Independent Auditors' Report

To the Members of Isagro (Asia) Agrochemicals Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Isagro (Asia) Agrochemicals Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, the statement of profit and loss (including other comprehensive income), cash flow statement and the statement of changes in equity for the year then ended, and a summary of explanatory notes. (hereinafter referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and 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 financial statements in accordance with the Standards on Auditing (SAs), specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 Annual report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the 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 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) prescribed under Section 133 of the Act read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate
- internal financial controls system 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 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 financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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 other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder;

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

f) Clause (i) of section 143(3), with respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate report in "Annexure B"; and

g) In our opinion, and according to the information and explanations given to, the company has not paid any managerial remuneration during the year ended March 31, 2021. Hence, provisions of section 197 read with Schedule V to the Act are not applicable to the Company and has not commented upon; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its financial statements – Refer Note 27 to the financial statements;

   ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-
AMIT GOEL
Partner
Membership No. 500607
UDIN: 21500607AAAAFP9771

Place: Gurugram
Date: May 10, 2021

Annexure A to the Independent Auditor's Report

to the Members of Isagro (Asia) Agrochemicals Private Limited dated May 10, 2021.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order') issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year, the frequency of which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) In our opinion, and according to the information and explanations given to us, the title deeds of all freehold immovable properties are held in the name of the Company and in case of leasehold immovable property which has been disclosed as property plant and equipment in the financial statements, the lease agreement are in the name of the Company, where the Company is lessee in the agreement.

ii. The Management has conducted physical verification of inventory at reasonable intervals during the year except material lying with third parties and no material discrepancies were noticed on such physical verification.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of the clause 3(iii) of the Order are not applicable to the Company.

iv. According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees, and securities, the Company has complied with the provisions of section 185 and 186 of the Act.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act, and the Rules framed thereunder.

vi. We have broadly reviewed the Cost Accounting records maintained by the Company pursuant to the Rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We are, however, not required to make a detailed examination of such books and records.

vii.

a. According to the records of the Company examined by us and the information and explanations given to us, the Company is generally regular in depositing its undisputed statutory dues including Employees' Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Custom Duty, Excise duty, Cess, Goods and Service Tax, and any other material statutory dues ,as applicable, with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2021 for a period of more than six months from the date they became payable

b. We are informed that there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Excise Duty, Goods and Service Tax and Service Tax which have not been deposited on account of any dispute except following: -

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (₹ in Million)	Amount Unpaid (₹ in Million)
The Central Excise Act, 1944	Excise Duty	Commissioner (Appeals), Ahmedabad	2009-10 to 2012-13	5	4
The Central Excise Act, 1944	Excise Duty	Central Excise and Appellate Tribunal , Ahmedabad	2004-05 to 2016-17	256	238
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Mumbai	A.Y. 2009-10	3	3
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Mumbai	A.Y. 2010-11	26	25
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Mumbai	A.Y. 2011-12	10	8
The Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal, Mumbai	A.Y. 2013-14	0	-
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Mumbai	A.Y. 2014-15	0	0
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Mumbai	A.Y. 2016-17	0	0
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Mumbai	A.Y. 2017-18	104	83

viii. According to the information and explanations given to us and records of the Company examined by us, the Company has not taken loans from financial institutions or banks or the Government. The Company has not issued any debentures. Accordingly, provisions of the clause 3(viii) of the Order are not applicable to the Company.

ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any money way of initial public offer / further public offer and term loans hence, reporting under clause (ix) of the Order is not applicable to the Company.

x. In our opinion, and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi. In our opinion, and according to the information and explanations given to us, the Company has not paid any managerial remuneration during the year. Hence, reporting under clause 3(xi) of the Order are not applicable and hence not commented upon.

xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable Indian accounting standards. The provisions of section 177 of the Act are not applicable to the company and hence not commented upon.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence not commented upon.

xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred in section 192 of the Act.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Sd/-
AMIT GOEL
Partner
Membership No. 500607
UDIN: 21500607AAAAFP9771

Place: Gurugram
Date: May 10, 2021

Annexure B to the Independent Auditor's Report

to the Members of Isagro (Asia) Agrochemicals Private Limited dated May 10, 2021.

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

We have audited the internal financial controls over financial reporting of Isagro (Asia) Agrochemicals Private Limited (" the Company ") as of March 31, 2021 in conjunction with our audit of the financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls Based on" the internal control over financial reporting criteria established by the Company considering The essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These Responsibilities include the design, implementation and maintenance of adequate internal financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, Including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely Preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial Reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) 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 authorizations of management and directors of the company; and

c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
AMIT GOEL
Partner
Membership No. 500607
UDIN: 21500607AAAAFP9771

Place: Gurugram
Date: May 10, 2021

Balance Sheet

as at March 31, 2021

(All amount in ₹ million, unless otherwise stated)

	Particulars	Notes	March 31, 2021	March 31, 2020
I.	**ASSETS**			
(1)	**NON CURRENT ASSETS**			
	(a) Property, Plant and Equipment	3	1,280	343
	(b) Capital Work-in-Progress		210	10
	(c) Intangible Assets	4	1	2
	(d) Financial Assets			
	(1) Loans	5	14	14
	(2) Other Financial Assets	6	0	0
	(e) Other Non-current Assets	8	23	53
	Total Non-current Assets		**1,528**	**422**
(2)	**CURRENT ASSETS**			
	(a) Inventories	9	458	247
	(b) Financial Assets			
	(1) Trade Receivables	10	558	259
	(2) Cash and cash equivalents	11	56	43
	(3) Bank Balances other than (2) above	11	10	2
	(4) Investments	12	21	599
	(5) Loans	5	12	9
	(6) Other Financial Assets	6	1	147
	(c) Other Current Assets	8	257	182
	(d) Current Tax Assets (Net)	6B	65	61
	Total Current Assets		**1,438**	**1,549**
	TOTAL ASSETS		**2,966**	**1,971**
II.	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	13	149	149
	(b) Other Equity	14	1,506	1,506
	Total Equity		**1,655**	**1,655**
	LIABILITIES			
(1)	**NON CURRENT LIABILITIES**			
	(a) Financial Liabilities-			
	(1) Other Financial Liabilities	17	1	1
	(b) Deferred Tax Liabilities	6A	15	29
	(c) Provisions	15	5	7
			21	**37**
(2)	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(1) Borrowings	15	-	-
	(2) Trade Payables			
	Total outstanding dues of micro enterprises and small enterprises	16	74	8
	Total outstanding dues other than micro enterprises and small enterprises	16	253	87
	(3) Other Financial Liabilities	17	824	46
	(b) Other Current Liabilities	18	8	5
	(c) Provisions	15	131	133
	Total Current Liabilities		**1,290**	**279**
	Total Liabilities		**1,311**	**316**
	TOTAL EQUITY AND LIABILITIES		**2,966**	**1,971**
	Significant Accounting Policies	2		

The accompanying notes form an integral part of these financial statements.

In Terms of our report of even date
For **S.S. Kothari Mehta & Company**
Chartered Accountants
Firm Reg. No. 000756N

Sd/-
Amit Goel
Partner
M. No. 500607

For and on behalf of the Board of Directors of
ISAGRO (ASIA) AGROCHEMICALS PRIVATE LIMITED

Sd/-
Dr. Raman Ramchandran
Directors
DIN: 00200297

Sd/-
Anil Inani
Director
DIN: 08127796

Sd/-
Jitendra Mehta
Chief Financial Officer

Sd/-
Karishma Patel
Company Secretary

Place: Gurugram
Date: 10.05.2021

Place: Mumbai
Date: 10.05.2021

Statement of Profit & Loss

for the year ended March 31, 2021

(All amount in ₹ million, unless otherwise stated)

	Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
	INCOME			
I.	Revenue from Operations	19	1,264	2,682
II.	Other Income	20	40	83
III.	**Total Income (I + II)**		**1,304**	**2,765**
IV.	**EXPENSES:**			
	(a) Cost of Raw Materials Consumed	21	746	1,620
	(b) Purchases of Stock-in-trade	22A	3	130
	(c) Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22B	(60)	111
	(e) Employee Benefits Expense	23	230	352
	(f) Finance Costs	24	3	8
	(g) Depreciation and Amortisation Expenses	25	36	41
	(h) Other Expenses	26	349	516
	Total Expenses (IV)		**1,307**	**2,778**
V.	**Loss before Tax (III-IV)**		**(3)**	**(13)**
VI.	**Tax Expenses**			
	(a) Current Tax		17	1
	(b) Deferred Tax		(15)	17
	(c) Tax for earlier years		-	1
	Total Tax Expenses		**2**	**19**
VII.	**Loss for the year (V-VI)**		**(5)**	**(32)**
VIII.	**Other Comprehensive income/(Loss)**			
	A. Items that will not be reclassified to statement of Profit or Loss			
	Remeasurement (Loss) / Gain of the defined benefit plans		6	(10)
	Income tax relating to above		(1)	3
	Total Other Comprehensive income/(loss) for the year		**5**	**(7)**
IX.	**Total Comprehensive loss for the year (VII+VIII)**		**(0)**	**(39)**
X.	**Earnings per Equity Share with Face Value of ₹ 10 each**			
	Basic and Diluted Earnings Per Share		(0.31)	(2.12)
	Significant Accounting Policies	2		

The accompanying notes form an integral part of these financial statements.

