SIRCA PAINTS INDIA LIMITED
(Formerly known as Sircolor Wood Coatings Pvt. Ltd.)
Regd. office : Plot No-50, Badli Industrial Area, Phase-2, New Delhi-110042
011-42083083 / 47533213
info@sircapaints.com www.sircapaints.com
CIN NO : L24219DL2006PLC145092

Sirca® WOOD COATINGS (ITALY)

July 13th, 2021

TO,
LISTING DEPARTMENT
NATIONAL STOCK EXCHANGE OF INDIA LTD
EXCHANGE PLAZA, 5TH FLOOR, PLOT NO. C/1
G-BLOCK, BANDRA-KURLA COMPLEX, BANDRA (E)
MUMBAI – 400051

SUBJECT: ANNUAL REPORT OF SIRCA PAINTS INDIA LIMITED FOR THE FINANCIAL YEAR 2020-2021 ALONGWITH THE NOTICE OF THE 16TH ANNUAL GENERAL MEETING ("AGM").

REF: SYMBOL- SIRCA

Dear Sir/Ma'am,

Pursuant to **Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015** ("Listing Regulations"), please find enclosed Notice convening the **16th AGM and the Annual Report** of the Company for the **financial year 2020-21.**

In compliance with relevant circulars issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Notice convening the AGM and the Annual Report of the Company for the financial year 2020-21 has been sent to all the members of the Company whose email addresses are registered with the Company or Depository Participant(s).

The AGM of the Company will be held on **Friday, 06th August, 2021, at 12.30 p.m.** through Video Conferencing/ Other Audio Visual Means in accordance with the aforesaid circulars.

Further Pursuant to **Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")** notice of AGM along with the annual report for the financial year 2020-21 is also being made available on the website of the Company at: **www.sircapaints.com.**

This is for your information and records.
Yours faithfully,
Sirca Paints India Limited

For SIRCA PAINTS INDIA LIMITED
(Formerly Known as Sircolor Wood Coatings Pvt. Ltd.)
Company Secretary

Chahat Mahajan
Company Secretary & Compliance Officer
(Membership Number. 51255)

Encl: As above

Sirca Paints India Limited

Annual Report **2020-21**

Sirca
WOOD COATINGS (ITALY)

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Find out more online:
www.sircapaints.com

Or scan to visit:
www.sircapaints.com

The face of *Opportunity*

Turning opportunities into possibilities and possibilities into realities is imbibed deep in the genes of Sirca Paints India Limited. By constantly questioning ourselves and thinking about the opportunities, we are better prepared to embrace tomorrow.

Our strategies to continuously add new products, expand our reach, further fortify brand Sirca and nurture partnerships with OEMs is lending us the confidence to capitalise on upcoming opportunities. In a dynamic industry, we realise the importance of growing with the times. As a result, we are constantly blending our expertise with our deep understanding of the markets to introduce products that improve our acceptance and enable us to map a growth path for ourselves.

Our team of 390+ members turn opportunity into reality each day. In their hearts is the passion to create a market for our products, in their heads, is a strong commitment to build customer loyalty for something that is new, at their core, is a vision to become the most prominent paints & coatings brand in the country and in their hands is the capability to make contributions where they work.

A strong foundation backed by a robust business model, layered with a vast potential market, positions us well for delivering the next leg of value. We are prepared to make the most of the opportunities that lie ahead,from strengthening infrastructure and distribution network to creating brand awareness to investing in our people to expanding our value propositions and facing our future with confidence, we have what it takes to create long and lasting value for all our stakeholders.

At Sirca Paints India, we are excited to make the most of what lies ahead.

Forward looking Message

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

FY21 Highlights

143.18
REVENUE FROM OPERATIONS
(₹ IN CRORE)
↑ 6.0% Y-O-Y

21.81*
OPERATING PROFITS
(₹ IN CRORE)
↓ (31.4%) Y-O-Y

16.58
PROFIT AFTER TAX
(₹ IN CRORE)
↓ (34.1%) Y-O-Y

*Adjusted for net-loss of fire incident

COMPANY SNAPSHOT

Sirca *at a Glance*

Sirca Paints India Limited (SPIL) is among the country's leading manufacturers of wood coating products. With its history dating back to more than two decades, today, the company fulfils emerging aesthetic wood finishes needs of lakhs and adds extra mileage to India's growing furnishing market.

Sirca Paints India Limited (SPIL) is among the country's leading manufacturers of wood coating products. With its history dating back to more than two decades, today, the company fulfils emerging aesthetic wood finishes needs of lakhs and adds extra mileage to India's growing furnishing market. The company is engaged in the manufacturing, sales, and, soon enough, exports of wood coatings and other decorative paints under the brands Sirca, Unico, and others. With its newly commissioned manufacturing facility, SPIL is progressing to become a leading brand in the Indian wood coatings & paints market. The company is well-recognized for its hallmark - superior quality wood finishes. With a vision to have a global footprint, the company is working towards exporting its products to neighboring countries i.e., Nepal, Bangladesh, and Sri Lanka, that will be catered by its state-of-the-art manufacturing facility at Sonipat, Haryana.

A Committed Team

390+ team strength

"Our team is the face of our brand"

An Established Brand

Among the top **3 premium wood coatings brand** in India

Exclusive licensee of the globally renowned Sirca brand in India, Nepal, Bangladesh and Sri Lanka

5+ decade old Italian wood coatings brand

A Growing Presence

1,930*+ nodes in distribution network

- **13** branches and depots across key markets

- **2** manufacturing facilities

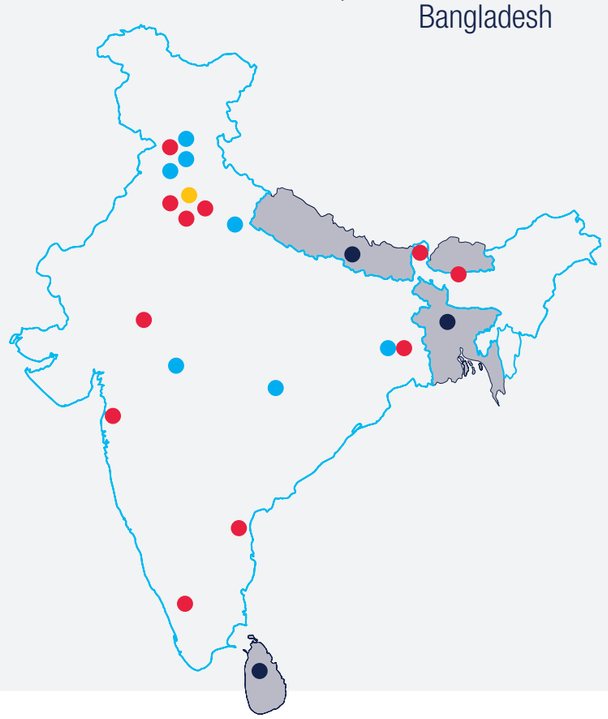
A **growing** pan-India presence; strongly coming up in South India

- **9 Sirca studios** facilitating superior customer experience

- Potential **export** markets - Nepal, Sri Lanka and Bangladesh

Preferred OEM vendor with a clientele of **300+** customers

920+ shop boards installed across the dealer network



*including OEMs

Sirca's Value *Proposition*

We deliver on our promise of 'Made in Italy', blended with quality, innovation, research and development to offer sophisticated and customised products and services.

SIRCA
Italian Wood, Metal and Glass Coatings

Sirca's core offering is the Italian wood coatings product range encompassing everything needed to protect and paint wood and alternative surfaces used in the furnishing and furniture accessories industry. These are specific products designed for industrial and handicraft use, which respond to the various problems encountered while painting furniture.

The product range includes Wood Stains, Polyurethane Polish (PU), Polyester (Lamination), Acrylic Finishes, UV Products, Wood Fillers, Wood Care Products, Handmade Effects, Special Effects, Additives, among others. Furthermore, Sirca offers bicomponent water-borne and solvent-borne pigmented topcoats to coat glass and produce various shades and effects. In addition, Sirca offers paints and coatings for metals, used for corrosion protection & artistic features. These products find application in both retail and industrial usage.

This premium range of products is positioned on the higher end of the price spectrum in the wood, glass, and metal coatings product category. These products are designed for aspiring consumers who are quality & health-conscious.

UNICO
Nitrocellulose (NC) and Melamine Wood Coating, Thinners

Recognizing the needs of the Indian market, the company decided to launch a completely new range of wood coatings products under the brand Unico. Indian markets have a massive appetite for Nitrocellulose and Melamine coatings. Albeit there has been a shift away from these products to the Polyurethane range of products globally in the last few years, there remains a vast consumer base for these products in India.

The brand positioning of products in the Unico range is distinguished from our Italian Sirca portfolio.

Our Unico offering aims to cater to the price-conscious consumer category. A strong R&D and technical know-how support from Sirca S.p.A (Italy) has helped us develop products with best-in-class quality at reasonable prices. As a result, we are confident that the Unico range of products will help us make inroads in price-conscious markets, ultimately allowing us to create a demand for our core Italian portfolio.

SIRCA
Wall Paints

The Company recently launched its wall paints product range with a select few premium category products in the portfolio. Within two years of the launch, this product category has successfully gained acceptance in the market and has generated a lot of interest from consumers. What initially began as a portfolio of 7 products has now expanded to 15 products. Sirca also offers white cement wall putty to complement its wall paint products.

Sirca's complete range of wall paints is water-based, non-toxic, non-flammable, harmless to health and the environment, and low in VOC. In compliance with Indian requirements and International standards, the Company's products are designed to recreate an ambiance with high sheen levels, smoothest finishes, and choices of multiple shades.

These paints have unmatched stain resistance, excellent coverage, and resistance against algae, fungal damage, positioning them as one of the best propositions in the markets.

SAN MARCO
Special Effects

In 2020, the Company announced an exclusive collaboration with San Marco Group to launch the world-renowned special effects leaders' product portfolio in India.

San Marco is a point of reference in the Paints & Varnish industry globally, known for its Special Effects product range. The brand offers exclusive creations that meet the needs of more advanced customizations and offer consumers the option to realize different visions for their home, defining their style, personality, and atmosphere.

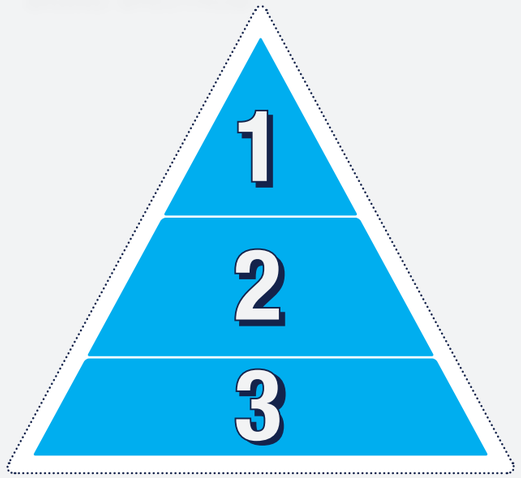
San Marco's product range will offer infinite possibilities to our consumers with a wide range of products, offering solutions from the most classical such as the Venetian plaster, to those contemporary playing on the refraction of light, or even the most innovative that reproduce concrete or oxidized metal effects. The Company intends to position San Marco as an exclusive offering that will be marketed as a service plus product offering.

DURANTEVIVAN
Adhesives

DuranteVivan specializes in adhesives for various uses that find application in the furniture, woodworking, paper, and PVC industries. Commitment to innovation and the ability to predict target market requirements has helped DuranteVivan become an industry leader in Italy and a gold standard in Europe. The Group is now leveraging this experience and credibility to cater to emerging markets.

The brand is more prominently known for its hot melt adhesives that find extensive application with furniture manufacturers. In its first phase of the launch, Sirca Paints is focusing on launching the signature hot melt glue through its well-established clientele, comprising leading furniture OEMs.

BRAND SPECTRUM

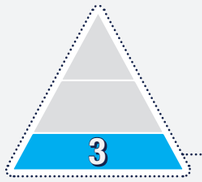


LUXURY

- Sirca Wood Coatings
- Sirca Wall Paints
- San Marco

ECONOMIC

- Unico Wood Coatings



ENTRY LEVEL

- Unico Wood Coatings

EVOLUTION

Establishing *Sirca in India*

Mr. Sanjay Agarwal
CMD, RECALLS

We faced hurdles in creating acceptability of wood coatings & finishes as a superior substitute to traditional wood polish in the early days. Surprisingly, higher resistance came not from the consumers due to price differential but from the contractors who were the applicators of these products. The reluctance of contractors came from the fact that using wood coatings was relatively trickier and new. As a multi-component product, contractors would need to blend different portions in the right proportion before applying wood coatings compared to a single-component wood polish. We overcame this friction by organizing small contractor meets, incentivizing contractors to come in one way or the other, and training them on the application & merits of our products. As a result, even with a low conversion ratio, we started generating leads and acceptability of our products in the contractor community.

Mr. Agarwal
RECALLS

One such gentleman, who was an early adopter of Sirca products in the contractor community, was Mr. N.K. Gupta, considerably impressed with our products in one of the contractor meets, started recommending and using Sirca products in several projects. Many such instances helped us create a strong name and acceptability of our products in the contractor community.

Quite similar goes the story for onboarding - Newage Furniture Innovation, which was our first big break at the time, some 15 years ago. At the time, Newage was an established brand for premium, niche furniture in the North-Indian market. Mr. Agarwal says, 'We were given a task, to paint a bed at Newage's factory, to display the quality of our products. Given the potential of the opportunity, this could prove to be a game-changer for us at the time. We managed to fly a Sirca technician from Italy within seven days, who came down to give a thorough display on the application of the product. Impressed with the quality of furniture that could be achieved through our products, we instantly won over Newage, and they remain an exclusive client to date.

1 Foundation

Our journey dates back to two decades when the market for high-end wood coatings in India was nearly nonexistent. Our founders, Mr. Sanjay Agarwal and Mr. Gurjit Singh Bains, started operations to import and distribute high-end wood coating products from Italy, Malaysia, and Korea. What started out as a small trading operation in 1,200 Sq. Ft. godown has now transformed into one of the country's top-3 luxury wood coatings brands in India.

2 Selecting Sirca
Why Sirca out of all the brands?

In all our years of dealing with multiple wood coating brands & exporters, Sirca was the one that stood out. Since Sirca's focus was not limited to exporting containers and meeting sales targets. It laid equal importance on customer response & satisfaction. The distinction lay in their superior product quality, R&D forte, but moreover in their Intention. Sirca's commitment to attaining Customer Satisfaction and touching lives was as intense as our desire to cater to the growing needs of the Indian markets.

3 Establishing
a luxury brand in a price-conscious market

A transformation in the mindset of Indian consumers has been critical in establishing high-end luxury wood coating products. Over the years, wood coatings have outgrown their original utility, that is, protection from decay & corrosion. Today, wood coatings & finishes aren't just limited to protection and anti-corrosion features. Today, wood coatings & finishes are a means to enhance the ambience, create an aesthetic & artistic value of the consumer's surroundings. Wood coatings & finishes are an opportunity to transform your furniture into something alluring & captivating. It is a want and not a need. Delivering on this promise and catering to the growing aspirations & pertinence of premium furniture in the Indian consumer mindset, Sirca has emerged as one of the top-3 brands dominating India's luxury wood coatings landscape.

