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

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Ratio	Numerator	Denominator	Mar-22	Mar-21	% change	Remarks/reasons for variance Refer note below
Debt equity ratio (times)	Total debt	Shareholders equity	_	_	_	Not applicable since no borrowing
Debt sevice coverage ratio (times)	Earnings available for debt service	Debt service	14.32	13.23	8.23%	
Return on net worth (%)/ ROE	Net profit after tax	Net worth	24.42%	25.00%	(2.32%)	
Current ratio (times)	Current assets	Current liabilities	2.47	2.13	15.83%	
Trade receivables turnover (in times)	Net sales	Average accounts receivable	3.59	3.09	16.18%	
Trade payables turnover (in times)	Net credit purchases	Average accounts payables	4.34	3.87	12.13%	
Inventory turnover (in times)	Cost of goods sold	Average inventory	2.27	2.48	(8.57%)	
Net profit margin (%)	Net profit after tax	Net sales	13.95%	13.17%	5.96%	
Net capital turnover (in times)	Net sales	Working capital (Current assets - Current liabilities)	2.02	2.14	(5.66%)	
Return on investment (%)	Net income	Investment	3.96%	3.82%	3.75%	
Return on capital employed (%)	EBIT	Capital employed	33.37%	33.17%	0.62%	

**Note:** Reason for variance has been given for those ratios whereby variation is more than 25% (+/-)

#### **Abbreviations**

- i) Earnings available for debt service Profit before tax + interest expenses including interest expense on lease payments + depreciation and amortisation expenses
- ii) Debt service Interest expenses including interest expense on lease payments + repayment of lease liabilities.
- iii) Net worth includes share capital and other equity
- iv) Expenses includes cost of goods sold and other expenses excluding expected credit loss allowance, CSR, donations, insurance, directors sitting fees, PPE written off, exchange differences (net) and bank charges

Note 49: Statutory group information as required under Schedule III to the Companies Act, 2013 with respect to Consolidated Ind AS Financial Statements

Name of the entity	31 March 2022							
·	Net Assets		Share in profit or (loss)		OCI		Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated OCI	Amount	As % of consolidated total comprehensive income	Amount
1	2	3	4	5	6	7	8	9
Parent - Sumitomo Chemical India Limited	99.85%	19,243.53	102.40%	4,337.27	114.30%	27.25	102.47%	4,364.52
<u>Subsidiaries</u>								
<u>Foreign</u>								
1. Excel Crop Care (Europe) NV (Refer note below)	0.00%	_	(0.14%)	(6.00)	0.00%	_	(0.14%)	(6.00)
2. Excel Crop Care (Africa) Limited	0.18%	34.59	(0.07%)	(2.88)	0.00%	_	(0.07%)	(2.88)
Adjustment arising out of consolidation	(0.03%)	(6.00)	(2.19%)	(92.94)	(14.30%)	(3.41)	(2.26%)	(96.35)
TOTAL	100.00%	19,272.12	100.00%	4,235.45	100.00%	23.84	100.00%	4,259.29

Note: Excel Crop Care (Europe) NV, Belgium, an unlisted subsidiary of the Company has been voluntarily wound up effective 23 December 2021 since it was not having significant business / commercial activities / sales.

CIN: L24110MH2000PLC124224

### NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency: Indian Rupees in millions, unless otherwise stated)

Name of the entity	31 March 2021								
	Net Assets Sh		Share in profi	Share in profit or (loss)		OCI		ensive	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated OCI	Amount	As % of consolidated total comprehensive income	Amount	
1	2	3	4	5	6	7	8	9	
Parent - Sumitomo Chemical India Limited	99.13%	15,278.29	99.97%	3,452.97	80.66%	12.89	99.88%	3,465.86	
<u>Subsidiaries</u>									
<u>Foreign</u>									
1. Excel Crop Care (Europe) NV	0.64%	98.94	(0.27%)	(9.28)	0.00%		(0.27%)	(9.28)	
2. Excel Crop Care (Africa) Limited	0.27%	41.56	0.28%	9.61	0.00%	_	0.28%	9.61	
Adjustment arising out of consolidation	(0.04%)	(5.78)	0.02%	0.76	19.34%	3.09	0.11%	3.85	
TOTAL	100.00%	15,413.01	100.00%	3,454.06	100.00%	15.98	100.00%	3,470.04	

#### Note 50: Other statutory information

- (i) The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.
- (ii) The Group does not have any transactions with companies struck off.
- (iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group has not traded or invested in crypto currency or virtual currency during the financial year.
- (v) The Group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Group 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
- (viii) The Group has complied with the number of layers prescribed under clause 87 of section 2 of the Companies Act, 2013 read with Companies (restriction on number of layers) Rules, 2017.

#### Note 51: Events after the reporting period

There are no significant events after the reporting period except as disclosed in note 20(f), that require adjustments or disclosures in the consolidated Ind AS financial statements as on the balance sheet date.

Note 52: The figures for the previous year have been regrouped/reclassified wherever considered necessary.

As per our report of even date attached.

For S R B C & CO LLP Chartered Accountants

Firm's Registration No: 324982E/E300003

Jayesh Gandhi

Membership No: 037924

Place: Mumbai Date: 27 May 2022 For and on behalf of the Board of Directors of Sumitomo Chemical India Limited CIN: L24110MH2000PLC124224

Chetan Shah Managing Director

DIN: 00488127
Anil Nawal

Chief Financial Officer

Place: Mumbai Date: 27 May 2022 Sushil Marfatia Executive Director DIN: 07618601

Pravin D. Desai Vice President & Company Secretary

Place: Mumbai Date: 27 May 2022

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