In Terms of our report of even date
For **S.S. Kothari Mehta & Company**
Chartered Accountants
Firm Reg. No. 000756N

Sd/-
Amit Goel
Partner
M. No. 500607

Place: Gurugram
Date: 10.05.2021

For and on behalf of the Board of Directors of
ISAGRO (ASIA) AGROCHEMICALS PRIVATE LIMITED

Sd/-
Dr. Raman Ramchandran
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DIN: 00200297

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DIN: 08127796

Sd/-
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Sd/-
Karishma Patel
Company Secretary

Place: Mumbai
Date: 10.05.2021

Statement of Cash Flows

for the year ended March 31, 2021

(All amount in ₹ million, unless otherwise stated)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**Cash flow from operating activities**		
	Profit before taxation	(3)	(13)
	Adjustments For :		
	Depreciation and amortization expense	36	41
	Loss on property, plant and equipments sold / scrapped / written off	-	2
	(Gain) on fair valuation of investments	(17)	(58)
	Interest from bank on deposits	(5)	(1)
	Interest from other financial assets	(9)	(1)
	Dividend income from current investments	-	(13)
	Allowances for doubtful debt receivable	1	15
	Unrealised foreign exchange Loss (net)		
	Bad trade receivables written-off	-	45
	Interest Expense	3	8
	Operating profit before working capital changes	**6**	**25**
	Adjustments For :		
	(Increase) / Decrease in inventories	(211)	256
	Decrease / (Increase) in trade receivables	(299)	(114)
	Decrease / (Increase) in financial assets	143	(142)
	(Increase) in other assets	(47)	196
	(Decrease) / Increase in trade payables	241	(258)
	Increase in other financial liability	732	164
	Increase / (Decrease) in provisions & other liability	4	(48)
	Working capital changes	**563**	**54**
	Cash generated from operations	**569**	**79**
	Income taxes paid (net)	(20)	(48)
	Net Cash generated from/(used in) operating activities	**549**	**31**
B.	**Cash flow from investing activities**		
	Purchase of property, plant & equipment and capital work in progress	(1,125)	(113)
	Investment made in mutual funds (net)	596	113
	Proceeds from sale of property, plant & equipment and Leasehold Land		0
	Gain on Investment (realised)		-
	(Investment made)/Proceeds from maturity of deposits from Bank not considered as Cash and Cash Equivalent	(8)	(2)
	Interest from bank on deposits	5	1
	Dividend income from current investments	-	13
	Net Cash (used in) Investing Activities	**(533)**	**12**
C.	**Cash flow from financing activities**		
	Interest paid	(3)	(4)
	interest cost on lease liabilities		(4)
	Lease payment	-	(13)
	Borrowings	-	(5)
	Net Cash (used in)/generated from financing activities	**(3)**	**(26)**
	Net increase in cash and cash equivalents (A+B+C)	**13**	**17**
	Cash and cash equivalents at beginning of year	43	67
	Less: Cash and cash equivalents transferred to Jivagro limited pursuant to scheme of arramgement (refer note 39A)	-	(41)
	Cash and cash equivalents at the end of year (Refer Note 11)	**56**	**43**

Notes:

1. The above Cash Flow Statement has been prepared under the'Indirect Method' as set out in the Indian Accounting Standard (India AS 7) 'Statement of Cash Flow'
2. Figures in Bracket reported cash out flows.

As per our report on even date

For **S.S. Kothari Mehta & Company**
Chartered Accountants
Firm Reg. No. 000756N

Sd/-
Amit Goel
Partner
M. No. 500607

Place: Gurugram
Date: 10.05.2021

For and on behalf of the Board of Directors of
ISAGRO (ASIA) AGROCHEMICALS PRIVATE LIMITED

Sd/-
Dr. Raman Ramchandran
Directors
DIN: 00200297

Sd/-
Anil Inani
Director
DIN: 08127796

Sd/-
Jitendra Mehta
Chief Financial Officer

Sd/-
Karishma Patel
Company Secretary

Place: Mumbai
Date: 10.05.2021

Statement of Changes in Equity

for the year ended March 31, 2021

(All amount in ₹ million, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at April 1, 2019	**149**
Changes in equity share capital	-
Balance as at March 31, 2020	**149**
Changes in equity share capital	-
Balance as at March 31, 2021	**149**

B. Other equity

Particulars	Reserves & Surplus			Total
	Securities Premium	Capital Redemption Reserve	Retained Earnings	
Balance as at April 1, 2019	**552**	**11**	**2,312**	**2,875**
Loss for the year ended March 31, 2020	-	-	(31)	(31)
Other comprehensive income/loss) for the year ended March 31, 2020	-	-	(7)	(7)
Less: Adjustment on account of scheme of arrangement*	**(552)**	**-**	**(779)**	**(1,331)**
Balance as at March 31, 2020	**-**	**11**	**1,495**	**1,506**
Loss for the year ended March 31, 2021	-	-	(5)	(5)
Other comprehensive (Loss)/Income for the year ended March 31, 2021	-	-	5	5
Total Comprehensive loss for the year	**-**	**-**	**(0)**	**(0)**
Balance as at March 31, 2021	**-**	**11**	**1,495**	**1,506**

* refer note 39A of the financial statements

The accompanying notes form an integral part of these financial statements.

In Terms of our report of even date
For **S.S. Kothari Mehta & Company**
Chartered Accountants
Firm Reg. No. 000756N

Sd/-
Amit Goel
Partner
M. No. 500607

Place: Gurugram
Date: 10.05.2021

For and on behalf of the Board of Directors of
ISAGRO (ASIA) AGROCHEMICALS PRIVATE LIMITED

Sd/-
Dr. Raman Ramchandran
Directors
DIN: 00200297

Sd/-
Anil Inani
Director
DIN: 08127796

Sd/-
Jitendra Mehta
Chief Financial Officer

Sd/-
Karishma Patel
Company Secretary

Place: Mumbai
Date: 10.05.2021

Notes to Financial Statements

for the year ended March 31, 2021

1 Corporate Information:

Isagro (Asia) Agrochemicals Private Limited (the Company) is a private company having registered office at Unit No. 32, 3rd Floor, Kalpataru Square, Kondivita Lane, Andheri (East), Mumbai-400059, Maharashtra, India and incorporated under the provisions of the Companies Act, 2013. The Company was a wholly owned subsidiary of Isagro S.p.A, Italy upto 27th December 2019 and from 27th December 2019, The Company is wholly owned by PI Industries Ltd, India. The Company is engaged in the business of manufacturing and trading of agro chemicals, technical grade pesticides and formulations. The Company has presence in both domestic and international markets.

During the year the Company has taken the impact of scheme of arrangement entered with Jivagro Limited (""Resulting Company"") which was duly approved by National Company Law Tribunal (NCLT) vide its order dated March 18, 2021. As per the scheme of arrangement, Domestic B2C verticle of the Company got demerged into resulting Company. For further details refer note no. 40 of the financial statements.

2 Basis of preparation, key accounting estimates and significant accounting policies

2.1 Basis of preparation of Financial Statements:

Compliance with Ind AS

These financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") notified by Ministry of corporate affairs under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015] as amended by Companies (Indian Accounting Standards) Rules, 2016, Guidance Note on Combined and and Carve-out Financial statements issued by the Institute of Chartered Accountants of India and other relevant provisions of the Act.