4 Made in Italy

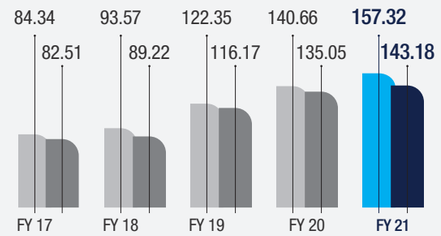
The Made in Italy brand has also played a critical role in helping us establish Sirca in India. Italy is characterised by exceptional caliber and prowess that distinguishes the Italian labor and artisan. These essential innovative skills point to the fact that Italy represents a fascinating place, especially for appreciating high-quality products.The Made in Italy brand is equally relevant for furniture, which, in turn, contributes to its recognition and leads the consumers to perceive it positively throughout the world. It is no surprise that the Made in Italy quote carries its weight as a symbol. The words Made in Italy raise in consumers' minds aspects that positively characterize the image of Italy as a country-in particular, the symbol of creativity, aesthetics, quality, and sophistication facilitating the perception of a differential value through the effect of the product-country association. The Sirca value proposition revolves around premium Italian wood coatings & finishes, developed in collaboration with Italy's most prestigious furniture brands. Sirca emits the very essence of luxury furniture.

KEY PERFORMANCE INDICATORS

Sirca *in Numbers*

TOTAL INCOME & REVENUE FROM OPERATIONS

(₹ IN CRORE)



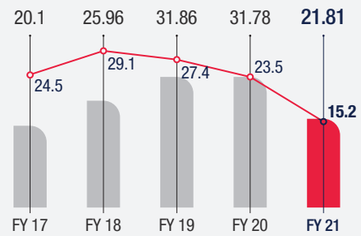
11.8%* Y-O-Y 16.7%* 5Y CAGR growth

Total Income Revenue From Operations

*CAGR of Total Income

EBITDA & EBITDA MARGIN

(₹ IN CRORE & IN %)

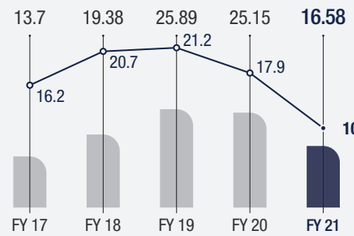


(31.4%) Y-O-Y 18.4% 5Y CAGR growth

EBITDA EBITDA Margin

PROFIT AFTER TAXES & PAT MARGIN

(₹ IN CRORE & IN %)

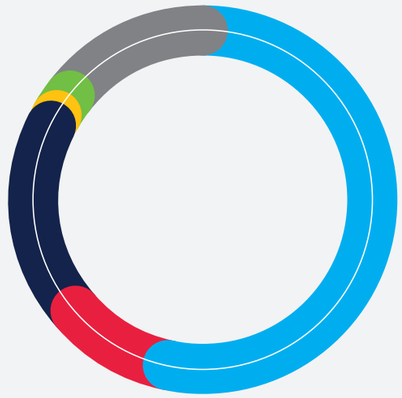


(34.0%) Y-O-Y 18.0% 5Y CAGR growth

Profit After Taxes PAT MARGIN

TOTAL INCOME BUILT-UP FOR FY21

(IN %)



53.5% Cost of Goods Sold

10.1% Employee Benefit Expense

19.6% Other Expenses

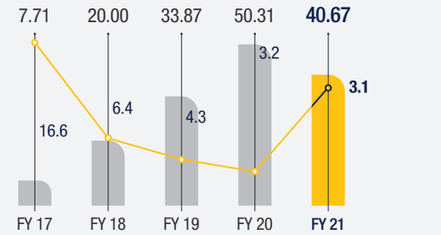
00.1% Finance Cost

02.3% Depreciation and Amortisation Expense

14.3% PBT and Exceptional Items

FIXED ASSETS & FIXED ASSET TURNOVER

(₹ IN CRORE & IN %)



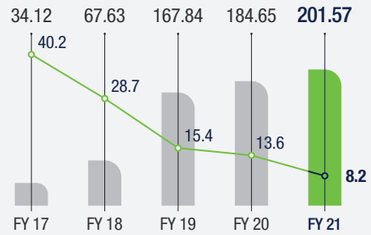
(19.2%) Y-O-Y 78.9% 5Y CAGR growth

Fixed Assets Fixed Asset Turnover

Note: All CAGR for 5 year period FY16-21

EQUITY & RETURN ON EQUITY

(₹ IN CRORE & IN %)



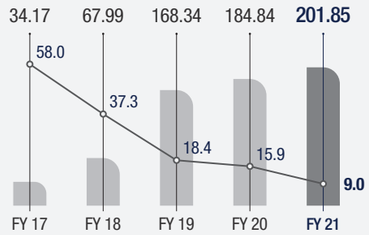
9.2% Y-O-Y 58.1% 5Y CAGR growth

Equity Return on Equity

Note: EBITDA is excluding other income

RETURN ON CAPITAL EMPLOYED & ROCE MARGIN

(₹ IN CRORE & IN %)



9.2% Y-O-Y 57.8% 5Y CAGR growth

Return on Capital Employed ROCE Margin

Chairman's Communique

Dear Stakeholders,

It gives me immense pleasure to present you with our Annual Report for 2020-21. I hope you all are well and keeping safe in these difficult times. The year gone by has genuinely been a challenging one, more so for our Company.

PERFORMANCE DISCUSSION

We witnessed one of the most severe quarters in our recent history in 2020-21. Being a consumer company, we did not have the liberty to conduct our operations during the first wave of Coronavirus, which led to a loss of operations for almost 50 days during Q1FY21. After opening-up of the economy and several markets, the Company delivered a strong comeback in Q2, and this momentum accelerated further in Q3 and Q4, which happened to be the best quarters Company has witnessed in terms of Revenue from Operations. On an annual basis, Revenue from Operations stood at ₹143.18 crores, up 6% from the previous year. Unfortunately, the challenges were more acute on the profitability front, where a higher Euro led to higher procurement costs and created pressure on Gross profitability. To add to this, demand-supply disruptions in global supply chains caused erratic price movements for many critical inputs in the paint's value chain. The Company has taken price hikes to pass on these costs, and Gross profitability margins would revert to mean in due course.

RELAUNCHING UNICO

As you all must be aware, due to reasons such as; delayed commissioning of our Sonipat manufacturing facility, a fire incident at the said facility in June 2020, and a challenging external environment for the year gone by; we haven't been able to capitalize on our Unico range of mass-market wood coating products. Unico's product range was added to grow Sirca's presence pan-India and provide new levers of growth for the Company. After the repairs & restorations, the manufacturing facility is currently available for production from June 2021 onwards. The Company will be looking to ramp up production and aggressively relaunch Unico in all the markets it is present in, especially markets such as Western and Southern India, where there is an anticipation of good demand and acceptance for these products.

Unico will also provide the Company entry into many new markets dominated by NC and Melamine products, which have little acceptance for the luxury PU product range. The Company would be looking at higher advertisement and promotional expenses in FY22 to promote these products aggressively.

STRENGTHENED PRODUCT PORTFOLIO

If we step back and compare our product portfolio to what it was three years ago, we have come a long way since. From being a luxury PU brand to having a wide range of products and a self-sufficient product kitty is an achievement. At present, we are offering luxury to economic wood coatings, a complete range of wall paints & wall putty to high-end decorative colour finishes, and adhesives. The Company has introduced many globally relevant and recognized brands in the process; for instance, this year, we launched San Marco - an eighty-year-old Italian paints brand recognized for its Decorative & Solid Colour finishes products range. This a niche, high-end luxury brand will add a lot of value to our wall paints product portfolio. In collaboration with San Marco, the Company has also added an exclusive shade card.

Another addition this year is the launch of DuranteVivan adhesives brand. This is an extension of our existing relationship with the group that houses the Sirca brand. DuranteVivan offers a complete range of adhesives, but the Company will be targeting its hot melt adhesive, to begin with. This product is extensively used in the furniture manufacturing industry, where the Company has a firm footing. Leveraging its existing relationships with 300+ clients, the Company will look to create a market for itself in this segment.

We have also strengthened our wall paints portfolio by launching more products in FY21. The current range of products includes Luxury Emulsions, Premium Emulsions, Emulsions, Economic Emulsions, Weatherproof Emulsions, Wall Primers (Interior and Exterior), Textured Finish, and Oil Primer.

A self-sufficient product portfolio will play a critical role in the Company's next leg of growth; it will help us tap new markets, new customer segments, strengthen distribution and leverage our strong brands across multiple products.

> We would looking to aggressively relaunch Unico products to regain our growth momentum.

KEY FOCUS AREAS

The Company will continue to focus on superior physical infrastructure, be it strategically located manufacturing units that will help optimize logistics cost or branches & depots that strengthen Sirca's presence pan-India. We would also be looking at manufacturing units in Western or Southern India to enhance our productivity. In addition, we remain focused on strengthening our tinting machines' network with new-age, dual tinting machines that can cater to both wall paints and PU products.

Also, there is a sharp focus on upgrading the IT, ERP, and Digital systems & initiatives at an organisational level. An early success on this front is our Sirca Parivar application focused on digitalizing the complete contractor loyalty program. To date, this application has more than 8,000 registered contractors who are actively using the application to collect and redeem points from Sirca products. We would be looking at more developments in this area. In addition, the Company is focusing on strengthening its team; many hiring's have been made in the past two years, including experienced industry professionals who will play a critical role in taking the Company to the next level. Apart from hiring, a lot of efforts are also being made towards training our team. We believe our team is the face of our brand, and we would continuously work on strengthening the same.

The Company also has plans to pick up exports in FY22. There were no significant developments on this front in the last year since travel restrictions imposed by COVID didn't allow any on-ground work. However, a trial shipment has been exported, and the response received for it is encouraging. In addition, the Company will be looking at initiating business with Unico's range of products in Nepal, Sri Lanka, and Bangladesh in FY22.

OUTLOOK

Effects of the second wave of Coronavirus will be visible in our early performance for the year, especially given how the second wave hit our key markets, such as Northern India and NCR. However, demand recovery has been good from June onwards, and production is also stabilising at the Sonipat facility. Team Sirca is making full efforts to offset the impact of the second wave. Going ahead, the Company would be looking to deliver good, profitable growth based on the strong foundation it has created for itself in the last couple of years.

Our long-term vision remains to position Sirca as a national brand. We are more than confident in the long-term prospects of the wood coatings market in India, and Sirca will be at the center of this mega-opportunity.

I want to take this opportunity to thank our investors for their unwavering support; our team, whose commitment to their work continues to drive us ahead, the loyalty of our customers that motivates us to deliver more.

Yours sincerely,

Sanjay Agarwal
CHAIRMAN AND MANAGING DIRECTOR

Leading *Responsibly*

Mr. Sanjay Agarwal
CHAIRMAN AND MANAGING DIRECTOR

C

Mr. Agarwal is one of the co-founders of Sirca Paints India Limited; he has been working in the Paints & Coatings industry for more than two decades. Under his able leadership, Sirca has risen to the ranks as one of the most prominent brands of luxury wood coatings in the country. A Chartered Accountant by qualification, Mr. Agarwal currently looks after the finance and strategy functions of the organisation.

Mr. Apoorv Agarwal
JOINT MANAGING DIRECTOR

A C

Mr. Agarwal has a bachelor's degree from Delhi University and a master's degree in Finance & Marketing from IIPM. He has a decade of experience & training in the Italian furnishing and Italian wood coatings space. He has worked with prominent Italian furnishing brands like B&B Italia, Reflex, Laura Meroni, Simon Cenedese, and many others. At Sirca Paints India, he looks after the Sales and Marketing functions. He has also been bestowed with the responsibilities of establishing Sirca's presence across the country through its distribution network.

Mr. Shyam Lal Goyal
NON-EXECUTIVE AND INDEPENDENT DIRECTOR

A

Mr. Goyal was the Audit and Finance Advisor at Ghazanfar Bank. He leads each firm's lines of business - Banking Sector and FMCG industries in an expeditious manner. He holds experience of over 30 years and has held various senior positions in India and abroad. His experience in global financial operations, Corporate Governance, Enterprise-wide systems, and Financing is a proven asset.

Mr. Sanjay Kapoor
NON-EXECUTIVE AND INDEPENDENT DIRECTOR

A N S

Mr. Kapoor is a doctor by profession; he has an MBBS and DCH (Diploma of Child Health) with over 20 years of experience in the pediatrics department.

Mr. Gurjit Singh Bains
NON-EXECUTIVE DIRECTOR

N S

Mr. Gurjit Singh Bains is one of the co-founders of Sirca Paints India, and he has more than two decades of experience in wood coatings and the Italian furniture industry. He was among the early introducers & trendsetters of branded Italian furniture in India.

Mr. Ugo Pelosin
NON-EXECUTIVE DIRECTOR

Mr. Pelosin has more than two decades of experience in exporting wood coatings globally. Apart from being the Non Executive Director of Sirca Paints India, he is also the Export Director of Sirca S.p.A (Italy). He was appointed as the NonExecutive Director of the company in 2018, nominated by Sirca S.p.A (Italy) as per the Shareholder Agreement entered between the companies.

Mrs. Anu Chauhan
NON-EXECUTIVE AND INDEPENDENT DIRECTOR

A N S C

Mrs. Chauhan has a vast experience of over a decade in management and team leadership skills. She has a proven track record of running successful operations and nurturing & growing businesses. Her core area of expertise includes - business management, directing and planning, supervising multi-disciplinary teams, processes, documentation, business control checks, audits, and vendor management.

Mr. Anil Kumar Mehrotra
NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Mr. Mehrotra is an experienced professional who has worked as a CFO in the Automotive and FMCG industry for over 30 years in 4 different countries. His areas of expertise include - business strategy and financial planning, international operations, acquisitions, corporate governance controllership and taxation, business unit restructuring & integration systems.

A — Audit Committee
N — Nomination and Remuneration Committee
S — Stakeholders Relationship Committee
C — Corporate Social Responsibility Committee

MDA

Management Discussion *and Analysis*

Overlooking the short-term disruptions, the dynamics of the Indian paints and coating industry remain strong on the back of Increasing nuclearisation and urbanization of families, shortening of repainting cycle and growing demand from Tier-2 & 3 cities and towns.

INDIAN ECONOMY

Indian economic output is expected to decline by ~8% in FY2021 on a Y-o-Y basis, one of the most significant declines recorded since 1952. The Indian economy witnessed stress with the nationwide lockdown from the end of March 2020, bringing business activities to a standstill for a significant part of April and May 2020. With the onset of 2021, India was projected to have a strong recovery, with relaxed lockdowns & tapering COVID spread; however, the second wave has dampened the recovery rate. Measures from the Government, like reliefs to the economically vulnerable sections, from food security and extra funds for healthcare and state governments to sector-related incentives and tax deadline extensions, have provided certain relief to the economy. In addition, an accommodative monetary policy from the Reserve Bank of India (RBI) and fiscal policy interventions by the central government also helped economic recovery.

The Indian economy shows some early signs of a broad V-shaped recovery, owing to the large public stimulus spending, revival of consumer confidence, robust financial markets, and an uptick in manufacturing activity. Income levels and livelihood opportunities are expected to improve in FY22, as the economic recovery gathers pace and vaccination efforts progress. According to the IMF, India is also expected to emerge as the fastest-growing economy in the next two years. Reforms like reduction in Corporate Tax Rate, Labour Reforms, PLI schemes are expected to positively impact the economic environment. Factors such as effective handling of the 2nd wave of COVID-19 and mass-vaccination drives to avoid any possible 3rd waves remain critical in the revival of the economy.