These financial statements have been prepared by the management of the Company pursuant to the scheme of arrangement becoming effective thereby taking the impact of transfer of all the assets and liabilities pertaining to demerged undertaking i.e, Domestic B2C vertical of the Company to the resulting Company from the appointed date as on December 27, 2019. Accordingly figures for the year ended March 31, 2020 has been reinstated which was earlier approved on board meeting held on May 22, 2020.

These financial statements are approved by the Board in their meeting held on May 10, 2021.

2.2 Functional and Presentation Currency

The financial statements are presented in Indian Rupee (₹) which is also the Company's functional currency.

2.3 Critical Accounting Estimates and judgments

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1. Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

2. Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognized in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer Note 31 for details of the key assumptions used in determining the accounting for these plans.

3. Useful lives of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets as disclosed in note 3A and 3B are depreciated / amortized over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation / amortization expense prospectively and hence the asset carrying values.

4. Recognition of deferred tax assets

A deferred tax asset is recognized for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The management assumes that taxable profits will be available while recognizing deferred tax assets.

2.4 Summary of Significant accounting policies

(a) Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

(b) Revenue Recognition

1. Sale of goods

Revenue from the sale of goods is recognised on the basis of customer contracts and performance obligations contained therein. Revenue is recognised at a point in time when the control of goods is transferred to customer, this is generally when the goods are delivered to the customer's location. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from goods or services. Revenue from delivery of goods is recognised at a point in time based on an overall assessment of the existence of a right to payment, the transfer of physical possession, the transfer of risks and rewards, and acceptance by the customer.

Revenue is reduced by goods and service tax and for actual and expected sales deductions resulting from sales returns, rebates, discounts. Sales deductions are estimated on the basis of historical experience, specific contractual terms and future expectations of sales development. Sales are reduced on the date of sale or on the date when the amount can be reasonably estimated.

2. Interest & Dividend Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Dividend income from investments is recognized when the right to receive dividend is established.

(c) Foreign Currencies - Transactions and Balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit or Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Nonmonetary items that are measured in terms of historic cost in a foreign currency are not retranslated.

(d) Fair value measurements

The Company measures financial instruments, such as, investments at fair value at each balance sheet date on a portfolio basis.

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:

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

The principal or the most advantageous market must be accessible by the Company.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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

Notes to Financial Statements
for the year ended March 31, 2021

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

e) **Property, Plant & Equipment (PPE)**

Property, plant and equipment (PPE) and capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Capital work-in-progress comprises cost of PPE that are not yet installed and ready for their intended use at the balance sheet date.

Cost comprises of purchase/acquisition price net of any trade discounts and rebates, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities) and any directly attributable cost of bringing the asset to its working condition for its intended use, including relevant borrowing costs for qualifying assets and any expected cost of decommissioning.

Derecognition of Property Plant & Equipment

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

Depreciation

Depreciation is calculated on a straight-line method on the basis of the useful life as specified in Schedule II to the Companies Act, 2013. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. 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. Depreciation on property, plant and equipment of the Company has been provided on the straight-line method as per the following useful life:

Building	3-60 Years
Plant & Equipment(Including Electrical Installation and laboratory Equipment	10-25 Years
Furniture & Fixtures	10 Years
Vehicle	8 Years
Office Equipment	05-10 Years
Computers	03-06 Years

(f) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Cost include acquisition and other incidental cost related to acquiring the intangible asset.

The useful life is considered to be 3 – 4 years.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss

Derecognition

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 or loss when the asset is derecognized.

(g) **Impairment of Property Plant & Equipment and Intangibles assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. 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 or cash-generating unit'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

Notes to Financial Statements

for the year ended March 31, 2021

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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the Statement of Profit and Loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

(h) Inventories

(i) Inventories encompass goods consumed in production (raw materials, packing materials and stores and spare parts), goods in the production process for sale (work-in-progress) and goods held for sale in the ordinary course of business (finished goods and stock-in-trade). Inventories are recognized at the lower of their cost of acquisition calculated by the weighted average method and at their net realizable value.

(ii) Inventories include Goods-in-transit and goods lying with vendors for job-work.

(iii) 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) Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(j) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(k) 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 assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair value through Profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

(a) Financial assets

Initial recognition and measurement

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets are recognized 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 assets.

Investments in mutual funds

All mutual fund investments in scope of Ind AS 109 are measured at fair value. These investments which are held for trading are classified as at FVTPL. The classification is made on initial recognition and is irrevocable.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial

Notes to Financial Statements

for the year ended March 31, 2021

assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the company has transferred substantially all the risks and rewards of the asset, or the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'contractual revenue receivables' in these financial statements).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR). When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables.

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

Foreign Exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortized cost, the exchange differences are recognized in the Statement of Profit and Loss.

(b) Financial Liabilities and Equity Instruments

I. Financial Liability

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Notes to Financial Statements

for the year ended March 31, 2021

Subsequent measurement of financial liabilities

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

Financial liabilities at amortized cost

Financials liabilities that are not held for trade and are not designated at FVTPL are measured at Amortized cost which 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 amortization is included as finance costs in the Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognized 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

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

Foreign Exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are included in the Statement of Profit and Loss.

II. Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(l) Derivative financial instruments – Forward Currency Contracts

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognized in the Statement of Profit and Loss.

(m) Taxes on income

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to Financial Statements

for the year ended March 31, 2021

Current and Deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they are relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

(n) Employee benefits plans

(i) Defined Contribution Plan

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are recognized as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

(ii) Defined benefit plan/long-term compensated absences

The Company's liabilities towards gratuity and compensated absences are determined as at the end of the reporting date by an independent actuary using the Projected Unit Credit method. Remeasurements, comprising of actuarial gains and losses, experience adjustments and the return on plan assets is reflected immediately in the Balance Sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earning and is not reclassified to the Statement of Profit and Loss. Past service cost is recognized in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- net interest expenses or income and
- measurement

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on the Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

(o) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following

- the amount of the initial measurement of lease liability

Notes to Financial Statements

for the year ended March 31, 2021

- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

(p) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

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 recognized as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Provisions are not recognized for future operating losses.

(q) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non—occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent assets is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(r) Earning per share

Basic & diluted earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(s) Cash dividend

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

(t) Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

(u) Export Benefit

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same

Notes to Financial Statements

for the year ended March 31, 2021

3. PROPERTY, PLANT AND EQUIPMENTS

(₹ in million)

	Right to Use	Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total Property, Plant & Equipment
Deemed cost								
As at April 1, 2019	-	122	266	5	8	4	6	411
Right to use	36	59	-	-	-	-	-	95
Additions	-	9	12	-	-	0	0	21
Disposal	-	-	(3)	(0)	-	(0)	-	(3)
Less: Adjustment pursuant to scheme of amalgamation	-	(71)	(7)	(3)	(6)	(2)	-	(89)
As at March 31, 2020	**36**	**119**	**268**	**2**	**2**	**2**	**6**	**435**
Additions	-	106	867	0	-	0	-	973
Disposal	-	-	-	-	-	(0)	-	(0)
As at Mar 31, 2021	**36**	**225**	**1,135**	**2**	**2**	**2**	**6**	**1,408**
Accumulated Depreciation								
As at April 1, 2019	-	23	48	1	2	2	3	80
Amortization (Right to use)	0	15	-	-	-	-	-	15
Depreciation expense	-	7	15	1	1	1	1	26
Disposal of assets	-	-	(1)	(0)	-	-	-	(1)
Less: Adjustment pursuant to scheme of amalgamation	-	(20)	(1)	(1)	(2)	(2)	-	(26)
As at March 31, 2020	**0**	**25**	**61**	**1**	**1**	**1**	**4**	**93**
Amortization (Right to use)	0	-	-	-	-	-	-	0
Depreciation expense	-	6	28	0	0	0	1	35
Disposal of assets	-	-	-	-	-	**(0)**	-	**(0)**
As at March 31, 2021	**0**	**31**	**89**	**1**	**1**	**1**	**5**	**128**
Net Carrying Value	-	-	-	-	-	-	-	-
As at March 31, 2021	**36**	**194**	**1,046**	**1**	**1**	**1**	**1**	**1,280**
As at March 31, 2020	**36**	**94**	**208**	**1**	**1**	**1**	**2**	**343**

Note : Refer Note 2.4(e) for estimated useful life of the asset.

Notes to Financial Statements

for the year ended March 31, 2021

4. INTANGIBLE ASSETS

Particulars	Computer Software-Bought Out
Deemed Cost	
As at April 1, 2019	5
Additions	0
Disposal t	(0)
As at March 31, 2020	**5**
Additions	-
Disposal	-
As at March 31, 2021	**5**
Accumulated Amortization	
As at April 1, 2019	2
Amortization for the year	1
Disposal of assets	(0)
As at March 31, 2020	**3**
Amortization for the year	1
Disposal of assets	-
As at March 31, 2021	**4**
Net Carrying Value	
As at March 31, 2021	**1**
As at March 31, 2020	**2**

Note : Refer Note 2.4(f) for estimated useful life of the asset.

5. LOANS

(₹ in million)

	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Unsecured and considered good				
(1) Advances to Employees	-		-	0
(2) Security Deposits	14	14	12	9
TOTAL	**14**	**14**	**12**	**9**

6. OTHER FINANCIAL ASSETS

(₹ in million)

		Non- Current		Current	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
a.	Fixed Deposits with Banks [(with maturity more than 12 months) (Refer Note 11)]	0	0	-	-
b.	Accruals				
	(a) Interest Accrued on Fixed Deposits	-	-	0	0
	(b) Interest Accrued on Other Deposits	-	-	1	1
c.	Others				
	(a) Contractually Reimbursable Expenses	-	-	-	5
	(b) Receivables from related parties (refer note 30)	-	-	-	141
	TOTAL	**0**	**0**	**1**	**147**

Notes to Financial Statements

for the year ended March 31, 2021

6A. Deferred tax Assets/(liabilities) (net)

(₹ in million)

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	36	35
Deferred tax liabilities	(51)	(64)
Deferred Tax Assets (net)	**(15)**	**(29)**

Movement in temporary differences

(₹ in million)

Particulars	Balance as at April 1, 2020	Recognised during FY 2020-21		Balance as at March 31, 2021
		in Statement of Profit and Loss	in Other Comprehensive Income	
Deferred tax assets / (liabilities) in relation to:				
Property, plant and equipment and intangible assets	(37)	(14)	-	(51)
Provisions for employee benefits	2	2	(1)	3
Allowances for doubtful trade receivables	1	0	-	1
Fair value of financial instruments	(27)	27	-	(0)
Provision for contingencies and others	32	-	-	32
	(29)	**15**	**(1)**	**(15)**

(₹ in million)

	Expenses Recognised during FY 2019-20				
	Balance as at April 1, 2019	Transfer to Jivagro	in Statement of profit and loss	in Other comprehensive income	Balance as at March 31, 2020
Deferred tax assets / (liabilities) in relation to:					
Property, plant and equipment and intangible assets	**(43)**	**2**	**(8)**	-	(37)
Provisions for employee benefits	9	4	6	(3)	2
Allowances for doubtful trade receivables	41	38	2	-	1
Fair value of financial instruments	(16)	(1)	12	-	(27)
Provision for contingencies and others	37	0	5	-	32
	28	**43**	**17**	**(3)**	**(29)**

Reconciliation of Deferred tax assets (net):

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Balance	**(29)**	**28**
Deferred tax income / (expense) during the period recognised in the Statement of Profit or Loss	15	(17)
Deferred tax income / (expense) during the period recognised in the Statement of Other Comprehensive Income	(1)	3
Less: Deferred tax assets transferred pursuant to scheme of amalgamation	-	(43)
Closing balance	**(15)**	**(29)**

Note: The Company 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.

Notes to Financial Statements

for the year ended March 31, 2021

6B. Income tax assets (net), Current tax liabilities (net) and Current tax expense

(₹ in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance payment of tax (net of provision for income tax)	65	61

Major components of income tax expense for the year

Income Tax recognised in profit and loss

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	**17**	**1**
In respect of prior years	-	1
	17	2
Deferred tax	(15)	17
In respect of the current year	(15)	17
Total income tax expense recognised in the Statement of Profit and Loss	**2**	**19**

(1) The reconciliation of estimated income tax expense at Indian Statutory income tax rate to income tax expense reported in Statement of Profit or Loss

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	**(3)**	**(13)**
Indian Statutory income tax rate	25.168%	25.168%
Income tax expense	(1)	(3)
Effect of income that is exempt from taxation	-	(3)
Effect of expenses that are not deductible in determining taxable profit	1	11
Effect on deferred tax balance due to change in tax rate *	-	8
Earlier year tax provision	-	1
Others	2	5
Income tax expense recognised in the Statement of Profit and Loss	**2**	**19**

* The deferred tax expenses has been created based on the substantively enacted tax rate of 25.168% by Union Budget 2019.

(2) Income tax recognised in other comprehensive income

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Arising on income and expenses recognised in other comprehensive income:		
Re-measurement of the defined benefit obligations	(1)	3
Total income tax recognised in other comprehensive income	**(1)**	**3**
Bifurcation of the income tax recognised in other comprehensive income into:		
- Items that will not be reclassified to profit or loss	(1)	3
- Items that will be reclassified to profit or loss	-	-
	(1)	**3**

Notes to Financial Statements

for the year ended March 31, 2021

8. OTHER ASSETS

(₹ in million)

		Non- Current		Current	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
1)	Advances paid to Suppliers	-	-	14	5
2)	Capital Advances	2	3	-	
3)	Prepaid Expenses	-	-	3	4
4)	Balances with Government Authorities				
	(a) Export Benefits Receivable	-	-	40	32
	(b) Others (GST, VAT, Excise etc Receivable)	21	50	200	141
	TOTAL	**23**	**53**	**257**	**182**

Balances with Government Authorities includes amount of ₹ 21.34 Millions (March 31, 2020 ₹ 21.34 Millions) deposited with Excise Duty authorities under protest.

9. INVENTORIES

(At lower of cost and net realisable value)

(₹ in million)

		As at March 31, 2021	As at March 31, 2020
1)	Raw Materials	217	130
2)	Work-in-progress	125	54
3)	Finished Goods [Including Stock-in-Transit ₹ Nil [(As at March 31, 2020 : ₹ 3 Millions]	44	56
4)	Packing Material and Stores and Spares (including Fuel)	72	7
	TOTAL	458	247

10. TRADE RECEIVABLES

(₹ in million)

	As at March 31, 2021	As at March 31, 2020
Secured, Considered Good	-	-
Unsecured - Considered Good	558	259
Trade receivable - credit impaired	5	4
Less: Allowances for doubtful trade receivables (including Expected credit loss) (Refer Note 38)	(5)	(4)
TOTAL	**558**	**259**

1. No trade or other receivables 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.
2. For related party receivables (Refer Note 30).
3. Trade receivables are non-interest bearing and are generally on terms of 90 Days.
4. Of the trade receivables balance as above; ₹ 373 Millions as at March 31, 2021 (₹ 110 Millions as at March 31, 2020) is due from two customers (Previous year one customer). There are no other customers who represent more than 5% of the total balance of trade receivables.

Notes to Financial Statements

for the year ended March 31, 2021

11. CASH AND CASH EQUIVALENTS

(₹ in million)

		Non-current		Current	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
1)	Cash and Cash Equivalents	-	-	-	0
	(a) Cash on Hand				
	(b) Balance with Banks:				
	In current accounts	-	-	25	7
	In EEFC accounts	-	-	30	27
	Deposits with original maturity less than 3 months	-	-	1	9
		-	**-**	**56**	**43**
2)	Other Bank Balances:				
	(a) Deposits with maturity for more than 12 months	0	0	-	-
	(b) Deposits with maturity for more than 3 months but less than 12 months	-	-	10	2
		0	**0**	**10**	**2**
	Amount disclosed under Non-current - Other Financial Assets (Refer Note 6)	0	0	-	-
	TOTAL	**-**	**-**	**66**	**45**

12. INVESTMENTS

(₹ in million)

		As at March 31, 2021		As at March 31, 2020	
		Quantity (Units)	Amount	Quantity (Units)	Amount
1)	Investment in Mutual Funds				
	(At fair value through Profit and Loss)				
	- SBI Short Term Debt Fund - Direct Plan - Growth			2,48,20,726	599
	NAV as on March 31, 2021 : Nil unit				
	(As at March 31, 2020 : ₹ 24.13 per unit)				
	- SBI Short Term Debt Fund - Direct Plan - Growth Fund	4,373	21		
	NAV as on March 31, 2021 : ₹ 4718.97 per unit				
	(As at March 31, 2020 : ₹ 3109.02.13 per unit)				
	TOTAL	**4,373**	**21**	**2,48,20,726**	**599**

13. EQUITY SHARE CAPITAL

(₹ in million)

	As at March 31, 2021	As at March 31, 2020
Authorised:		
16,500,000 (As at March 31 ,2020: 16,500,000)	165	165
	165	**165**
Issued, Subscribed and Fully Paid-up:		
14,862,903 (March 31,2020: 14,862,903) Equity Shares of ₹ 10 each fully paid-up	149	149
	149	149

a) The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share and entitled to dividend that may be declared by the board of directors, which is subject to the approval of the shareholders in the Annual General Meeting.