PAINTS & COATINGS INDUSTRY OVERVIEW

Per the latest industry estimates, the Indian Paints industry is expected to be ~₹ 52,000 crore annually. The paints industry is primarily split into two segments – Decorative Paints & Coatings and Industrial Paints & Coatings. Decorative paints constitute almost 3/4th of the market share, while the rest 1/4th lies with industrial paints. Decorative paints and coatings consist of multiple products like exterior & interior wall paints, emulsions, enamels, primer & thinner, distemper, wood coatings, water-proofing, and many more. On the other hand, industrial paints and coatings consist of automotive paints, protective coatings, marine coatings, powder coatings, GI paints, and others. The decorative segment is a relatively faster-growing segment of the paints industry; it has maintained a growth CAGR of ~11.4% between FY08-20, while the industrial segment has recorded a growth of ~8% in the same period. Factors such as; rapid urbanization and nuclearization of families, rising disposable income, shorter repainting cycle, government boost for affordable housing, upgradation and growth of high-value products, and a slowdown in the auto industry and infrastructure development in the recent years have contributed to the faster growth of the decorative paint segment compared to the industrial segment.The Indian paint industry has witnessed a continuous change in consumer preferences, from the traditional whitewash to high-quality paint categories like emulsions and enamels. This premiumization trend is expected to continue and provide stability & growth to the Indian paint industry. Between the organized and unorganized incumbents, the former holds a majority of the 2/3rd share in the Indian paint industry, while the rest lies with unorganized players.

OUTLOOK, TRENDS AND SCENARIOS

In recent history, a string of events and challenges has interrupted the momentum of the Indian paints industry. These include, but are not limited to, COVID-19 led disruptions, a slowdown in demand from the automotive sector, the stress in the real-estate across the country, and the deteriorating state of the economy & consumer demand. In addition, COVID-19 also led to certain second-order effects such as demand-supply gaps in key inputs of the Indian paints sector, which ultimately led to inflationary pressure on many inputs for the entire industry; this was more prominent in H2 of FY21.

However, overlooking the short-term disruptions, the dynamics of the Indian paints and coating industry remain strong on the back of the following factors: Increasing nuclearisation and urbanization of families, shortening of repainting cycle, growing demand from Tier-2 & 3 cities and towns, a focus on affordable housing initiatives from Government of India, innovations, upgradation & premiumization leading to value growth and Government's focus on infrastructure growth to support the economy post-COVID-19. Thus, in the longer run, the paints industry is expected to grow anywhere between 1 to 1.5X of India's GDP, and the correlation between India's GDP growth and the paints industry growth is expected to remain unaffected.

Sirca, being at the forefront of innovation, manufactures a complete range of water-based Polyurethane coatings.

WOOD COATINGS & FINISHES SEGMENT

Wood coatings find application in a variety of projects ranging from residential, commercial, hospitality, among others. These coatings are used for their adhesion, anti-corrosion, durability, appearance & aesthetics features on wooden furniture. In the last decade, India has emerged as one of the largest markets for wood coatings products in the Asia-Pacific region. Indian furniture industry, which happens to be a key demand driver of wood coatings products, is estimated to be a USD 5 billion market in 2018-19, with nearly USD 1.5 billion in exports and USD 0.6 billion in imports. However, bearing momentary challenges, the long-term prospects of the furniture industry remain intact.

MARKET TRENDS IN WOOD COATINGS & FINISHES

The wood coatings product category is witnessing a shift in consumer preferences from toxic and environmentally harmful products to consumer & environment friendly and non-toxic products. Certain toxic products emit high VOC (volatile organic compounds) that are harmful to humans & the environment; unfortunately, these coatings make up most of the volumes in Indian markets. There is a shift underway from relatively harmful products such as Nitrocellulose (NC) and Melamine coating products to high-quality Polyurethane (PU) coatings on account of multiple factors such as:

- Increasing health consciousness and awareness about the harmful effects of these degrading wood coatings,
- Growing awareness about environment-friendly products,
- Greater artistic and aesthetic value,
- Other factors include lower odour, increased durability, and resistance, making these products more preferable.

Furthermore, in many developed countries, water-based Polyurethane coatings are gaining acceptance against solvent-based Polyurethane coatings. Sirca, being at the forefront of innovation, already manufactures a complete range of water-based Polyurethane coatings. The increasing value of aesthetics and higher expenditure towards the furnishing segment has supported this transition. In the long run, an increase in disposable income and a shift towards higher-end wood coating products in the value chain will be the leading growth driver for the wood coatings market.

COMPANY OVERVIEW

Sirca Paints India Limited (SPIL) is among the country's leading manufacturers of wood coating products. With its history dating back to more than two decades, today, the company fulfils emerging aesthetic wood finishes needs of lakhs and adds extra mileage to India's growing furnishing market. The company is engaged in the manufacturing, sales, and, soon enough, exports of wood coatings and other decorative paints under the brands Sirca, Unico, and others. With its newly commissioned manufacturing facility, SPIL is progressing to become a leading brand in the Indian wood coatings & paints market. The company is well-recognized for its hallmark - superior quality wood finishes. With a vision to have a global footprint, the company is working towards exporting its products to neighboring countries i.e., Nepal, Bangladesh, and Sri Lanka, that will be catered by its state-of-the-art manufacturing facility at Sonipat, Haryana.

CUSTOMER SEGMENTS

The Company primarily caters to two customer segments;

Sirca has been working in collaboration with OEMs of furniture and fixtures right from the Company's inception. The development of Sirca products traces back to numerous collaborations and a deep understanding of the requirements of OEMs. In India as well, OEMs have been early adopters of luxury wood coating products. Sirca remains the first, and in many cases, the only choice for wood coatings with furniture manufacturers. Through its strong technical and after-sales support to OEMs, the Company has ensured utmost satisfaction and has garnered strong customer relationships with its clients. As a consistent trend, almost 30% of business comes from the OEM segment, where the Company works with a well-diversified clientele of approximately 300 OEMs. Some of them are the largest and most recognized furniture manufacturers in the country, including Godrej & Boyce, Jindal Stainless, Indoline, Space Wood, Pyramid, MAS Furniture, Alsorg, Soundarya Decorators, and many more. In the longer run, the performance of this segment will be driven by the growing prominence of ready-made, modular furniture vis-a-vis on-site furniture. As a trend, Indian consumers and millennials are increasingly opting for ready-made furniture. Factors such as convenience, quicker turn-around time, and an increasing variety of options contribute to this trend. Through its constant innovation, new product developments such as introducing NC and Melamine coatings through brand Unico, and strong technical support, Sirca has become an indispensable vendor to OEMs. As a result, the Company is well-positioned to make the most of upcoming opportunities in this space.

The retail customer segment contributes to nearly 70% of the business. The Company caters to retail customers through its strong & growing distribution network of more than 1,630+ sales points (excluding OEMs); these include branches & depots, distributors, and dealers. The Company is also increasing its geographical footprint and expanding its dealer network in Southern, Western & Central India. To achieve a more significant brand recall for 'Sirca', the Company is increasing its expenditure on advertisements, marketing, and sales promotion efforts.
The Company has implemented a 360° marketing campaign in its target markets, especially in the newly tapped regions. TV commercials have been launched in Hindi and other regional languages, along with advertisements in different mediums. To strengthen Sirca's outdoor presence, the Company is installing shop boards at its dealer network. At present, a total of 920+ shop boards have been installed. The Company is also establishing a chain of exclusive Sirca Studios that showcase the application and merits of Sirca's entire product portfolio. At present, a total of 9 such studios are operational. The objective of these studios is to generate a superior consumer experience and act as a platform through which customers & influencers such as architects, contractors can have a better understanding of our products.

FY21 PERFORMANCE REVIEW

Operational & Financial Performance

Overall, FY21 has been a challenging year for the Company. To begin with, Q1FY21 was one of the most disrupted quarters in recent history, primarily due to COVID-19 led disruptions. As a result, operations were shut for nearly half of Q1FY21. To add to this, a fire incident at Company's Sonipat facility on June 27th, 2020, created production disturbances for the newly launched Unico range of mass-market wood coating products. The Unico range was intended to be a key business driver in FY21. However, given the fire incident, the Company had to shift production to a temporary location at a limited production capacity. On the financial side, the fire incident did not directly impact the Company, as the Company received an almost complete claim for the incident. However, due to limited production, the full potential of Unico products couldn't be realised in FY21. On an annual basis, the Company reported ₹143.18 crores in Revenue from Operations compared to ₹135.05 crores in the previous year, a Y-o-Y growth of 6.0%. FY21 proved to be even more challenging on the profitability side. As the Company procures its Italian Wood Coatings products from Italy, which are Euro-denominated, the Company faced pressure on the Gross Margins side due to a sharp increase in Euro in FY21.

Additionally, certain critical inputs in the Paints value chain, including many solvents, witnessed a sharp rise in prices, which added pressure on Gross Margins. To counter higher procurement costs, the Company took two price hikes, first in October and second in January; in doing so, the Company has remained cautious about not affecting demand recovery post-COVID. In line with the decrease in Gross Profit margins, from 47.6% in FY20 to 41.2% in FY21, the Company has also witnessed a decline in EBITDA (excluding OI) margins from 23.5% in FY20 to 15.2% in FY21. The Profit after Tax for FY21 stood at ₹16.58 crores compared to ₹25.15 crores in the previous year, a Y-o-Y decline of 34.1%.

Fire Incident at Sonipat Facility

On 27th June 2020, a fire incident occurred at the Company's wood coatings manufacturing facility located at Tehsil Rai, Sonepat, Haryana. Fortunately, the fire was controlled within time, and there was no loss of human life. The damage from this incident was restricted to raw materials storage and shed structures. After the incident, the insurance company conducted its survey and released a discharge voucher for ₹9.65 crores, against a loss of ₹10.57 crores, leading to no material impact on the company's financials.

Product Launches

EXPANDING SIRCA WALL PAINTS PORTFOLIO

After its first launch with seven products and a total of nine products as of last year, Sirca's present wall paints portfolio has a total of fifteen products to offer. The products include Luxury Emulsions, Premium Emulsions, Emulsions, Economy Emulsions, Weatherproof Emulsions, Wall Primers (both Interior and Exterior), Textured Finish, and Oil Primer.

In FY21, the Company had also launched White Cement Wall Putty under the Sirca brand to complement its wall paints offerings.

ADDITION OF SAN MARCO PORTFOLIO

The globally recognized San Marco brand will offer a range of products in the high-end Decorative & Solid Colour Finishes. These products will be offered in a product plus service model initially.

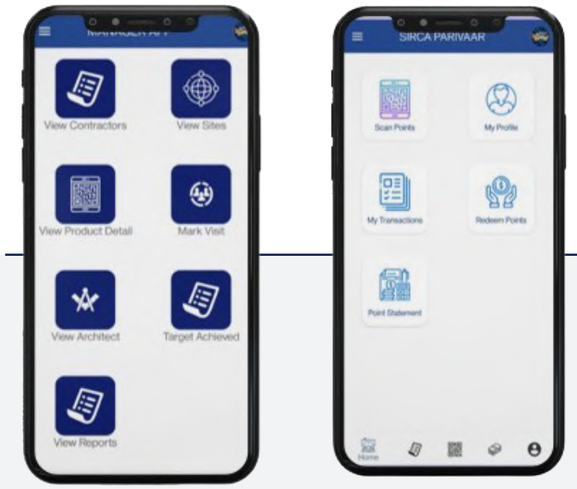
In FY21, the Company signed an exclusive distribution agreement with San Marco Group SpA (San Marco) for their flagship, high-end, San Marco brand.

ADDITION OF DURANTEVIVAN PORTFOLIO

DuranteVivan has a complete range of adhesives to offer. However, the initial launch of the adhesive portfolio would be on the OEM side with DuranteVivan's signature hot-melt adhesive.

In FY21, the Company signed an exclusive distribution agreement with Durante & Vivan SpA (Pordenone) for their flagship DuranteVivan brand.

SIRCA PARIVAR APPLICATION



8,000+
CONTRACTORS REGISTERED

3,000+
DAILY SCANS ON THE APPLICATION

The main objective of the Sirca Parivar Application is to automate the process of the contractor loyalty program and streamline the process of rewards and redemptions.

Strengthening Contractor Loyalty Program through Sirca Parivar Application

Sirca Paints India has a robust loyalty program in place to incentivize contractors, dealers, and other influencers towards Sirca products. In recent years, especially post COVID-19 pandemic, the Company has focused more on automating and digitalizing the entire process of the Sirca loyalty program. A mobile application - Sirca Parivar - has been launched with the sole objective of automating the process of the contractor loyalty program and streamlining the process of rewards and redemption. The procedure of registering a contractor, adding sites of the particular contractor, mapping material dispatch, and scanning QR codes on the material to collect points, has been automated through the application. In addition, the contractor can raise a claim request whenever he wants on the application itself, and the back-office team handles payments for said claims. Apart from the automation of the process, equally important is the real-time data generated from this system. The Company analyzes real-time consumption patterns for any particular site, material availability, and much more. To date, a total of 8,000+ contractors have registered on the application, making an average of 3,000+ daily scans on the application. The Company plans to grow this further.

Financial Ratios

Financial Ratios	FY21	FY20	Change	Remarks
Debtors Turnover	3.23	3.17	2%	NA
Inventory Turnover	1.45	1.81	(20%)	NA
Interest Coverage Ratio	174	330	(47%)	Primarily due to a decrease in EBIT
Current Ratio	3.96	6.17	(36%)	Due to a proportionately higher increase in Current Liabilities driven by Trade Payables and Current Borrowings
Debt to Equity Ratio	0	0	0%	NA
Operating Profit Margin (%)	15.2%	23.5%	(35%)	Decline primarily due to a decrease in Gross Profit Margin
Net Profit Margin (%)	10.5%	17.9%	(41%)	Decline primarily due to a decrease in Gross Profit Margin

OUTLOOK

The Company continues to create a sustainable platform for growing the footprint, brand recall, and sales of Sirca and other newly added brands throughout India. With a far more comprehensive product portfolio, expanding distribution network, strengthened physical infrastructure, and expanded team strength, Sirca is well-positioned to create a market for its products and leverage the enormous opportunity unfolding in the Indian wood coatings industry. The Company aims to be one of the most dominating brands in the Indian paints & coatings industry.

INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

The company has in place an adequate system of internal control commensurate with the size and nature of its business. These have been designed to provide reasonable assurance that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly and the business operations are conducted as per the prescribed policies and procedures of the company. The Audit Committee and the management have reviewed the adequacy of the internal control systems and suitable steps are taken to improve the same.

RISKS & CONCERNS

This section lists forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these statements as a result of certain factors.

Foreign Exchange Risks	A significant part of our raw materials are imported from Italy and hence denominated in foreign currency i.e. Euro. Any adverse movement in the Indian rupee vis-a-vis the foreign currency can have a material impact on our financials. The company constantly monitors its foreign exchange exposure to keep a check on the same.
Human Resource Risks	Human resource management is one of the core functions of any organization. The company needs to maintain cordial relationships with its team members. It is crucial to recruit, retain, and train employees. The company constantly endeavours to maintain a satisfied, competent, and well-trained team.
Statutory Risks	The company has presence and operations across India and overseas. SPIL makes sure that the business operates within the ambit of law and abides by necessary legal compliances. By combining in-house expertise and knowledge of statutory compliance and professional legal services, the company ensures that there are no errors in its regulatory and compliance functions.
Commodity Price Risks	Raw materials happen to be a crucial part of the company's expenses and a significant portfolio of the company's revenue from operations. Raw materials include finished products imported from Italy as well as inputs for the manufacturing facilities in India. A big part of Paints & Coatings value chain includes petro-chemical derived inputs; hence, any adverse changes in commodity or crude-oil prices can impact the company's profitability. The company continually monitors such risks to mitigate such risks to the extent possible.
Economic Risks	A part of our business is dependent on the prevailing economic conditions. Factors that may adversely affect the economic growth of India and the world over could affect the demand for our products, including a slowdown in the consumption of Paints & Coatings. These factors include but are not limited to - inflation, changes in tax A part of our business is dependent on the prevailing economic conditions. Factors that may adversely affect the economic growth of India and the world over could affect the demand for our products, including a slowdown in the consumption of Paints & Coatings. These factors include but are not limited to - inflation, changes in tax.

HUMAN RESOURCE

Your company firmly believes that its human resources are the key enablers for the growth of the company and are one of its most important assets. Hence, the success of the company is closely aligned with the goals of the human resources of the company. Taking this into account, your company continues to invest in developing its human capital and establishing its brand in the market to attract and retain the best talent. Employee relations during the period under review continued to be healthy, cordial and harmonious at all levels and your company is committed to maintaining good relations with the employees. As of March 31st 2021, there were 394 employees on the payrolls of the company.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis and rest of the annual report, describing the company's objectives, projections, estimates, expectations, may be forward-looking statements. Actual results may differ materially from those expressed or implied due to various risks and uncertainties. Important factors that could make a difference to the company's operations include economic and political conditions in India and other countries in which the company operates, volatility in interest rates, changes in government regulations and policies, tax laws, statutes, and other incidental factors. The company does not undertake to update these statements.

Notice

NOTICE IS HEREBY GIVEN THAT THE **SIXTEENTH ANNUAL GENERAL MEETING ('AGM')** OF THE MEMBERS OF **SIRCA PAINTS INDIA LIMITED (FORMERLY KNOWN AS SIRCOLOR WOOD COATINGS PVT. LTD.)** WILL BE HELD ON **FRIDAY, AUGUST 06th, 2021 AT 12.30 P.M. IST** THROUGH VIDEO CONFERENCING (**'VC'**) / OTHER AUDIO VISUAL MEANS (**'OAVM'**) FACILITY, TO TRANSACT THE FOLLOWING BUSINESS:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the year ended 31st March, 2021 and the Reports of the Board of Directors and the Auditors thereon.

2. To declare a dividend on Equity Shares for the financial year ended 31st March, 2021.

3. To appoint a Director in place of Mr. Sanjay Agarwal (DIN:01302479), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Ratification of Cost Auditor's Remuneration**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of **Section 148** and other applicable provisions, if any, of the **Companies Act, 2013** read with the **Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force)**, the Company hereby ratifies the remuneration upto ₹ 80,000/- (Rupees Eighty Thousand Only) plus taxes and reimbursement of out of pocket expenses at actual, if any, incurred in connection with the audit, payable to **M/s. Govind Singh Bisht & Co., Cost Accountants (Firm Registration Number 002410)**, who were appointed as Cost Auditors of the Company, based on recommendations of Audit Committee, to conduct the cost audits relating to cost records of the Company for the financial year ending 31st March, 2022.

   RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary & Compliance officer be and are hereby authorized to do all such acts, deeds,matters and things as may be deemed necessary,desirable, proper or expedient for the purpose of giving effect to the above resolution.

5. **Approval of payment of remuneration to the Executive Directors, who are Promoters in terms of Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.**

   To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

   "RESOLVED THAT addition to the previous resolutions passed by the Members from time to time and pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013 (the "Act") and Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any amendment(s) or modification(s) or re-enactment thereof) and upon recommendation and/or approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to pay an aggregate annual remuneration to the Executive Promoter Directors of the Company, viz. Mr. Sanjay Agarwal (DIN: 01302479), Chairman cum Managing Director and Mr. Apoorv Agarwal (DIN: 01302479), Joint Managing Director exceeding 5 per cent of the net profits of the Company as calculated under Section 198 of the Companies Act, 2013 provided that the overall managerial remuneration is within the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 (the "Act").

   RESOLVED FURTHER THAT the approval of Members shall be valid only till the expiry of their respective tenure as the Executive Directors;

   RESOLVED FURTHER THAT the Board of Directors of the Company and/ or the, Company Secretary & Compliance officer be and are hereby authorized to do all the acts & take all such steps, as may be necessary, proper or expedient to give effect to this resolution".

Registered Office:
Plot No.50, Phase-2, Badli Industrial Area, Delhi-110042
Tel.: +91 11-42083083,
Website: www.sircapaints.com,
Email: cs@sircapaints.com
CIN: L24219DL2006PLC145092

Date :- 10th July, 2021
Place :- New Delhi

By order of the Board
For **Sirca Paints India Limited**
(Formerly Known as Sircolor Wood Coatings Pvt. Ltd.)

(**Chahat Mahajan**)
Company Secretary & Compliance Officer
(Membership No. 51255)

Notes:

1. Explanatory Statement pursuant to Section 102 of the Act relating to Item no. 4 and 5 of the Notice of the 16th AGM, which is considered to be unavoidable by the Board of Directors of the Company, is annexed here to. Also, relevant details in respect of Directors seeking re-appointment at the AGM, in terms of Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of Secretarial Standard - 2 on General Meetings are also annexed to this notice.

2. In view of the ongoing COVID-19 pandemic, social distancing is a norm to be followed and Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 02/2021 dated 13th January, 2021 read with General Circular 20/2020 dated 5th May, 2020, General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 (collectively referred to as "said Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In this Annual Report, the connotation of "Members" and "Shareholders" is the same.

   Accordingly, in compliance with the applicable provisions of the Companies Act, 2013 ("Act") read with the said Circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has decided to convene its ensuing 16th AGM through VC/OAVM, and the Members can attend and participate in the ensuing AGM through VC/OAVM.

3. The deemed venue for Sixteenth e-AGM shall be the registered office of the Company.

4. Since this AGM is being held through VC/OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice

5. Attendance of the Members participating in the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. In compliance with the MCA Circulars and the Securities and Exchange Board of India ('SEBI') Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020,Notice of the 16th AGM along with the Annual Report for Financial Year 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / National Securities Depository Limited and Central Depository Services (India) Limited ('the Depositories'). A copy of this Notice along with the Annual Report for Financial Year 2020- 21 is uploaded on the Company's website www.sircapaints.com websites of the Stock Exchanges The National Stock Exchange of India Limited at www.nseindia.com respectively and on the website of KFin Technologies Private Limited ('KFin'), the Registrar and Transfer Agents of the Company ('RTA') at https://www.kfintech.com/. Members who have not registered their email address so far are requested to register their email address for receiving all communication including Annual Report, Notices, etc., from the Company electronically.

7. Members who have not registered their e-mail addresses and mobile nos. and consequently could not be served the Annual Report for FY2021 and Notice of Sixteenth e-AGM, may temporarily get themselves registered with KFin, by following the procedure mentioned below:

   a) Visit the link: https://ris.kfintech.com/clientservices/mobilereg/mobilee-mailreg.aspx

   b) Select the company name i.e. Sirca Paints India limited.

   c) Select the Holding type from the drop down i.e. - NSDL/CDSL/Physical

   d) Enter DP ID – Client ID (in case shares are held in electronic form) /Physical Folio No. (in case shares are held in physical form) and PAN.

   e) If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating records.

   f) In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.

   g) Enter the e-mail address and mobile number.

   h) System will validate DP ID – Client ID/Folio No. and PAN/Share certificate No., as the case may be, and send OTP at the registered mobile number as well as e-mail address for validation.

   i) Enter the OTPs received by SMS and e-mail to complete the validation process. OTP will be valid for 5 minutes only.

   j) The Notice and e-voting instructions along with the User ID and Password will be sent on the e-mail address updated by the member.

   k) Please note that in case the shares are held in electronic form, the above facility is only for temporary registration of e-mail address for receipt of the Notice and the e-voting instructions along with the User ID and Password. Such members will have to register theire-mail address with their DPs permanently, so that all communications are received by them in electronic form.

   l) In case of queries, members are requested to write to einward.ris@kfintech.com or call at the toll free number 1800-309-4001.

8. Members are requested to send all communication relating to shares to the Company's Registrar & Transfer Agent - KFin Technologies Private Limited (RTA), Selenium, Tower - B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032. Members holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

9. Book Closure & Dividend

   A. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, 31st July, 2021 to Friday, 06th August, 2021** (both days inclusive) for the purpose of AGM and Dividend.

   B. Final dividend for the financial year ended 31st March, 2021, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid on or after Thursday, 12th August, 2021, to those members whose names are registered as such in the Register of Members of the Company as on **Friday, 30th July, 2021** and to the Beneficiary holders as per the beneficiary list as on **Friday, 30th July, 2021** provided by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").

C. Payment of Dividend through electronic means:

i. The Company provides the facility to the Shareholders for remittance of dividend directly in electronic mode through National Automated Clearing House (NACH). In view of the continuing COVID-19 pandemic and resultant difficulties involved in dispatching of physical dividend warrants, Shareholders holding shares in physical form and desirous of availing this facility of electronic remittance are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFSC Code), along with their Folio Number, to the Company or Kfin (RTA). Shareholders holding shares in dematerialized form are requested to provide the said details to their respective Depository Participants.

ii. In line with the General Circular No. 02/2021 dated 13th January, 2021 read with General Circular No. 20/2020 dated 5th May, 2020 issued by the MCA, in case the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non availability of their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFSC Code),the Company shall dispatch the dividend warrant/ cheque to such shareholder by post.

iii. Shareholders holding shares in dematerialized form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company/Kfin (RTA) cannot act on any request received directly from the Shareholders holding shares in dematerialized form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Shareholders.

D. The Finance Act, 2020 has abolished the Dividend Distribution Tax ('DDT') and has introduced the system of dividend taxation in the hands of the shareholders with effect from 1 April 2020. Accordingly, the Company would be required to deduct Tax at Source ('TDS') in respect of approved payment of dividend to its shareholders (resident as well as non-resident).

RESIDENT SHAREHOLDERS:

Tax shall be deducted at source under section 194 of the Income Tax Act, 1961 ('IT Act') @ 10% on the amount of dividend declared and paid by the Company during financial year 2021-22, subject to the following:

Sr. No.	Particulars	Rate of TDS applicable	Section under the Act
1	PAN is not available/ Invalid PAN	20%	206AA
2	Non-linking of PAN with Aadhaar, if allotted (refer **Note 1**)	20%	206AA
3	Non-filing of return of income tax for any of the last two financial years (i.e. FY 2018-19 and FY 2019-20); and TDS as well as TCS deduction in each of these years in case of the shareholder is ₹ 50,000 or more (refer **Note 2**)	20%	206AB

Note 1 : As per section 139AA(2) of the IT Act read with Rule 114AAA of the Income Tax Rules, 1962, currently, PAN is mandatorily required to be linked with Aadhaar by 30th June , 2021. If PAN is not linked with Aadhaar by 30th June, 2021 (unless such due date is extended), such PAN will be deemed inoperative and tax at source will be required to be deducted at higher rates under section 206AA of the IT Act.

Note 2 : Provisions of section 206AB of the IT Act are applicable with effect from 1st July, 2021, unless such date of applicability is extended.

No tax shall be deducted at source on the dividend payable to a resident individual if the total dividend to be received by the said resident individual from the Company during a financial year does not exceed ₹ 5,000; or if an eligible resident shareholder provides a valid declaration in Form 15G/ Form 15H or other documents as may be applicable to different categories of shareholders.

Further, if a shareholder has obtained a lower or Nil withholding tax certificate from the tax authorities and provides a copy of the same to the Company, tax shall be deducted on the dividend payable to such shareholder at the rate specified in the said certificate.

NON-RESIDENT SHAREHOLDERS:

Tax is required to be deducted at source in the case of non-resident shareholders in accordance with the provisions of section 195 of the IT Act at the rates in force. As per the relevant provisions of the IT Act, the TDS on dividend shall be @ 20% or applicable rate plus applicable surcharge and health and education cess on the amount of dividend payable to the non-resident shareholders. For FII/ FPI shareholders, section 196D provides for TDS @ 20% or applicable rate plus applicable surcharge and health and education cess.

However, as per section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) read with applicable Multilateral Instrument provisions, if they are more beneficial to them.

A list of documents/ declarations required to be provided by the resident shareholders and list of documents/declarations required to claim the benefit of DTAA by the non-resident shareholders are available on the Company's website https://www.sircapaints.com/investors/#annual-report Kindly note that the documents should be uploaded with KFin Technologies Pvt Ltd., the Registrar and Transfer Agent at https://ris.kfintech.com/form15 or e-mailed to einward.ris@kfintech.com.

No communication on the tax determination/ deduction shall be entertained after **05th August, 2021**.

The above referred documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the IT Act.

In addition to the above, please note the following:

- In case you hold shares under multiple accounts under different status/ category but under a single PAN, the highest rate of tax as applicable to the status in which shares held under the said PAN will be considered on the entire holding in different accounts.
- In case of joint shareholding, the withholding tax rates shall be considered basis the status of the primary beneficial shareholder.
- For deduction of tax at source, the Company would be relying on the above data shared by KFin as updated up to the record date.

It may be further noted that in case tax on dividend is deducted at a higher rate in the absence of receipt of any of the afore mentioned details/ documents from the shareholders, the shareholders may consider filing their return of income and claiming an appropriate refund, as may be eligible. No claim shall lie against the Company for such taxes deducted.

The Company shall arrange to e-mail the soft copy of the TDS certificate to shareholders at the registered e-mail id within the prescribed time, post payment of the said dividend, if declared in the AGM. The said certificate can also be viewed in Form 26AS at TRACES https://www.tdscpc.gov.in/app/login.xhtml or the website of the Income Tax department of India https://www.incometax.gov.in/home .

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Shareholder/s, such Shareholder/s will be responsible to indemnify the Company, and also provide the Company with all information/ documents and co-operation in any assessment/ appellate proceedings before the Tax/ Government authorities.

E. Members are requested to note that, dividends if not encashed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The details of the unpaid/unclaimed amounts lying with the Company are available on the website of the Company www.sircapaints.com. Members are requested to approach the Company/KFin (RTA) for claiming unpaid dividends.

10. Pursuant to the Companies (Amendment) Act, 2017 effective from May 07, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. In view of the foregoing amendment, ratification by the Members for continuance of their appointment is not being sought at this AGM.

11. SEBI has mandated the submission of Permanent Account Number (PAN) by every securities market participant. Members holding shares in electronic form are therefore requested to submit their PAN to the DP with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to RTA/ Company.

12. With effect from April 01, 2019, in terms of SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are not being processed unless the securities are held in the dematerialized form with the depositories. Therefore, Members holding shares in physical form are requested to dematerialize shares held in physical form at the earliest available opportunity.

13. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act will be available during the meeting for inspection through the VC facility of KFin, to the Members attending the AGM.

14. Members desiring any additional information with regard to Accounts/Annual Report or have any question or query are requested to write to the Company Secretary on the Company's investor email-id cs@sircpaints.com, so as to enable the Management to keep the information ready. Please note that, Members questions will be answered only if they continue to hold the shares as of **Friday, July 30th, 2021**, i.e. the 'cut-off' date for e-voting.

15. Instructions for e-voting and joining the e-AGM are as follows:

A. VOTING THROUGH ELECTRONIC MEANS:

I. In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 in relation to e-voting facility provided by Listed Entities, the members are provided with the remote e-voting facility to exercise votes on the items of business given in the Notice, through the e-voting services provided by KFin or to vote at the e-AGM.

II. The cut-off date for the purpose of determining the Members eligible for participation in remote e-voting (e-voting from a place other than venue of the AGM) and voting at the AGM through e-voting system is **Friday, July 30th, 2021**.

III. Members can cast their vote online from **02nd August 2021 at 09:00 A.M and ends on 05th August, 2021 at 05:00 P.M.** Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.