Notes to Financial Statements

for the year ended March 31, 2021

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Details of shares held by the Holding Company and each shareholder holding more than 5% shares:

Equity shares with voting rights	As at March 31, 2021	As at March 31, 2020
	No. of Shares (% holding)	No. of Shares (% holding)
PI Industries Ltd - the Holding Company along with nominees	1,48,62,903	1,48,62,903
	100%	100%

c) Reconciliation of the number of shares outstanding

	As at March 31, 2021	As at March 31, 2020
	No. of shares	No. of shares
Opening balance of Equity shares	1,48,62,903	1,48,62,903
Changes during the year	-	-
Closing balance of Equity shares	**1,48,62,903**	**1,48,62,903**

d) In previous five years the Company has not issued any bonus shares nor are there any shares bought back and issued for consideration other than cash.

14. OTHER EQUITY

(₹ in million)

		As at March 31, 2021	As at March 31, 2020
1)	**Securities Premium**	**-**	**552**
	Less: Adjustment pursuant to scheme of arrangement (refer note no. 39A)	-	(552)
		-	**-**
2)	**Capital Redemption Reserve**	**11**	**11**
3)	**Retained Earnings:**		
4)	Opening balance	1,495	2,312
	Add: Profit/(loss) for the year	(5)	(31)
	Less: Adjustment pursuant to scheme of arrangement (refer note no. 39A)	-	(779)
	Add: Other Comprehensive Income for the year	5	(7)
	Closing balance	**1,495**	**1,495**
	TOTAL	**1,506**	**1,506**

Notes

(1) Security premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(2) Capital Redemption reserve is created when a company buys its own equity share. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(3) 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.

Notes to Financial Statements

for the year ended March 31, 2021

15. PROVISIONS

(₹ in million)

	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits				
Provision for compensated absences (Refer Note 31)	-	-	1	2
Provision for Gratuity (Refer Note 31)	5	7	2	3
	5	**7**	**3**	**5**
Provisions - Others				
Others	-	-	128	128
	-	**-**	**128**	**128**
TOTAL	**5**	**7**	**131**	**133**

16. TRADE PAYABLES

(₹ in million)

	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises (Refer note no. 28)	74	8
Total outstanding dues other than micro enterprises and small enterprises	253	87
TOTAL	**327**	**95**

17. OTHER FINANCIAL LIABILITIES

(₹ in million)

		Non- Current		Current	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
1)	Security Deposits	1	1	-	-
2)	Payables on purchase of property, plant and equipment	-	-	47	2
3)	Contractually Reimbursable Expenses (Refer Note no. 30)	-	-	1	-
4)	Other Liabilities	-	-	48	44
5)	Payable to related party (Refer Note no. 30)	-	-	728	-
	TOTAL	**1**	**1**	**824**	**46**

18. OTHER CURRENT LIABILITIES

(₹ in million)

		As at March 31, 2021	As at March 31, 2020
1)	Advances from Customers	0	2
2)	Other Liabilities		
	(a) Statutory Liabilities (Contribution to PF, Withholding Taxes, Excise Duty, GST, Service Tax etc.)	8	3
	(b) Other Liabilities	0	0
	TOTAL	**8**	**3**

Notes to Financial Statements

for the year ended March 31, 2021

19. REVENUE FROM OPERATIONS

(₹ in million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(1)	Sale of Products	886	2,629
(2)	Other Operating Revenue [Refer Note (i) below]	378	53
	TOTAL	**1,264**	**2,682**
(i)	**Other operating revenue**		
	Duty Drawback and other Export Incentives	25	32
	Sale of Scrap	19	15
	Others:		
	- Cash Discount Received	0	1
	- Miscellaneous sales	19	5
	- Processing Charges	315	-
	Total Other Operating Revenue	**378**	**53**

19.1 Disaggregated revenue information

(i) Revenue from opeartions

(₹ in million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Products	1,264	2,682

19.2 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

(₹ in million)

	As at March 31, 2021 No. of shares	As at March 31, 2020 No. of shares
Contract assets		
Trade receivables	558	259
Contract liabilities		
Advances from customers	**0**	2

20. OTHER INCOME

(₹ in million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(1)	Interest Income earned on Financial Asset that are not designated at fair value through profit or loss comprises:		
	Interest from banks on deposits (at amortised cost)	5	1
	Interest from other financial assets (at amortised cost)	9	1
(2)	Dividend Income from Current Investments	-	13
(3)	Net Gain on Foreign Exchange	-	10
(4)	Other gains and losses (net)		
	Net gain arising on financial assets designated at FVTPL	17	58
	Others	9	0
	TOTAL	**40**	**83**

Notes to Financial Statements

for the year ended March 31, 2021

21. COST OF RAW MATERIALS CONSUMED

(₹ in million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Stock	**130**	**389**
Add: Purchases	927	1,479
	1,057	**1,868**
Less: Closing Stock	311	130
Less Inventory transfer pursuant to the scheme of arrangement (Refer Note no. 39A)	-	118
TOTAL	**746**	**1,620**

22A. PURCHASE OF STOCK-IN-TRADE

(₹ in million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Formulations	-	93
Technical	3	37
TOTAL	**3**	**130**

22B. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	**Inventories at the end of the year**		
	Finished Goods	44	56
	Work-in-Progress	125	53
		169	**109**
(b)	Inventories at the beginning of the year		
	Finished Goods	56	435
	Work-in-Progress	53	57
		109	**492**
	Less Inventory transfer pursuant to the scheme of arrangement (Refer Note no. 39A)	-	272
	Net decrease / (increase)	**(60)**	**111**

23. EMPLOYEE BENEFITS EXPENSE

(₹ in million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Salaries and wages	133	249
(b)	Casual wages	62	64
(c)	Contribution to:		
	Provident Fund and Family Pension Fund	7	11
	Superannuation Fund	1	4
	Gratuity Fund (Refer Note 31)	6	10
(d)	Staff Welfare Expenses	21	14
	TOTAL	**230**	**352**

Notes to Financial Statements

for the year ended March 31, 2021

24. FINANCE COSTS

(₹ in million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(1)	Interest costs:		
	(a) On Bank Overdrafts	-	0
	(b) Others		
	- Lease Interest Cost	-	4
	- Other Interest	3	4
		3	**8**

25. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(1)	Depreciation on Property, Plant & Equipment (Refer Note 3)	35	25
(2)	Amortisation on Intangible Assets (Refer Note 4)	1	1
(3)	Amortisaztion on right to use Assets	-	15
	TOTAL	**36**	**41**

26. OTHER EXPENSES

(₹ in million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(1)	Consumption of Stores and Spare Parts	14	4
(2)	Power and Fuel	117	80
(3)	Freight and Forwarding	13	55
(4)	Rent including Lease Rentals	-	4
(5)	Rates and Taxes	7	48
(6)	Insurance Charges	10	8
(7)	Repairs and Maintenance on:		
	- Machinery	64	13
	- Buildings	11	1
(8)	Advertisement and Sales Promotion	-	16
(9)	Effluent / Waste Disposal Exp A/C	63	19
(10)	Travelling and Conveyance	1	65
(11)	Legal & Professional Fees	13	53
(12)	Payments to Auditors	2	2
(13)	Bad Trade Receivables written off	-	45
(14)	Expenditure on Corporate Social Responsibility (Refer Note 33)	5	42
(15)	Provision for doubtful trade receivables	1	15
(16)	Loss on property, plant and equipments sold/scrapped/written off	-	2
(17)	Miscellaneous Expenses	28	44
	TOTAL	349	516

Notes to Financial Statements
for the year ended March 31, 2021

Note 27. Contingent liabilities and commitments (to the extent not provided for)

(₹ in million)