IV. Alternatively, members holding securities in physical mode may reach out on toll free number 1800 309 4001 for obtaining User ID and password or may write e-mail from the registered e-mail id to evoting@kfintech.com

V. The details of the process and manner for remote e-voting are explained herein below:

I. LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETING FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Shareholders are advised to update their mobile number and e-mail id with their DPs in order to access e-voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**A. Users registered for NSDL IDeAS facility:** 1. Open web browser by typing the URL: https://eservices.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. 2. A new screen will open. Enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. 3. Click on options available against Company name or e-voting service provider –Kfintech and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period. **B. Users not registered for IDeAS e-Services:** Option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp and proceed with completing the required fields i.e. follow steps given in points 1-3 above. **C. By visiting the e-voting website of NSDL:** 1. Visit the e-voting website of NSDL. Open web browser by typing the URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the "Login" icon, available under the "Shareholder/Member" section. 2. A new screen will open. Enter your User ID (i.e. your 16-digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. 3. Click on options available against Company name or e-voting service provider – Kfintech and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.
Individual Shareholders holding securities in demat mode with CDSL	**A. Existing user of who have opted for Easi / Easiest:** 1. URL to login to Easi/Easiest: https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on login icon and select New System Myeasi 2. Shareholders can login through their user ID and password. Option will be made available to reach e-voting page without any further authentication. 3. After successful login on Easi/Easiest, the user will also be able to see the e-voting menu. The menu will have links of ESPs. Click on KFintech to cast your vote. **B. Users who have not opted for Easi/Easiest:** Option to register for Easi/Easiest is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration and proceed with completing the required fields. **C. By visiting the e-voting website of CDSL:** 1. The user can directly access e-voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile no. and e-mail id as recorded in the demat account. 2. After successful authentication, user will be able to see the e-voting option where thee-voting is in progress and also able to directly access the system of ESP i.e. KFintech
Individual Shareholders (holding securities in demat mode) login through their depository participants	1. Shareholders can also login using the login credentials of their demat account through their Depository Participant registered with NSDL/CDSL for e-voting facility. Once logged-in, you will be able to see e-voting option. 2. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. 3. Click on options available against Company name or e-voting service provider- KFintech and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

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

II. LOGIN METHOD FOR REMOTE E-VOTING FOR SHAREHOLDERS OTHER THAN INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE AND SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE

(i) Initial password is provided in the body of the e-mail.

(ii) Launch internet browser and type the URL: https://evoting.karvy.com in the address bar.

(iii) Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.

(iv) After entering the details appropriately, click on LOGIN.

(v) You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) You need to login again with the new credentials.

(vii) On successful login, the system will prompt you to select the EVENT i.e. Sirca Paints India Limited.

(viii) On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

(ix) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

(x) Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

(xi) Corporate Members are required to scan and send a certified true copy of the Board Resolution, pursuant to Section 113 of the Act, authorizing their representatives to attend and vote on their behalf at the Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through their registered e-mail address to cs.sidharth11@gmail.com with a copy marked to the Company on cs@sircapaints.com.

(xii) In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of https://evoting.karvy.com or call KFin on 1800 345 4001 (toll free).

B. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

I. The Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned herein. The facility of participation at the AGM through VC will be made available for 1,000 members on first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

II. Members will be able to attend the AGM through VC by using their remote e-voting login credentials. The link for AGM will be available in Members login where the EVENT and the name of the Company can be selected. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned under heading A above.

III. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.

IV. Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.

V. While all efforts would be made to make the VC meeting smooth, participants connecting through mobile devices, tablets, laptops etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

C. SPEAKER REGISTRATION BEFORE AGM :

1. Members, who would like to express their views or ask questions during the AGM will have to register themselves as a speaker by visiting the URL https://emeetings.kfintech.com and clicking on the tab 'Speaker Registration' during the period starting from **02nd August 2021 at 09:00 A.M and ends on 05th August, 2021 at 05:00 P.M.** Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM.

2. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Please note that only questions of the Members holding the shares as on cut-off date will be considered.

A video guide assisting the members attending AGM either as a speaker or participant is available for quick reference at URL https://emeetings.kfintech.com.

Members who need technical assistance before or during the AGM can contact KFin at emeetings@kfintech.com or Helpline: 1800 345 4001.

D. GENERAL INSTRUCTIONS:

i. The Board of Directors has appointed **Mr. Sidharth Sharma (M/s. Sidharth Sharma & Associates, Practicing Company Secretaries) (FCS No. 9324 CP No. 10969)** as the Scrutinizers, for conducting the voting/poll and remote e-voting process in a fair and transparent manner.

ii. The results declared along with the Scrutiniser's Report shall be placed on the Company's website https://www.sircapaints.com/ and on KFin's website https://evoting.kfintech.com and shall also be communicated to the National Stock Exchange of India Limited. https://www.nseindia.com/get-quotes/equity?symbol=SIRCA

The following Explanatory Statement sets out all material facts relating to Resolution Nos. 4 to 5 of the Notice in accordance with Section 102 of Companies Act, 2013

BRIEF FOR ITEM NO.4

The Board of Directors at its meeting held on 10/07/2021 on the recommendations of the Audit Committee, had approved the appointment and remuneration of M/s. Govind Singh Bisht & Co., Cost Accountants (Firm Registration No. 002410), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31st March, 2022, at a remuneration upto ₹ 80,000/- (Rupees Eighty Thousand) plus taxes and reimbursement of out of pocket expenses at actual, if any, incurred in connection with the audit.

M/s. Govind Singh Bisht & Co. (Firm Registration No.002410) have confirmed that they hold a valid certificate of practice under Sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959.

In accordance with the provisions of Section 148 (3) of the Act read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re – enactment(s) for the time being in force), the remuneration payable to Cost Auditor for the Financial Year ending March 31, 2022 has to be ratified by the members of the Company.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

BRIEF FOR ITEM NO.5

Approval of payment of remuneration to the Executive Directors, who are promoters or members of the promoter group, in terms of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018

The remuneration being paid to the executive directors of the Company - Mr. Sanjay Agarwal and Mr. Apoorv Agarwal within the limits prescribed under the provisions of the Companies Act, 2013.

As per Regulation 17(6)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations,2015 which has come into force from April 01, 2019, provides that the annual remuneration payable to the executive directors, who are promoters or members of promoter group, shall be subject to the approval of the shareholders if: (i) such remuneration exceeds ₹ 5.00 Crore or 2.5% of the net profits of the Company, as calculated as per Section 198 of the Act; whichever is higher (ii) the aggregate annual remuneration exceeds 5% of such net profits of the Company, as calculated under section 198 of the Act, in case of more than one such director. The aforesaid approval shall be valid only till the expiry of the term of such director.

At present, the Company has two Executive Directors from Promoter Group, viz, Mr. Sanjay Agarwal (DIN: 01302479), Chairman cum Managing Director and Mr. Apoorv Agarwal (DIN: 01302479), Joint Managing Director.

In order to comply with the requirement of Amended LODR Regulations and on the recommendation of the Board of Directors in view of their immense contribution, approval of Members, by way of Special Resolution, is being sought for paying remuneration even if the annual aggregate remuneration payable to Mr. Sanjay Agarwal (DIN: 01302479), Chairman cum Managing Director and Mr. Apoorv Agarwal (DIN: 01302479), Joint Managing Director, exceeds 5% of the net profit of the Company, as calculated undersection 198 of the Companies Act 2013 in any year during the tenure of their respective appointments.

Mr. Sanjay Agarwal and Mr. Apoorv Agarwal hold 88, 80, 480 & 5, 53, 500 equity shares in the Company, respectively.

The Board recommends the Special Resolution at Item No. 5 for approval of the Members. A part from Mr. Sanjay Agarwal and Mr. Apoorv Agarwal, who are interested themselves, none of the Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Registered Office:
Plot No.50, Phase-2, Badli
Industrial Area, Delhi-110042
Tel.: +91 11-42083083,
Website: www.sircapaints.com,
Email: cs@sircapaints.com
CIN: L24219DL2006PLC145092

Date :- 10th July, 2021
Place :- New Delhi

By order of the Board
For **Sirca Paints India Limited**
(Formerly Known as Sircolor Wood Coatings Pvt. Ltd.)

(**Chahat Mahajan**)
Company Secretary & Compliance Officer
(Membership No. 51255)

Annexure to the Notice

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (AS AMENDED FROM TIME TO TIME), AND SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2):

BRIEF RESUME AND OTHER DETAILS FOR ITEM NO. 3

Name of Director	Sanjay Agarwal
Date of Birth	05.02.1960
Expertise in specific functional areas	Mr. Agarwal is one of the co-founders of Sirca Paints India Limited, he has been working the Paints & Coatings industry for more than two decades. Under his able leadership, Sirca has risen the ranks as one of the most prominent brands of luxury wood coatings in the country. A Chartered Accountant by qualification, Mr. Agarwal currently looks after the finance and strategy functions of the organization.
Date of appointment	19.01.2006
No. of Equity Share held in the Company	88,80,480
Qualification	Chartered Accountant
List of Directorship of other Boards	Sirca Industries Limited
Chairman/Member of the Committee of the Board of Directors of the Company	Chairman of CSR
Chairman/Member of the Committee of the Board of Directors of other Companies	NIL

Director's Report

DEAR MEMBERS,

The Board of Directors is pleased to present the Sixteenth Annual Report of the Company along with the audited financial statements (standalone and consolidated) for the financial year 2020-21.

FINANCIAL RESULT

₹ in lakhs

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Revenue from operations	14318.36	13,505.25
Other Income	1414.51	561.34
Earnings Before Interest, taxes, depreciation and amortization	2632.77	3667.42
Less: Finance Cost	10.41	8.90
Less : Depreciation and Amortization Expense	363.57	239.95
Profit before tax	2,258.80	3,418.49
Less: Tax Expenses	598.29	902.74
Profit for the period from continuing operations	1665.30	2517.45
Profit for the period of discontinuing operations	-	-
Profit for the period	1665.30	2517.45

COMPANY'S PERFORMANCE REVIEW

DURING THE FINANCIAL YEAR 2020-21:

» During the **financial year 2020-21, revenue from operations** on standalone basis increased to ₹ **14318.36 lakhs as against** ₹ **13505.25 Lakhs** in the previous year- a growth of 6.02%;

» **Other income** Increased to ₹ **1414.51 lakhs as against** ₹ **561.34 lakhs** in the previous year- a growth of 151.99%;

» **Profit after tax** for the current year is ₹ **1660.51 against** ₹ **2515.75** in the previous year-a decrease of 33.99%

SECRETARIAL STANDARDS

Pursuant to the provisions of **Section 118 of the Companies Act, 2013,** the Company has complied with the applicable provisions of secretarial standards issued by the Institute of Company Secretaries of India.

DIVIDEND

The Board of Directors at their meeting held on **28th May, 2021**, has recommended payment of ₹ **1.50 (Rupees one and paise fifty only) (15%)** per equity share as **final dividend** for the financial year ended **31st March, 2021**. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company.

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

RESERVES

During the year under review, there was no amount transferred to any of the reserves by the Company.

SHARE CAPITAL

The paid up Equity Share Capital as at 31st March, 2021 stood at ₹ 27,40,44,000. During the year under review, the Company did not issue any Equity Shares. Further, the Company has not issued any convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants. There has been no change in the capital structure of the Company during the year.

DETAILS OF LOCK – IN OF SHARES

As per Regulation number **32 and 36 of SEBI (ICDR) Regulations, 2009,** all pre Issue shareholding has to be locked-in for period of **3 year. Further Company has issued bonus shares in ratio of 1:2 per share, in this regard for those shareholder whose shares are locked-in before bonus issue are required to incorporate of locked-in of such bonus shares allotted to them also.**

Following are the details of the Lock – In of Shares:
NSDL

Sr. No.	Name of the Applicant	Quantity	Tenure
1.	Sanjay Agarwal	37,00,000	3 YEAR (upto 30.05.2021)
2.	Sanjay Agarwal	18,50,000	3 YEAR (upto 30.05.2021)
Total		**55,50,000**	

DEPOSIT

During the financial year 2020-2021, the Company has not accepted any deposit within the meaning of **Sections 73 and 74 of the Companies Act, 2013** read together with the **Companies (Acceptance of Deposits) Rules, 2014.**

CONVERSION, NAME CHANGE OF COMPANY & NATURE OF BUSINESS.

» During the financial year, your company hasn't changed its name;

» During the year under the review, there was no change in the nature of business of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

- Pursuant to Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sanjay Agarwal is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

- **Appointment of Mr. Shyam Lal Goyal (DIN: 08815530) as the Non – Executive Independent Director of the Company:**

  The Board of Directors of the Company upon the recommendation of Nomination and remuneration committee of the Company, recommended the appointment of Mr. Shyam Lal Goyal (DIN: 08815530) as a Non – Executive Independent Director of the Company in the Annual General Meeting of the Company duly convened on 18th Day of September, 2020. Shareholders extended their consent for the appointment.

- **Resignation of Mrs. Archana Agarwal (08038188) as the Non – Executive Independent Director of the Company:**

  During the Year Mrs. Archana Agarwal (DIN: 08038188), has stepped down from the position of Independent Non-Executive Director of the Company with effect from the 28th September 2020 due to pre occupation.

- There have been no changes in the Key Managerial Personnel of the Company during the Financial Year 2020-21.

DECLARATION OF DIRECTOR'S INDEPENDENCE

The Company has received the following declarations from all the Independent Directors confirming that:

» They meet the criteria of independence as prescribed under the provisions of the Act, read with the schedules and rules issued thereunder, as well as of Regulation 16 of the Listing regulations;

» In terms of Regulation 25(8) of the Listing Regulations, they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, they could impair or impact their ability to discharge their duties.

In terms of Regulation 25(9) of the Listing Regulations, the Board of Directors has ensured the veracity of the disclosures made under Regulation 25(8) of the Listing Regulations by the Independent Directors of the Company.

REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL'S AND SENIOR MANAGEMENT

The remuneration paid to the Directors, Key Managerial Personnel's and Senior Management is in accordance with the Nomination and Remuneration policy formulated in accordance with Section178 of the Act and Regulation 19 of the Listing Regulations.

NUMBER OF MEETINGS OF THE BOARD

8(Eight) meetings of the Board of Directors were held during the financial year 2020 – 21. The details of the meetings of the Board of Directors of the Company convened during the financial year 2020-21 are given in the Corporate Governance Report which forms part of this Report.

COMMITTEES OF THE BOARD

Pursuant to **Section 135, Section 177, Section 178 and Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014, Secretarial Standard 1 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** the Board has Constituted five committees: **the audit committee, the nomination and remuneration committee, the stakeholder's relationship Committee, the corporate social responsibility Committee and the Internal Complaint Committee for prevention of Sexual harassment.**

A detailed note on the composition of the Board and its committee's with other details regarding all the Committees are provided in the **Corporate Governance Report** which is a part of this report.

NOMINATION AND REMUNERATION POLICY

The salient features of the Nomination and Remuneration Policy of the Company are set out in the Corporate Governance Report which forms part of this Annual Report.

The said Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment & Re – appointment of Directors on the Board of the Company and persons holding senior management positions in the Company, including their remuneration and other matters as provided under Section 178 of the Act and Listing Regulations.

PERFORMANCE EVALUATION

The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration committee to formulate a process for effective evaluation of the performance of individual directors, committees of the Board and the Board as a whole.

The Board formally assesses its own performance based on parameters which, inter alia, include performance of the Board on deciding long term strategy, rating the composition and mix of Board members, discharging of governance and fiduciary duties, handling critical and dissenting suggestions, etc.

The parameters for the performance evaluation of the Directors include contribution made at the Board meeting, attendance, instances of sharing best and next practices, domain, knowledge, vision, strategy, engagement with senior management etc.

The independent directors at their separate meeting review the performance of non – independent directors and the Board as a whole, chairperson of the Company after taking into account the views of Executive director and non – executive directors, the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform the duties.

Based on the outcome of the performance evaluation exercise, areas have been identified for the Board to engage itself with and the same would be acted upon.