		As at March 31, 2021	As at March 31, 2020
(i)	Contingent liabilities:		
	Claims against the Company not acknowledged as debt - Income Tax, Excise on Siapton and Excise Duty on Rapigro	275	279
(ii)	Commitments:		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	21	27
(iii)	Other commitments	-	-
	Guarantees excluding financial guarantees; Performance Bank Guarantees	3	2

Note 28. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Total outstanding dues of Micro and Small Enterprises, which are outstanding for more than the stipulated period are given below:

(₹ in million)

		As at March 31, 2021	As at March 31, 2020
(a)	The principal amount remaining unpaid to suppliers as at the end of accounting year	74	8
(b)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(c)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(d)	The amount of interest due and payable for the year	3	-
(e)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
	TOTAL	**77**	**8**

Dues to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED Act, 2006) have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note 29. Earning per share (EPS)

(₹ in million)

	UOM	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit after tax	**Rupees in Millions**	**(5)**	**(32)**
Weighted Average No. of Equity Shares outstanding during the year	**Number**	1,48,62,903	1,48,62,903
Basic and Diluted Earning Per Share	**Rupees**	(0.31)	(2.12)
Face Value per Equity Share	**Rupees**	**10.00**	**10.00**

Notes to Financial Statements

for the year ended March 31, 2021

Note 30. Related party transactions:

(A) Names of related parties and description of related party relationship

I.	Holding Company	PI Industries Ltd (After business hour on December 27th, 2019)
		Isagro Spa(Upto December 27th, 2019)
II.	Fellow subsidiary companies	PI Life Science Research Ltd
		PILL Finance and Investment Ltd.
		Jivagro Limited (Incorporated on December 12, 2019)
		PI Japan Co. Ltd.
		PI Fermachem Pvt Ltd (w.e.f September 11, 2020)
		PI Enzachem Pvt Ltd (w.e.f September 11, 2020)
III.	Joint venture of holding Company	PI Kumiai Private Limited
IV.	Key Management Personnel	Mr. Anil Inani Executive Director
		Mr. K. N. Chandrasekaran - Managing Director (upto December 27, 2019)
		Mr. Devender Kumar Vasal - Non Executive Chairman (upto December 27, 2019)
		Mr. Giorgio Basile - Director (upto December 27, 2019)
		Mr. Ruggero Gambini - Director (upto December 27, 2019)
		Mr. Davide Ceper - Director (upto December 15, 2019)
		Mr. Francesco Sasso - Director (upto December 27, 2019)
		Dr. Raman Ramachandran - Non Executive Chairman w.e.f December 27, 2019
		Dr. T.S Balganesh - Non Executive Independent Director w.e.f December 27, 2019
		Mr. Subhash Chand Anand - Non Executive Director upto from December 27, 2019 to August 18, 2020
		Mr. Shankar Ramamurthy - Non Executive Director w.e.f December 27, 2019
		Mr. Davide Grossi - Chief Financial Officer relieved December 27, 2019
		Ms. Alpana Parida Shah - Non Executive Independent Director
		Mr. Surender Singh Rathore - Chief Financial Officer from December 28, 2019 to January 27, 2021
		Ms. Karishma Patel - Company Secretary
		Mr. Jitendra Mehta - Chief Financial Officer w.e.f. January 28,2021.

Notes to Financial Statements

for the year ended March 31, 2021

(B) Details of related party transactions during the year:

(₹ in million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Holding Company (Isagro SpA upto December 27, 2019)		
Sales of Finished Goods	-	384
Purchase of Raw Materials	-	136
Purchase of Packing Materials	-	0
Commission on Sale Received	-	6
Reimbursement of expenses received	-	13
Reimbursement of expenses paid	-	3
Commission on Sale Paid	-	1
Holding Company (PI Industries Ltd from December 27, 2019)		
Sale of Goods/Services	369	-
Purchase of Goods/Services	225	-
Key Management Personnel		
Mr. K. N. Chandrasekaran		
Managerial Remuneration	-	12
Mr. Devender Kumar Vasal		
Remuneration to Director	-	1
Mr. Anil Inani		
Remuneration to Director	7	7
Ms. Karishma Patel		
Remuneration to Company Secretary	1	2
Mr. Davide Grossi		
Remuneration to CFO	-	4
Mr. Jitendra Mehta		
Remuneration to CFO	1	-
Mr. Ramamurthy Sankar		
Director sitting Fees	0	-
Ms. Alpana Parida Shah		
Director sitting Fees	0	-
Mr. Tanore Balganesh		
Director sitting Fees		

(C) Details of related party balances outstanding as at year end:

Particulars	As at March 31, 2021	As at March 31, 2020
Holding Company		
Trade and Other Receivables	296	-
Trade and Other Payables	23	5
Fellow Subsidiary Company		
Jivagro Limited		
Amount payable on account of scheme of arrangement	728	-
Amount receivable on account of scheme of arrangement	-	141

(D) Terms and conditions of transactions with related parties:

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

(E) The services rendered to and from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees

Notes to Financial Statements

for the year ended March 31, 2021

provided or received for any related party receivables or payables. For the year ended March 31, 2021, the Company 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.

Note 31. Disclosures for Employee Benefits

a. Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity payout per the Payment of Gratuity Act, 1972. The scheme is funded with Life Insurance Corporation of India in the form of qualifying insurance policy for future payout of gratuity of the employees. Each year the management reviews the level of funding in the gratuity fund. Such review includes the asset - liability matching strategy. The management decides its contributions based on the results of this review. The management aims to keep annual contributions relatively stable at a level such that no plan deficit (based on valuation performed) will arise.

The plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, liquidity risk and salary escalation risk.

a) Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in insurer managed funds.

b) Interest rate risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in the Financial Statements).

c) Liquidity risk

This is the risk that the Company is not able to meet the short-term gratuity pay outs. This may arise due to non availability of enough cash / cash equivalents to meet the liabilities or holding of liquid assets not being sold in time.

d) Salary escalation risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2021 by M/s. Charan Gupta Consultants Pvt Ltd. Consultants and Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(₹ in million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
i	**Expense recognized in Statement of Profit and Loss for the year (included in Note 23 Employee Benefits Expense)**		
	Service cost:		
	Current service cost	5	8
	Past service cost and loss/(gain) on curtailment and settlement	-	-
	Net interest cost	1	2
	Total Expense charged to Statement of Profit and loss	**6**	**10**
ii	**Expense / (Income) of Gratuity recognized in Other Comprehensive Income for the year**		
	Components of actuarial losses / (gains) on obligations		
	Due to changes in financial assumptions	0	3
	Due to changes in demographic assumptions	0	1
	Due to changes in experience adjustments	-	6

Notes to Financial Statements

for the year ended March 31, 2021

		For the year ended March 31, 2021	For the year ended March 31, 2020
	Return on plan assets excluding amounts included in Interest income	(6)	(0)
	Total Expense / (Income) recognised in Other Comprehensive Income	**(6)**	**10**
iii	**Reconciliation of defined benefit obligation**		
	Opening Balance of defined benefit obligation	44	67
	Acq adjsutment	-	(38)
	Transfer in / (out) of obligation		-
	Current service cost	6	8
	Interest cost	3	4
	Actuarial loss / (gain) due to changes in financial assumptions	0	3
	Actuarial loss / (gain) due to changes in demographic assumptions	0	0
	Actuarial loss / (gain) due to changes in experience adjustments	(6)	6
	Past service cost	-	-
	Benefits paid	(4)	(6)
	Closing Balance of defined benefit obligation as at year end	**43**	**44**
iv	**Reconciliation of fair value of plan assets**		
	Opening balance of plan assets	34	43
	Acquistion adjustment	-	(28)
	Interest income	2	2
	Return on plan assets excluding amounts included in Interest income	-	0
	Contribution of employer	4	22
	Benefits paid	(4)	(5)
	Closing Balance of plan assets as at year end	**36**	**34**

(₹ in million)

		As at March 31, 2021	As at March 31, 2020
v	**Funded status:**		
	Present value of Defined benefit obligation	43	44
	Fair value of plan assets	36	34
	Deficit / (Surplus) of plan assets over obligation	**7**	**10**

vi Category of plan assets

(₹ in million)

	As at March 31, 2021	As at March 31, 2020
Insurance fund with Life Insurance Corporation of India (LIC)	**100%**	**100%**

(Note: Due to absence of data provided by Life Insurance Corporation of India, break-up of plan assets (asset allocation) in insurer managed funds have not been furnished.)