The details of the evaluation process are set out in the Corporate Governance Report which forms a part of this Annual Report.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

All new independent directors inducted into the Board are familiarized with the operations and functioning of the Company. The details of the training and familiarization program are provided in the Corporate Governance report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to **Section 134 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force)**, the Directors of the Company confirm that:

(a) In the preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable Accounting Standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as give a true and fair view of the state of affairs of

the Companies as at 31st March, 2021 and of profit and Loss of the Company for the financial year ended 31st March, 2021;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Company Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

(d) the annual accounts have been prepared on a "going concern" principal;

(e) proper internal financial control laid down by the directors were followed by the Companies and that such internal financial controls are adequate and operating effectively; and;

(f) Proper system to ensure compliance with the provisions of all applicable laws was in place and that such system are adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis as stipulated under the Listing Regulations is presented in a separate section forming part of this Annual Report as **Annexure-A.** It speaks about the overall industry structure, global and domestic economic scenarios, developments in business operations/ performance of the Company's various businesses viz., decorative business, international operations, industrial and home improvement business, internal controls and their adequacy, Risk, threats, outlook etc.

CORPORATE GOVERNANCE REPORT

In compliance with **Regulation 34 of the Listing Regulations,** a separate report on Corporate Governance along with a Certificate of Auditors on its Compliance forms an integral part of this Report Annual Report as **Annexure-B.**

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

A statement containing the salient features of financial statement of subsidiary company in the prescribed Form AOC-1 forms part of the Directors Report as **Annexure–C,** in compliance with Section 129(3) and other applicable provisions, if any, of the Act reads with rules.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the provisions of the Act, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable Accounting Standards, the Company is required to submit Audited Consolidated financial statements of the Company, together with the Auditor's report from part of this Annual Report.

AUDITORS AND AUDITOR'S REPORT

SECRETARIAL AUDITORS

The Board of Directors of the Company has appointed **Mr. Karan Khurana, Practicing Company Secretary,** bearing **(Certificate of Practice No. 15397)** as the Secretarial Auditor to conduct an audit of secretarial records for the financial year **2020-21**.

The Secretarial Audit Report for the financial year ended 31st Day of March, 2021 under Act, read with Rules made thereunder and Regulations 24A of the listing regulations (including any statutory modification(s) or re – enactment(s) thereof for the time being in force) is set out in the **Annexure-D** to this report.

The Secretarial Audit Report does not contain any qualification.

The Board has re – appointed **Mr. Karan Khurana, Practicing Company Secretary,** bearing **(Certificate of Practice No. 15397)** as Secretarial Auditors of the Company for FY 2021 – 22. The company has received consent from Mr. Karan Khurana to act as the auditor for conducting audit of the secretarial records for the financial year ending as on 31st Day of March, 2022.

STATUTORY AUDITORS

M/s Rajesh Kukreja & Associates (Chartered Accountants) (FRN: 0004254N), were re-appointed as the Auditors of the Company at 14th Annual General Meeting till the conclusion of the Seventeenth Annual General Meeting, to conduct the audit till the March 31,2022.

M/s Rajesh Kukreja & Associates (Chartered Accountants) (FRN: 0004254N) has confirmed that they are not disqualified from continuing as Auditors of the Company.

The Auditors have issued an unmodified opinion on the Financial Statements for the financial year ended 31st March, 2021. The Auditors' Report for the financial year ended 31st March, 2021 on the financial statements of the Company is a part of this Annual Report.

COST AUDITOR

M/s. Govind Singh Bisht & Co., Cost Accountants, (Firm Registration No.: **002410**) were appointed by the Board of Directors as the Cost Auditors of the Company for all the applicable products pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, for the Financial Year 2020-21.They are required to submit the report within 180 (One Hundred and Eighty) days from the end of the accounting year.

Further, upon recommendation of the Audit Committee, the Board of Directors of the company have approved appointment of **M/s. Govind Singh Bisht & Co.,** Cost Accountants, being eligible, as the Cost Auditors of the Company for the Financial Year 2021-22 at a remuneration upto ₹ 80,000/- (Rupees Eighty Thousand Only) plus applicable taxes and out of pocket expenses, subject to ratification of the said remuneration by the Members at the ensuing 16th (Sixteen Annual General Meeting pursuant to Section 148 of the Companies Act, 2013.

The Company has maintained the necessary accounts and records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 pertaining to Cost Audit.

INTERNAL AUDITOR

M/s S Mahajan & Co. (FRN: 033060N), Chartered Accountants was re-appointed by the Board of Directors to perform the duties of Internal Auditor of the Company for the Financial Year 2021– 22.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of the provisions of Section 135 of the Act your Company has constituted a CSR Committee. The composition and terms of reference of the CSR Committee are provided in the Corporate Governance Report forming part of this report. The Company has also formulated a Corporate Social Responsibility (CSR) Policy in compliance with the provisions of the Companies Act. As part of its CSR contribution, the Company had utilized its contribution through **"Meenakshi Foundation, Registered Society, R/o. 811, Ansal Bhawan, 16, K.G.Marg, New Delhi-110001"**, with the objectives of Spreading the education for all, Women and Child Development.

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014(including any modification or re-enactment thereof, for the time being in force), the Annual Report on CSR activities is appended as **Annexure-E** to the **Directors' Report.** The policy on CSR is available on the website of the Company i.e. www.sircapaints.com.

BUSINESS RESPONSIBILITY STATEMENT

A Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective, as

required in terms of the provisions of Regulation 34(2)(f) of SEBI Listing Regulations, separately forms part of this Annual Report.

DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Company has established a robust framework for internal financial controls. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. During the year, such controls were assessed and no reportable material weaknesses in the design or operation were observed. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective during **FY 2020-21.**

OTHER STATUTORY DISCLOSURES

ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the annual return of the Company is available on the Company's website at the following web link:- https://www.sircapaints.com/investors/#annual-report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company promotes ethical behavior in all its business activities and has put in place a Mechanism for reporting illegal or unethical behavior. The Company has a Vigil mechanism and Whistle blower policy which provides a channel to the employees and Directors to report to the Management, concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy.

The Company has provided email address of Vigilance and Ethics Officer in its policy to which all protected disclosures should be addressed. It is affirmed that no person has been denied access to the Audit Committee. The employees are encouraged to voice their concerns by way of whistle blowing and the policy provides complete confidentiality and safeguard of the employees who raises the whistle against such improper conduct. The Whistle Blower Policy has been communicated to all the Directors and employees of the Company through website of the Company i.e. www.sircapaints.com.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no such significant and material orders passed by the regulators or courts or tribunals, impacting the going concern status and company's operations in future.

LOANS, GUARANTEES OR INVESTMENTS

» **Details of Loans:-**

During the year, the Company has not directly or indirectly, given any loan to any person(s) or other body corporate.

» **Details of Investments:-**

Company has invested ₹ 10,00,000/- (Rupees Ten Lakh) against the subscription of 100,000 shares, in its wholly owned subsidiary, during the Financial year.

DETAILS OF GUARANTEE / SECURITY PROVIDED:-

During the year, the Company has not directly or indirectly, given any guarantee or provided any security in connection with a loan to any other body corporate or person(s).

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions which were repetitive in nature, entered on arm's length basis in the ordinary course of business and compliance with **Section 188 (1) of the Companies Act 2013** read with rules made there under, **Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** and other applicable provisions of the Law.

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with and Materiality of Related Party Transactions, formulated by the Company.

The Related Party Transactions Policy as approved by the Board was uploaded on the Company's website pursuant **to Regulation 46 of the SEBI (LODR) Regulations, 2015** at the web link: https://www.sircapaints.com/policies-programs-code.The information relating to particulars of contracts or arrangements with related party prepared under Section 188(1) of the Companies Act, 2013 read with Rule 8(2) of Companies (Accounts) Rule, 2014 is in **Form AOC-2** is appended as **Annexure–F** to the **Directors' Report** as required.

Details of the transactions with Related Parties are provided in the accompanying financial statements. Members may refer to **NOTE NO. 41** to the financial statements which sets out related party disclosures as per **IND-AS**

PARTICULARS OF EMPLOYEES

Pursuant to **Section 197(12) of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,** details/information related to the remuneration of Directors and Key Managerial Personnel are set out as **Annexure-G** to the Directors' Report.

There is no information required to mention under **Rule 5 (2)** except statement showing details pertaining to names of the top ten employees in terms of remuneration drawn and various other details related as per **Rule 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.**

Further, the Company has no such employee who falls under **Rule 5 (2) (i), (ii) and (iii) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Amendment Rules, 2016.**

CODE OF CONDUCT

The Board of Directors has approved a code of conduct which is applicable to members of the Board and all employees in the course of day to day business operations of the Company. The code has been placed on the Company's website www.sircapaints.com. The Code lays down the standard procedure of business conduct which is expected to be followed by the directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and Senior Management personnel have confirmed compliance with the code.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated **under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014** are as follow:

» **Conservation of Energy Measure Taken**

The manufacturing units of the Company have continued their efforts to reduce their energy consumption and the new plants of Nathupur and Rai, Sonipat, Haryana have also followed the suit.

A. Some of the key measures taken by all the manufacturing plants are as below:

- Use of Energy efficient motors for all new projects
- Pressure based pumping system for utility pumping
- Elimination of compressed air in packing for vacuum application
- Use of Energy Efficient aluminum Air piping solution to reduce friction losses
- LED lighting for all plants
- Utility using electric pallets to save fuel and run with the clean solar energy
- STP treated water reused for gardening/ toilet flushing
- ETP treated water reused for utility make-up
- Stripping water recycling in tanker cleaning
- Air Dust Collector to clean the environment inside factory
- Fume suction system to recover and remove the hazardous fumes from the factory environment.
- All the utilities are noise free pollution.

B. Alternate Sources of Energy

SOLAR ENERGY:

Sirca Paints invested in Solar (Utility Solar) in Haryana, Nathupur, however, same were dismantled due to an unfortunate fire incident occurred in the Factory premises on 27th Day of June, 2020.

» **Technology Absorption**

A. Research and Development (R&D)

1. SPECIFIC AREAS IN WHICH R&D CARRIED OUT BY THE COMPANY:

a. New products development in wood coating.

b) Anti-bacterial paint for interior wall application.

c) Development of direct to metal finishes for general industries

d) Collaborative work with academic institutions and vendors and customers

2. BENEFITS DERIVED OUT OF THE ABOVE WORK:

Development of new products for different applications.

i) Decorative Products:

- Polyester paint for interior-exterior application.
- Low cost exterior with gloss, rich look and smoother finish.
- Economy exterior emulsion which is resistant to chalking, flaking, fading and prevent fungi and algae growth.
- Quick drying, anti-rust, anti-yellowing durable coating system.
- Economical elastomeric base coat.

ii) Industrial products:

- Polyurethane coating with extended durability and weather ability.
- Mono coat polyurethane finish with higher productivity and energy savings for GI.
- Direct to metal finish for auto and GI sector.
- Moisture cured heat resistance coating for GI.
- High Solid Acrylic Polyol coatings for wood and metals.
- Glass coating development for decorative and industrial purpose
- Acrylic coating for decorative and industrials sector.

3. FUTURE PLAN OF ACTION :

The Company continuously carries out innovation and development based on customer and industry needs. These will include new applications, environmentally benign products, hybrid technologies, corrosion resistant and more durable products.

Your company keeps itself updated with latest technological innovations by way of constant communication, personal discussions and visit to overseas countries/ plants and benchmarking best industrial practices.

b) Technology Absorption, Adoption and Innovation:

(i) Efforts, in brief, made towards technology absorption, adoption and innovation

You company has entered into a Technical Knowhow agreement dated 16thFebruary, 2018 with SIRCA S.P.A. This agreement was signed for providing better products to the end users at Economical Range.

(ii) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc

Full understanding of the technology helped the Company to identify better process knowledge and simulation facilitated achievement of higher production volumes, quality improvement and energy conservation.

» **Foreign Exchange Earnings and Outgo**

At present your company has not yet product as we are still pursuing with the trade business. However, this one thing is on top of the list of our Action plan of coming year. We are planning to start the export of our products as early as possible.

However, your company did import the raw material and other products for the purpose of trade, details or bifurcation of the same can be seen in the **NOTE NO. 43** of the financial statements.

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has formulated a Policy on prevention of Sexual Harassment at workplace for prevention, prohibition and redressal of Sexual Harassment of Women at Workplace (Prevention, Prohibition and redressal) Act, 2013(hereinafter referred to as "Prevention of Sexual Harassment Act").

To prevent the sexual harassment in workplace the company has set up Internal Complaints Committee in the company comprising a presiding officer who is senior level woman employee, members with legal knowledge or experience in social work and one independent

member from outside the organization who expertise in dealing with such matters and has the relevant knowledge and experience. The Committee is responsible for dealing with all matters related to the subject. The committee constitution has been communicated to all employees.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates. The Company periodically conducts sessions for employees across the organization to build awareness about policy and the provisions of Prevention of Sexual Harassment Act.

During the financial year 2020-21, company has not received any complaint of Sexual Harassment.

APPRECIATION

The Board of Directors place on record sincere gratitude and appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

The Board conveys its appreciation for its customer, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and On Behalf of the Board of Directors
SIRCA PAINTS INDIA LIMITED
(Formerly Known as Sircolor Wood Coatings Pvt. Ltd.)

Place :- New Delhi
Date :- 10th July, 2021

Sanjay Agarwal
Chairman Cum Managing Director
DIN: 01302479

Apoorv Agarwal
Joint Managing Director
DIN: 01302537

Annexure B Report on Corporate Governance

SIRCA PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to good Corporate Governance. The Company fully realises the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company is providing detailed information on various issues concerning the Company's business and financial performance to its shareholders.

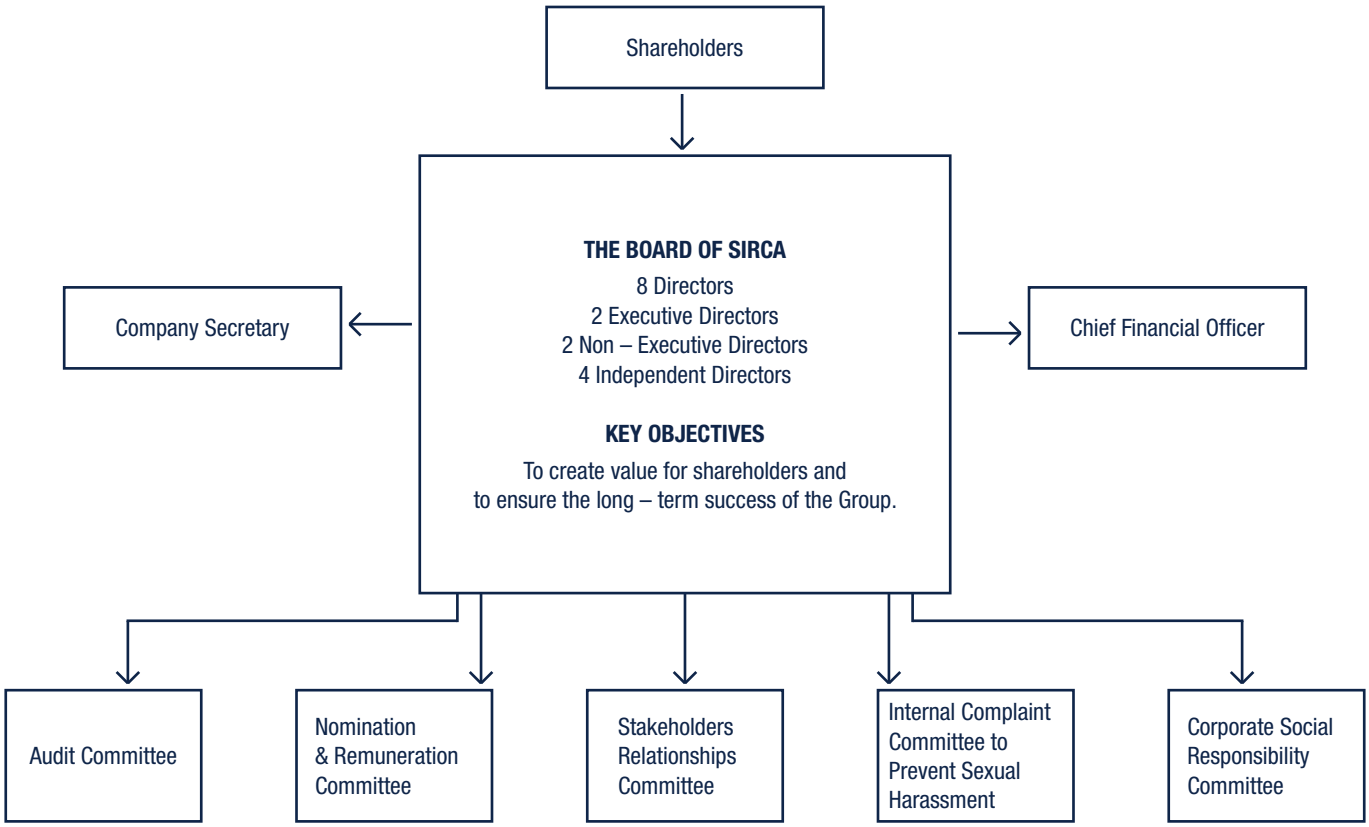
The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholder value, keeping in view the needs and interests of all its stake holders. The Company is committed to transparency in all its dealings and places emphasis on business ethics.