Notes to Financial Statements

for the year ended March 31, 2021

vii The principal assumptions used in determining above defined benefit obligations for the Company's plan are as under:

(₹ in million)

	As at March 31, 2021	As at March 31, 2020
Discount Rate	6.43%	6.59%
Expected rate of increase in salary	10.00%	10.00%
Attrition rates	10.00%	10.00%
Mortality Rates	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2006-08) Table
Expected return on plan assets	6.43%	6.59%

(Notes:

1. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

2. Interest income on plan asset is a component of the return on plan asset and is determined by multiplying the fair value of the plan assets by the discount rate specified in para 83, both as determined at the start of the annual reporting period, taking account of any changes in the plan assets held during the period as a result of contributions and benefit payments.

3. The estimate of future salary increase, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.)

viii Projected Benefits Payable in Future Years From the Date of Report

(₹ in million)

	As at March 31, 2021	As at March 31, 2020
1st Following Year	7	16
2nd to 5th following Year	17	30
Sum of Years 6 and above	**19**	**81**

ix Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below.

Impact on defined benefit obligation

(₹ in million)

	As at March 31, 2021	As at March 31, 2020
Discount Rate		
0.50% increase	(1)	(4)
0.50% decrease	1	5
Expected rate of increase in salary		
0.50% increase	1	4
0.50% decrease	(1)	(4)

Note:

1. The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

2. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is same as that applied in calculating the defined benefit obligation recognised in the Balance Sheet.

Notes to Financial Statements

for the year ended March 31, 2021

Long term compensated absences

b. The provision for long term compensated absences covers the Company's liability for earned leave, the amount of provision recognised is ₹1 (March 31, 2020 Rs.2).

Defined Contribution Plans

c. The Company makes Provident and Family Pension Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The Company has recognised provident and family pension fund contribution of ₹ 7 (March 31, 2020 ₹ 11) and superannuation fund contribution of ₹ 1 (March 31, 2020 ₹ 4) as expense in Note 23 under the head 'Contributions to : Provident Fund and Family Pension Fund and Superannuation Fund'.

Note 32. Segment Information

The Company has its production units engaged in the manufacture of Pesticides and is also engaged in trading of Pesticides, which operate in economic environments which are not significantly different from each other. Accordingly, the Chief Operating Decision Maker monitors the operating results of both together for the purpose of making decision about resource allocation and performance assessment. Thus there are no separate reportable segments in terms of the requirements of Ind AS 108 "Operating Segments" as notified under section 133 of the Companies Act, 2013.

(a) Revenue from operations:

(₹ in million)

	India	Outside India	Total
For the year ended March 31, 2021	447	816	1,264
For the year ended March 31, 2020	1,839	843	2,682

(b) Non-current operating assets

All Non-current assets of the Company are located in India.

Note 33. Corporate Social Responsibility

The aggregate amount of expenditure incurred during the year on Corporate Social Responsibility is ₹ 5 for the year ended March 31, 2021 (Previous year ended March 31, 2020: ₹ 42).

(₹ in million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross amount required to be spent by the Company during the year	**5**	**42**
Amount spent during the year:		
(i) Construction / acquisition of any asset		
In cash	-	-
Yet to be paid in cash	-	-
Total	-	-
(ii) On purposes other than (i) above		
In cash	5	10
Yet to be paid in cash #	-	**32**
Total	**5**	**42**

Paid in current year

Notes to Financial Statements

for the year ended March 31, 2021

Note 34. Working capital facility

Working capital facilities (outstanding as at March 31, 2021 – NIL and as at March 31, 2020 – ₹ Nil).

The sanctioned limit of non fund based facility (against security of FDR) facility is as under:

(₹ in million)

	As at March 31, 2021	As at March 31, 2020
Non Fund Based facilities		
-amount used	74	80
-amount unused	**76**	-

Note 35. Details of hedged and unhedged exposure in foreign currency denominated monetary items

The Company enters into forward exchange contracts to hedge against its foreign currency (FC) exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes . (Refer Note 38(iv))

The Foreign currency exposure hedged and unhedged as at the reporting date are as under:-

(₹ in million)

	Currency	As at March 31, 2021		As at March 31, 2020	
		FC	₹	FC	₹
(i) Amounts receivable in foreign currency					
Trade Receivables	USD	4	259	3	200
Trade Receivables	Euro	-	-	0	21
Receivables - Others	USD	0	8	0	6
Receivables - Others	Euro	0	0	0	1
Receivable - EEFC Account	USD	0	30	0	1
Receivable - EEFC Account	Euro	-	-	1	27
Total Receivables (A)	**USD**	**4**	**298**	**3**	**207**
Total Receivables (A)	**Euro**	**0**	**0**	**1**	**49**
Hedged by derivative contracts (B)	USD	-	-	-	-
Hedged by derivative contracts (B)	Euro	-	-	-	-
Unhedged Receivables (C=A-B)	USD	4	298	3	207
Unhedged Receivables (C=A-B)	Euro	0	0	1	49
(ii) Amounts payables in foreign currency					
Trade Payable	USD	1	88	1	37
Trade Payable	Euro	-	-	-	-
Trade Payable	AED	-	-	0	1
Other current financial liabilities	Euro	-	-	-	-
Other current financial liabilities	USD	0	1	-	-
Total Payables (D)	USD	1	89	1	37
Total Payables (D)	Euro	-	-	-	-
Total Payables (D)	AED	-	-	0	1
Hedged by derivative contracts (E)	USD	-	-	-	-
Unhedged Payables (F=D-E)	USD	1	89	1	37
Unhedged Payables (F=D-E)	Euro	-	-	-	-
Unhedged Payables (F=D-E)	AED	-	-	0	1

Notes to Financial Statements

for the year ended March 31, 2021

Note 36. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Cash required for operations is managed through internal accounts.

Note 37. Financial instruments – Fair values and risk management

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the Financial Statements.

A. Category-wise classification of financial instruments

(₹ in million)

	Note No.	Carrying amount	
		As at March 31, 2021	As at March 31, 2020
Financial assets			
Measured at amortized cost			
(1) Cash and cash equivalents	10	56	43
(2) Bank Balances other than (1) above	10	10	2
(3) Trade Receivables	9	558	259
(4) Loans	4	26	23
(5) Other Financial Assets	5	1	147
Measured at fair value through profit or loss (FVTPL)			
(1) Investments	11	21	599
Financial liabilities			
Measured at amortized cost			
(1) Trade Payables	16	327	95
(2) Other Financial Liabilities	17	824	46
(3) Borrowings	15	-	-

B. Measurement of fair values & Sensitivity Analysis

i) Valuation techniques and significant unobservable inputs

Fair Value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments measured at fair value

Financial assets / Financial liabilities	Fair Value as at		Fair Value hierarchy	Significant Observable input(s)
	March 31, 2021	March 31, 2020		
Investments in Mutual Funds at FVTPL (quoted)	**21**	**599**	**Level 1**	**NAV statement provided by the fund manager**

Notes to Financial Statements

for the year ended March 31, 2021

Investment in mutual funds are valued based on Net Asset Value (NAV) reports issued by respective fund manager.

Financial Instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Note 38. Financial risk management objectives and policies

Risk management framework

The Company's Board of Directors meets for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk threshold, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk
- Foreign Exchange Risk

i. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

a) Trade and other receivables

The Company has a credit policy and extends credit to its customers based on customer's credit worthiness, ability to repay, and past track record. The extension of credit is constantly monitored through a review mechanism.

The concentration of credit risk is limited in domestic market due to the fact that the customer base is large and unrelated. The Company's exports are mainly carried out in countries which have stable economic conditions, where the concentration is relatively higher, however the credit risk is low as the customers have good credit ratings.

The Company computes an allowance for impairment of trade receivables based on a simplified approach, that represents its expected credit losses. The Company uses an allowance matrix to measure the expected credit loss of trade receivables. Loss rates are based on actual credit loss experienced over the past 3 years. These loss rates are adjusted by considering the available, reasonable and supportive forward looking information.

During the year 2020-21 and 2019-20, there is a provision of ₹ 1 and ₹ 4 respectively. Movement in expected credit loss allowance is given as follows:

(₹ in million)

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	4	-
Provision made during the year	1	4
Utilise during the yar	-	-
Writte back during the year	-	-
Balance at the end of the year	**5**	**4**

Notes to Financial Statements

for the year ended March 31, 2021

b) Other financial assets

The credit risk from balances/deposits with Banks, current investments and other financial assets are managed in accordance with company's policy. Investment of surplus funds are primarily made in Liquid/Short Term Plan of Mutual Funds and in Bank Deposits which carry a high external rating. The Company's maximum exposure to the credit risk for the component of Balance Sheet as at March 31, 2021 and March 31, 2020 is the carrying amounts of each class of financial asset.

ii. Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company prepares a detailed plan to assess both short term as well as long term fund requirements. Detailed month-wise cash flow forecast is also carried out to determine the working capital and other long-term fund requirements. The Company funds both these requirements through internal accruals. The Company is debt free as on current reporting date.

Exposure to liquidity risk

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment and realisation periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay and realise.

(₹ in million)

March 31, 2021	Contractual cash flows		
	Carrying amount	Less than 1 year	More than 1 year
Non-derivative financial liabilities			
Trade payables	327	327	-
Other financial liabilities	825	825	-

(₹ in million)

March 31, 2020	Contractual cash flows		
	Carrying amount	Less than 1 year	More than 1 year
Non-derivative financial liabilities			
Trade payables	95	95	-
Other financial liabilities	47	46	1

The Company does not have any derivative financial liability as at the reporting date.

iii. Market risk

Market Risk is the risk that the fair value of the future cash flow will fluctuate because of changes in the market prices such as interest rate risk, Equity Price risk and Foreign Exchange Rate Risk.

The Company seeks to minimize the effect of these risks. The Company does not enter into or trade financial instruments including derivatives for speculation purposes.

(iv). Foreign currency risk

The Company operates in the global market and is, therefore, exposed to foreign exchange risk arising from foreign currency transactions i.e. exports and imports, primarily with respect to USD and EURO. As these transactions are recorded in currency other than functional currencies (INR), the company is exposed to foreign exchange risk arising from future commercial transactions and recognized assets and liabilities. The company is a net exporter and it manages its forex exposure by regularly monitoring and taking appropriate forward covers from the bank.

Notes to Financial Statements

for the year ended March 31, 2021

Foreign Currency Sensitivity analysis

The currency profile of financial assets and financial liabilities as at March 31, 2021 is as below:

Particulars	Impact on Profit before tax for the year ended		Impact on Pre-tax Equity for the year ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
USD Sensitivity (₹ / $)				
Increase by 5%	10	8	10	8
Decrease by 5%	(10)	(8)	(10)	(8)
Euro Sensitivity (₹ / €)				
Increase by 5%	0	2	0	2
Decrease by 5%	(0)	(2)	(0)	(2)
AED Sensitivity (₹ / AED)				
Increase by 5%	-	0	-	0
Decrease by 5%	-	0	-	0

39 Scheme of arrangement and accounting treatement

A. Scheme of arrangement with Jivagro Limited (Jivagro)

The Company has entered into scheme of arrangement with Jivagro which was duly approved by Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated March 18, 2021. The certified copy of the order was received by the Company on April 06, 2021 which was filed by the Company in ROC on May 4th, 2021.

Pursuant to this, book value of all the assets and liabilities as at December 27, 2019 (i.e. Appointed date) in the books of the Company pertaining to Domestic B2C vertical (which is fully described in para B(i) of the approved scheme) got demerged to Jivagro Limited. The shareholders of the Company as on record date (to be fixed) shall recieve 10 equity shares of ₹ 10 each fully paid up for every 1 equity share of ₹ 10 each held by them in the Company.

In lieu of purchase consideration, 14,86,29,030 equity shares of ₹ 10 each fully paid up shall be received by the shareholders of the Company as on record date (to be fixed) by the Company.

The following accounting treatment have been done in the books of the Company as defined in duly approved Scheme of arrangement-

(1) Book value of all the assets and liabilities pertaining to Domestic B2C vertical as appearing in the books of accounts of the Company as at December 27, 2019 were reduced from the books value of assets and liabilities of the Company as appearing immediately before Appointed Date (i.e. December 27, 2019).

(2) All inter-company balances and obligations (including deposits, loans and advances, outstanding balances or other obligations) between the Company and Domestic B2C vertical of demerged Company were cancelled.

(3) The difference between the book value of the assets and liabilities transferred to the resulting Company as on appointed date have been adjusted firstly from Securities premium account to the extent available and balance was adjusted from General Reserves

Summary of book value of Assets and liabilities pertaining to Domestic B2C vertical demerged by the Company as on the appointed date (i.e., December 27, 2019) to Jivagro are as follows:-

Particulars	(₹ in million)
Assets	
Non-current assets	
Property, plant and equipment	63
Financial assets	
- Loans	9
Deferred tax assets	43
Total non-current assets	**115**

Notes to Financial Statements

for the year ended March 31, 2021

Particulars	(₹ in million)
Current assets	
Financial assets	
- Inventories	419
- Trade receivables	890
- Cash and cash equivalents	41
- Investments	451
- Loans	8
Other Current assets	2
Total current assets	**1,811**
Total Assets	**1,926**
Liabilities	
Non- current liabilities	
-Other Financial liabilities	62
-Lease liabilities	28
-Provisions	6
Total non- current liabilities	**96**
Current liabilities	
Financial liabilities	
- Trade payables	212
Other financial liabilities	226
Lease liabilities	19
Other current liabilities	35
Provisions	7
Total current liabilities	**499**
Total liabilities	**595**
Excess of assets over liabilities transferred	**1,331**
Adjusted from securities premium account	552
Adjusted from retained earnings	779

B. Scheme of amalgamation with PI Industries Limited

The Company has entered into a scheme of amalgamation with their holding Company PI Industries Limited (""PIL""). According to the scheme, the Company shall stand Merged with PIL once scheme is approved by shareholders, creditors, National Company Law Tribunal (NCLT) and other regulatory authorities as applicable. The Company has filed the petition for merger before NCLT. The Company is waiting for final Order.Pending NCLT Approval, Impact of the above mentioned scheme has not been considered in these financial statements.

Note 40: Leases

The Company has lease contracts for Land and Office premises used in its operations. Leases of land and office premises have lease terms for land is 99 years and office premises generally have lease terms between 1 and 5 years. Generally, the Company is restricted from assigning and subleasing the leased assets. Further, after implementation of effect of scheme from effective date w.e.f appointed date the Company has transferred all the lease assets except leasehold Land.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Notes to Financial Statements

for the year ended March 31, 2021

Particulars	Land	Office
Cost		
Right to Use	-	-
As on April 1, 2019	36	59
Additions	-	-
Deletions	-	-
Transfer pursuant to scheme of arrangement as on appointed date *	-	(59)
As at March 31, 2020	**36**	**-**
Additions	**-**	**-**
Disposal	-	-
As at Mar 31, 2021	**36**	**-**
Accumulated Depreciation		
As at April 1, 2019	-	15
Amortization (Right to use)	0	-
Transfer pursuant to scheme of arrangement as on appointed date *	-	(15)
As at March 31, 2020	**0**	**-**
Amortization (Right to use)	0	-
As at March 31, 2021	**0**	**-**
Net Carrying Value		
As at March 31, 2021	**36**	**-**
As at March 31, 2020	**36**	**-**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2020-21	2019-20
Opening Balance	-	59
Additions	-	-
Accretion of interest	-	4
Payments	-	(17)
Transfer pursuant to scheme of arrangement as on appointed date *	-	46
Closing balance	**-**	**-**

The following are the amounts recognised in profit or loss:

	2020-21	2019-20
Depreciation expense of right-of-use assets	-	15
Interest expense on lease liabilities	-	4
Expense relating to short-term leases (included in other expenses)	-	-
Total amount recognised in profit or loss	-	19

* refer note 39A of the financial statements

Note 41 : Events occurring after the balance sheet date

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these financial statements.

As per our report of even date

For **S.S. Kothari Mehta & Company**
Chartered Accountants
Firm Reg. No. 000756N

Sd/-
Amit Goel
Partner
M. No. 500607

Place: Gurugram
Date: 10.05.2021

For and on behalf of the Board of Directors of
ISAGRO (ASIA) AGROCHEMICALS PRIVATE LIMITED

Sd/-
Dr. Raman Ramchandran
Directors
DIN: 00200297

Sd/-
Anil Inani
Director
DIN: 08127796

Sd/-
Jitendra Mehta
Chief Financial Officer

Sd/-
Karishma Patel
Company Secretary

Place:
Date: 10.05.2021