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing obligations and disclosure Requirements) Regulations, 2015 (Listing Regulations) and the report contains the details of Corporate Governance systems and processes at Sirca Paints India Limited.

GOVERNANCE STRUCTURE AND DEFINED ROLE AND RESPONSIBILITIES

Sirca Paints' governance structure comprises of Board of Directors, committees of the Board and the Management.

OUR CORPORATE GOVERNANCE FRAMEWORK



BOARD OF DIRECTORS

The Board of Directors have the ultimate responsibility of ensuring effective management, long term business strategy, general affairs, performance and monitoring the effectiveness of the Company's corporate governance practices. The Managing Director & Joint Managing directors reports to the Board and is in charge of the management of the affairs of the Company, executing business strategy in consultation with the Board and achieving annual long term business targets. The Managing Director and Joint Managing Director acts as a link between the Board and the management.

COMPOSITION OF THE BOARD

The Company believes in a well – balanced Board which enriches board discussions and enables effective decision making. The Board has an optimal mix of executive and Non – executive directors who have considerable expertise in their respective fields including competencies required in context of Company's businesses.

The composition and size of the Board is reviewed periodically to ensure an optimum mix of directors with complementary skill sets and varied perspectives for constructive debates facilitating more effective decision making.

As on the date of this report, the Board is comprised of 8 directors, 2 (Two) of which are executive promoter directors, 1(One) is Non – executive promoter director, 1 (One) non – executive director, 4 (Four) are Independent Directors.

The composition of the Board is in conformity with the requirements of Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 read with the rules issued thereunder.

S. No.	Name of Director	Category	Date of Appointment	No. of Other Directorships (As on 31.03.2021)	Total No. of Committee positions in Mandatory Committees (As on 31.03.2021)		
					Chairman	Member	Total
1.	Mr. Sanjay Agarwal DIN: 01302479	Promoter, Executive Director	19/01/2006	1	1	-	1
2.	Mr. Gurjit Singh Bains DIN: 01977032	Promoter, Non Executive Director	19/01/2006	2	-	2	2
3.	Mr. Apoorv Agarwal DIN: 01302537	Promoter, Executive Director	19/01/2006	1	-	2	2
4.	Mr. Sanjay Kapoor DIN: 06875087	Independent Director	14/12/2017	-	0	3	3
5.	Mr. Shyam Lal Goyal DIN: 08815530	Independent Director	18/09/2020	-	1	0	1
6.	Mr. Ugo Pelosin DIN: 08196294	Non Executive Director	27/09/2018	-	-	-	-
7.	Mr. Anil Kumar Mehrotra DIN: 05338446	Independent Director	04/07/2019	-	-	-	-
8.	Mrs. Anu Chauhan DIN: 08500056	Independent Director	04/07/2019	-	2	2	4

The attendance of each Director at all meetings of Board of Directors and at the last Annual General Meeting held during the FY 2020-2021:

Date of Board Meetings	Name of Directors								
	Mr. Sanjay Agarwal	Mr. Gurjit Singh Bains	Mr. Apoorv Agarwal	Mr. Sanjay Kapoor	*Mrs. Archana Agarwal	Mr. Ugo Pelosin	Mr. Anil Kumar Mehrotra	Mrs. Anu Chauhan	*Mr. Shyamlal Goyal
20.06.2020	✓	✗	✓	✓	✓	✗	✗	✗	⊘
29.06.2020	✓	✓	✓	✗	✗	✗	✓	✓	⊘
20.08.2020	✓	✓	✓	✗	✗	✗	✓	✓	⊘
28.09.2020	✓	✗	✓	✓	⊘	✗	✗	✗	✓
10.11.2020	✓	✗	✓	✗	⊘	✗	✗	✓	✓
28.12.2020	✓	✗	✓	✗	⊘	✓	✗	✓	✗
31.01.2021	✓	✓	✓	✗	⊘	✗	✓	✗	✓
27.02.2021	✓	✓	✓	✗	⊘	✗	✗	✗	✓

Date of Annual General Meeting	Name of Directors								
	Mr. Sanjay Agarwal	Mr. Gurjit Singh Bains	Mr. Apoorv Agarwal	Mr. Sanjay Kapoor	Mrs. Archana Agarwal	Mr. Anil Kumar Mehrotra	Mr. Ugo Pelosin	Mrs. Anu Chauhan	Mr. Shyam lal Goyal
18/09/2020	✓	✓	✓	✗	✗	✓	✗	✓	✓

Notes

* Mrs. Archana Agarwal (DIN: 08038188), has stepped down from the position of Independent Non-Executive Director of the Company with effect from the 28th September 2020. And Mr. Shyam Lal Goyal (DIN: 08815530) was appointed as Independent Non Executive Director of the Company as on18th September, 2020.

Leave of absence was obtained by Directors and granted in all cases where sorted and no one has abstained himself/herself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence from the Board. Hence, no one falls under the limit of section 167(1)(b) of the Companies Act, 2013. The necessary quorum was present for all the meetings.

The Board periodically reviews the compliance reports of laws applicable to the Company, as prepared.

SHAREHOLDING OF BOARD OF DIRECTORS:

S.No	Name of Director	Shareholding
1	Mr. Sanjay Agarwal	88,80,480
2	Mr. Gurjit Singh Bains	38,66,197
3	Mr. Apoorv Agarwal	5,53,500
4	Mr. Sanjay Kapoor	-
5	Mr. Shyam Lal Goyal	-
6	Mr. UgoPelosin	-
7	Mr. Anil Kumar Mehrotra	-
8	Mrs. Anu Chauhan	-

DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE:

Following Directors are related to each other:

S. No	Name of Director	Name of Related Director	Relationship
1	Mr. Sanjay Agarwal	Mr. Apoorv Agarwal	Son

INFORMATION PLACED BEFORE THE BOARD:

The Board has complete access to all company – related information. The Company secretary is responsible for collation, review and distribution of all papers submitted to the Board and committees thereof for considerations. The agenda for the meetings is circulated well in advance to the directors to ensure that sufficient time is provided to Directors to prepare for the meeting.

The Company secretary attends all the meetings of the Board and its committees and is, inter alia, responsible for recording the minutes of such meetings. The draft minutes of the Board and its committees are sent to the members for their comments in accordance with the Secretarial Standards. Thereafter, the minutes are entered in the minute's book within 30 (thirty) days of conclusion of the meetings, subsequent to incorporation of the comments, if any, received from the Directors.

The company adheres to the provisions of the Companies Act, 2013 read with the rules issued thereunder, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors, its committees and the General meetings of the shareholders of the Company.

The meetings of the Board of directors are generally held in Delhi. The maximum interval between any 2 (Two) consecutive Board Meetings as well within the maximum allowed gap of 120 (One hundred and twenty) days. The necessary quorum was present for all the meeting.

EVALUATION OF BOARD:

In terms of the requirement of the Companies Act, 2013 and the listing regulations an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with an aim to improve the effectiveness of the Board and the Committees. During the year, Board Evaluation Cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees. The exercise was led by the Chairman along with the Chairman of the Nomination and Remuneration Committee of the Company. The evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc.

As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. The Board Members from different backgrounds bring about different complementarities that help Board discussions to be rich and value adding. It was also noted that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committee Meetings. The evaluation exercise also suggested that the Board succession planning exercise has been embedded well in the Board processes.

INDEPENDENT DIRECTORS:

Schedule IV of the Companies Act, 2013 and Secretarial Standard – 1a Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of non – Independent Directors.

INDEPENDENT DIRECTOR'S DATABANK REGISTRATION

Pursuant to a notification dated 22nd October, 2019 issued by the Ministry of Corporate Affairs, all Independent directors are registered with the Independent Director's Databank.

During the financial year 2020-21, a separate meeting of the Independent Directors was held on 24th Day of March, 2021.

During the financial year 2020-21, Mrs. Archana Agarwal (DIN: 08038188), has stepped down from the position of Independent Non-Executive Director of the Company due to preoccupation with effect from the 28th September 2020. Further, the Company has received confirmation from Mrs. Archana Agarwal that there are no other material reasons for her resignation other that those which is provided in the resignation letter dated 28th September 2020.

The independent directors, inert alia, discussed and reviewed performance of Non – Independent Directors, the Board as a whole, chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

On and after listing of the shares of your company, pursuant to Regulation 25(7) of the Listing Regulations it was required to form a Familiarization

Programme to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. through various programmes.

Such programmes/presentations will provide an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business model, operations, services and product offerings, organization structure, finances, sales and marketing, human resources, technology, quality of products, facilities and risk management and such other areas as may arise from time to time. The above programme also includes the familiarization on statutory compliances as a Board member including their roles, rights and responsibilities. The Company also circulates news and articles related to the industry from time to time and provide specific regulatory updates.

The Familiarization programme for Independent Directors in terms of Regulation 25(7) of the Listing Regulations is uploaded on the website of the Company and can be accessed through the following link: https://www.sircapaints.com/investors/#policies.

DECLARATIONS:

The Company has received declarations from the Independent Directors that they meet the criteria of Independence laid down under the Companies Act, 2013 and the listing regulations.

The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirms that the Independent Directors fulfil the conditions of Independence specified in the Listing regulations and the Companies Act, 2013 and are independent of the management of the Company.

COMMITTEES OF THE BOARD

In terms of the Listing Regulations, the Board of the Company has constituted the following Committees:-

- Audit Committee;
- Nomination & Remuneration Committee;
- Stakeholders Relationship Committee;
- Internal Complaint Committee to prevent Sexual harassment at workplace and
- Corporate Social Responsibility Committee.

Name of Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance
Audit Committee	• Appoints the independent auditor and oversees the auditing process; • Ensures legal and regulatory compliances including the effective implementation of the code of conduct; • Ensures the integrity, accuracy and adequacy of accounting records; • Reviews the business contingency planning process within the group.	**Name**	**Category**	• 4 Meeting Held during Financial Year 2020-2021 on the following dates: ✓ 20.06.2020; ✓ 17.08.2020; ✓ 31.10.2020; ✓ 21.01.2021; All the directors were present in every meetings except for Mr Sanjay Kapoor who took the Leave of Absence from the meeting held on 31.10.2020. Further, as Mrs. Archana Agarwal (DIN: 08038188), has stepped down from the position of Independent Non-Executive Director of the Company with effect from the 28th September 2020 and with approval of Board, committee was reconstituted w.e.f. 28th September, 2020 where Mr. Shyam Lal Goyal (DIN: 08815530) joined as the new chairman/member of the committee being newly appointed non – executive Independent Director.
		Mrs. Anu Chauhan	Member	
		*Mrs. Archana Agarwal (till 28/09/2020)	Member	
		Mr. Apoorv Agarwal	Member	
		Mr. Shyam Lal Goyal (From 28/09/2020)	Chairman	
		Mr. Sanjay Kapoor (chairman of the committee till 28/09/2020, thereafter Member)	Member	
Nomination and Remuneration Committee	• Prepares and recommends governance principles applicable to the group; • Keeps abreast of best corporate practices; • Evaluate the effectiveness and qualifications of the Board and its committees; • Responsible for Director's succession planning; • Develops and recommends to the Board criteria for the selection of Directors and senior management. • Details of policy of Nomination and Remuneration committee are given below.	**Name**	**Category**	• 2 Meeting Held during Financial Year 2020-2021 on the following dates: ✓ 20.06.2020; ✓ 17.08.2020; • All the directors were present in all the meetings. Except for Mr. Gurjit Singh Bains, who took the Leave of Absence from meeting held on 20.06.2020. Further, as Mrs. Archana Agarwal (DIN: 08038188), has stepped down from the position of Independent Non-Executive Director of the Company with effect from the 28th September 2020 and with approval of Board, committee was reconstituted w.e.f. 28th September, 2020.
		*Mrs. Archana Agarwal (till 28/09/2020)	Chairman	
		Mr. Sanjay Kapoor	Member	
		Mr. Gurjit Singh Bains	Member	
		Mrs. Anu Chauhan (From 28/09/2020)	Chairman	

Stakeholders Relationship Committee	• Consider and resolve the grievances of security holders. • Consider and approve issue of share certificates, transfer and transmission of securities, etc. • Redressal of serious complaints received from shareholders/investors on non-receipt of shares after transfer in the physical form, complaints on Non-receipt of annual report, Non receipt of declared dividends etc. • Set forth the policies relating to and to oversee the implementation of Policy for Prevention of Insider Trading and to review the concerns received under the Sirca's Code of Conduct.	**Name** *Mrs. Archana Agarwal (till 28/09/2020) Mr. Sanjay Kapoor Mr.Gurjit Singh Bains Mrs. Anu Chauhan (From 28/09/2020)	**Category** Chairman Member Members Chairman	• 1 Meeting Held during Financial Year 2020-2021 on the following dates: ✓ 18.03.2021; All the directors were present in the meeting. • Mr. Chahat Mahajan is the company Secretary and compliance officer of the company. • No Complaint were received or remained pending against the company, during the financial year 2020-21. • Further, as Mrs. Archana Agarwal (DIN: 08038188), has stepped down from the position of Independent Non-Executive Director of the Company with effect from the 28th September 2020 and with approval of Board, committee was reconstituted w.e.f. 28th September, 2020.
Corporate Social Responsibility Committee	• Formulate and recommend to the board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act. • Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy. • Monitor the CSR Policy. • Review all other matters as applicable under any provisions, laws, rules and regulations of the Companies Act, 2013.	Name Mr. Sanjay Agarwal Mr. Apoorv Agarwal Mrs. Archana Agarwal (till 28/09/2020) Mrs. Anu Chauhan (From 28/09/2020)	Category Chairman Member Member Member	• 01Meeting Held during Financial Year 2020-2021 on the following dates: ✓ 13.07.2020; All the directors were present in the meeting. • Further Mrs. Archana Agarwal (DIN: 08038188), has stepped down from the position of Independent Non-Executive Director of the Company with effect from the 28th September 2020 and with approval of Board reconstitution Committees w.e.f. 28th September, 2020.
Sexual Harassment Committee (Internal Control Committee)	• During the Financial Year 2020 – 21, your company formulated the Internal Control Committee (ICC) for prevention of Sexual Harassment at work place; • The Company has formulated a Policy on prevention of Sexual Harassment at workplace for prevention, prohibition and redressal of Sexual Harassment of Women at Workplace (Prevention, Prohibition and redressal) Act, 2013 (hereinafter referred to as "Prevention of Sexual Harassment Act"); • ICC develop a policy against sexual harassment of women in the Company; • It evolve a permanent mechanism for the prevention and redressal of sexual harassment cases and other acts of gender based violence; • It ensure implementation of the policy in letter and spirit through proper reporting of the complaints and their follow-up procedures; • It creates a secure physical and social environment to deter any act of sexual harassment.	Name Seema Aggarwal Ayushi Agarwal Chahat Mahajan Sapna Vaish	Category Chairman Member Member Member (From External Organization)	• During the Financial Year 2020 – 21, the Committee hold one meeting on 24.03.2021; • No leave of absence was sorted in the meeting. • No Complaint filed and pending during the Financial year 2020-2021.

REMUNERATION OF DIRECTORS:

The details of remuneration paid to the Executive and Non-Executive Directors during the financial year 2020-2021 are given below:-

₹ in lakhs

Name of Director	Salary	Allowances & Perquisites	Contribution to PF	Sitting Fee	Total
Category A: Executive Directors					
Mr. Sanjay Agarwal	36.53	51.02	-	-	87.56
Mr. Apoorv Agarwal	17.20	21.82	-	-	39.02
Category B: Non-Executive Independent Directors/ Non-Executive Directors					
Mr. Gurjit Singh Bains	-	-	-	0.35	-
Mr. Sanjay Kapoor	-	-	-	0.30	-
Mrs. Archana Agarwal	-	-	-	0.15	-
Mr. Ugo Pelosin	-	-	-	0.5	-
Mrs. Anu Chauhan	-	-	-	0.45	-
Mr. Anil Kumar Mehrotra	-	-	-	0.30	-
Mr. Shyam Lal Goyal	-	-	-	0.35	-

CRITERIA OF MAKING PAYMENTS TO NON- EXECUTIVE DIRECTORS:

The Sitting Fee was paid to the Non- Executive Directors within limits approved by the Board of Directors.

SERVICE CONTRACTS, NOTICE PERIOD, SEVERANCE FEES:

The appointment of the Executive Directors are governed by Resolutions passed by the Shareholders of the Company, which covers the terms and conditions of such appointment, read with the service rule of the Company. A separate service contract is not entered into by the Company with Executive Directors.

STOCK OPTION DETAILS:

The Company does not have any stock option scheme.

NOMINATION & REMUNERATION POLICY OF THE COMPANY:

The Nomination & Remuneration Policy of the Company is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The Policy emphasize on promoting talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

The Remuneration Policy applies to Directors, Senior Management Personnel including its Key Management Personnel (KMPs) and other employees of the Company. When considering the appointment and remuneration of Whole-time Directors, the Nomination and Remuneration Committee inter –alia considers pay and employment conditions in the industry, merit and seniority of person and the paying capacity of the Company. Remuneration of KMPs and senior management personnel is decided by the Managing Director. The remuneration to other employees is fixed as per principles outlined above.

The guiding principle is that the remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel. While designing remuneration packages, industry practices and cost of living are also taken into consideration.

GENERAL BODY MEETINGS

ANNUAL GENERAL MEETING:

The location, time and resolutions passed in the Annual General Meetings held in last 3 years are given below:

Date	Location	Time	Items Approved by Special Resolution
27th September, 2018	DISTRICT CENTRE, CROSSING OPPOSITE GALAXY TOYOTA, OUTER RING RD, HAIDERPUR, SHALIMAR BAGH, DELHI -110088	11:00 A.M	NIL
06th September, 2019	DISTRICT CENTRE, CROSSING OPPOSITE GALAXY TOYOTA, OUTER RING RD, HAIDERPUR, SHALIMAR BAGH, DELHI -110088	11:00 A.M	NIL
18th September, 2020	VIDEO CONFERENCING ('VC') / OTHER AUDIOVISUAL	12:30 P.M	NIL

EXTRA ORDINARY GENERAL MEETING:

During the financial year 2020–21, no Extra Ordinary General Meeting was held by your company.

POSTAL BALLOT:

No special resolution was put through postal ballot during the financial year 2020–21.

None of the business proposed to be transacted in the ensuing Annual General Meeting (AGM) require passing of a Special Resolution through postal ballot.

MEANS OF COMMUNICATIONS

The company promptly discloses information on material corporate developments and other events as required under Listing Regulations. Such timely disclosures indicate the good corporate governance practices of the Company. For this purpose, it provides multiple channels of communications through dissemination of information on the on – line portal of the Stock Exchanges, press releases, the Annual Reports and by placing relevant information on its website.

PUBLICATION OF FINANCIAL INFORMATION:

Quarterly, half yearly and annual financial results of the Company are published in leading English and Hindi newspapers, viz., Business Standard, Jansatta, Financial Express. It is also displays on official news releases; and presentation made to institutional investors or to the analysts: Relevant information is displayed on the website of the Company at https://www.sircapaints.com/

WEBSITE AND NEWS RELEASES:

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'investor relation' on the Company's website gives information on various announcement made by the Company, Annual reports, quarterly/half yearly/ Nine – months and Annual financial results along with the applicable policies of the Company. The Company's official new releases and presentations made to the institutional investors and analyst are also available on the Company's website https://www.sircapaints.com. Quarterly compliance reports and other relevant information of interest to the investors are also placed under the Investor Relation sections on the Company's website.

STOCK EXCHANGE:

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchanges. The Managing director and the CFO & Company Secretary are empowered to decide on the materiality of information for the purpose of making disclosures to the stock exchanges. The Company makes timely disclosures of necessary information to National Stock Exchange of India Limited (NSE) in terms of the Listing regulations and other applicable rules and regulations issued by the SEBI.

NEAPS (NSE ELECTRONIC APPLICATION PROCESSING SYSTEM):

NEAPS is a web based application designed by NSE for corporates. All periodical compliances filings, inter alia, shareholding pattern, corporate governance report, corporate announcements, amongst others, are in accordance with the listing regulations, the disclosures made to the stock exchanges, to the extent possible, are in a format that allows users to find relevant information easily through a searching tools.

GENERAL SHAREHOLDER INFORMATION

Corporate Identity Number (CIN)	L24219DL2006PLC145092
Registered Office	Plot No. 50, Phase-2, Badli, Industrial Area, Delhi – 110042,
Website/Email	Website: www.sircapaints.com Email: info@sircapaints.com
Date, time and venue of Annual General Meeting	The ensuing AGM of the Company will be held on Friday, 06th August, 2021 at 12:30 P.M through video conferencing or other audio visual means. Notice of the ensuing AGM is separately provided along with the Annual Report.
Financial Calendar	April – March
Financial reporting for the quarter ending 30th June, 2021	July-August, 2021
Financial reporting for the quarter ending 30th September, 2021	October-November, 2021
Financial reporting for the quarter ending 31st December, 2021	January-February, 2022
Financial reporting for the year ending 31st March, 2022	April-May, 2022
Annual Result of 2021-22	End May, 2022
Dividend Payment Date	Dividend, when declared, will be payable on or after Thursday, 12th August, 2021 to those members whose names are registered as such in the Register of Members of the Company as on Friday, 30th July, 2021 and to the Beneficiary holders as per the beneficiary list as on Friday, 30th July, 2021 provided by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").
Date of Book Closing	Saturday, 31st July, 2021 to Friday, 06th July, 2021 (both days inclusive) for the purpose of Annual General Meeting and Dividend.
Depositories	NSDL Address: Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013 CDSL Address: Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013 Payment of Depository Fees: Annual Custody/Issuer fees is being paid by the Company within the due date based on invoices received from the Depositories.
International Securities Identification Number (ISIN)	INE792Z01011

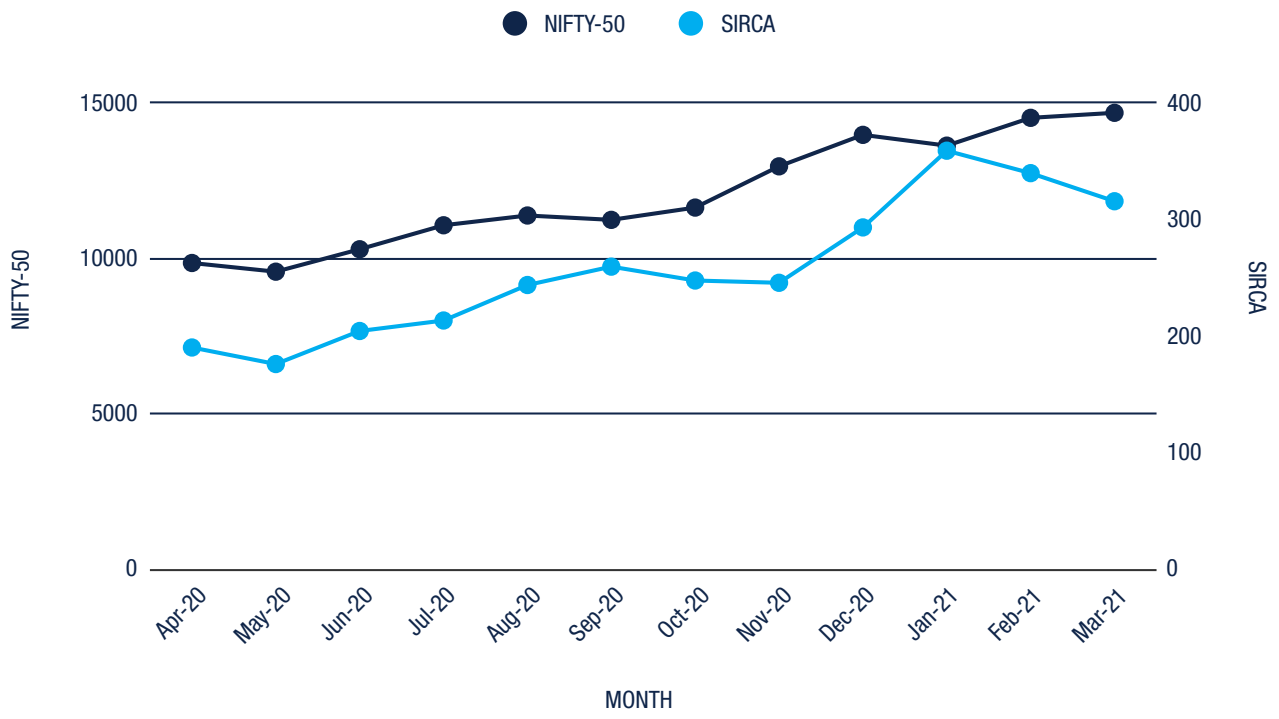
Name and address of Stock Exchanges at which the Company's securities are listed:	National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051. Tel No: (022) 26598100 – 8114. The Company has paid the requisite Annual Listing Fees to the Stock Exchanges for the financial year 2020-21.
Stock Codes:	NSE: SIRCA
Registrar & Share Transfer Agents (RTA):	KFin Technologies Pvt. Ltd (Formerly Known as Karvy Fintech Private Limited) Reg: Selenium Building, Tower- B, Plot No. 31 & 32, Financial District, Nanakramguda, serilingampally, Hyderabad, Rangareddy, Telangana, India-500032. Ph: 40-23312454

MARKET PRICE DATA: MONTH WISE HIGH, LOW OF THE COMPANY'S EQUITY SHARES DURING THE FINANCIAL YEAR 2020-2021 AT NSE ARE GIVEN BELOW:

Month	High	Low
April	214.02	173.05
May	196.06	158.00
June	284.80	176.05
July	237.00	190.10
August	286.00	210.00
September	279.75	235.20
October	272.95	242.00
November	256.85	238.80
December	306.00	225.00
January	364.85	272.20
February	360.00	314.50
March	350.95	310.60

None of the Company's securities have been suspended from trading.

GRAPHICAL REPRESENTATION OF THE INDEXED VALUES OF COMPANY'S CLOSING PRICE ON NSE VIS-À-VIS S&P NIFTY SENSEX, IS AS BELOW:



SHARE TRANSFER SYSTEM:

In terms of the Circular bearing Ref. No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 and further amendment vide Circular bearing Ref. No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018, both issued by Securities and Exchange Board of India, with effect from 1st April, 2019, the requests for effecting transfer of securities held in physical form (except in case of transmission or transposition of securities) are not to be processed. Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

The requests for transmission or transposition of securities held in physical form are registered and returned within a period of 15 days from the date of receipt in case the documents are complete in all respects. The same are placed for consideration of the Stakeholders' Relationship Committee. Further, particulars of movement of shares in the dematerialized form are also placed before the Stakeholders' Relationship Committee.

DISTRIBUTION OF SHAREHOLDINGS AS ON 31st MARCH, 2021:

Range of Share holding Nominal Value	No. of Shareholders	Percentage of Shareholders	Total No. of Shares Held	Total percentage of Shareholding
Up to 5000	5703	97.91	1382365	5.04
5001 – 10000	48	0.82	354940	1.30
10001 – 20000	25	0.43	364478	1.33
20001 – 30000	12	0.21	286192	1.04
30001 – 40000	4	0.07	140538	0.51
40001 – 50000	1	0.02	44300	0.16
50001 – 100000	13	0.22	998966	3.65
100001 & above	19	0.33	23832621	86.97
Total	**5825**	**100.00**	**27404400**	**100.00**

Category of Shareholders	No of shares	% of Total No. of Shares
A. Promoters		
a) Individual/ HUF	13355527	48.73
b) Foreign Bodies	5155483	18.81
Total Shareholding of Promoter(s) and Promoter(s) Group (A)	**18511010**	**67.55**
B. Public Shareholding		
1. Institutions		
a) Mutual Funds	925788	3.38
b) Foreign Institutional Investors	616565	2.25
Sub-total (B)(1):-	**1542353**	**5.63**
2. Non-Institutions		
a) Bodies Corp.	421095	1.54
b) Individuals		
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	1620378	5.91
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4140426	15.11
Clearing Members	19647	0.07
Foreign Bodies	1050000	3.83
Non Resident Indians	61439	0.22
Non Resident Indians (Non Repatriation)	38052	0.14
Sub-total (B)(2):-	**7351037**	**26.82**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**8893390**	**32.45**
Grand Total (A+B)	**27404400**	**100**

DEMATERIALIZATION OF SHARES AND LIQUIDITY:

As on 31st March, 2021Company is listed on NSE Exchange.96.17%of the paid-up share capital of the Company is in dematerialized forms, except the shares of, 10,50,002 Number of Equity Shares.

OUTSTANDING GDRS / ADRS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND ANY LIKELY IMPACT ON EQUITY:

N.A.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

With reference to Circular bearing Ref. No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15th November, 2018 issued by Securities and Exchange Board of India, on disclosures regarding commodity risks by listed entities, the Company is actively working on mitigating commodity risks and foreign exchange risks.

COMMODITY RISK

The Company procures certain raw materials which are derivatives of various commodities, from vendors. The Company does not undertake any commodity hedging activities on any exchange. It benchmarks its raw material prices based on international forecasts and local price trends and accordingly devices its cover strategy that ensures that Company's interests are protected despite volatility in prices.

FOREIGN EXCHANGE RISK

The Company is exposed to the risks associated with fluctuations in foreign exchange rates mainly on import of raw materials. It has a well-structured

foreign exchange risk management policy. The Company actively monitors the foreign exchange movements and takes forward covers as appropriate to reduce the risks associated with transactions in foreign currencies. Please refer to Note No. 43(d)(i) of Notes to the Standalone Financial Statements towards exposure to currency risk.

DIVIDEND:

Dividend Details	
1st Final dividend for FY 2018 –19 of ₹ 1 Per equity share declared on 06th September, 2019	
1st Interim Dividend for FY 2019 - 20 of ₹ 1.50 Per Equity share declared on 28th February,2020	
2nd Final Dividend for FY 2020-21 of ₹ 1.50 Per Equity share recommended by the Board of Directors at its meeting held on 28th May, 2021	

The Company provides the facility for remittance of dividend to members through NACH (National Automated Clearing House) / NEFT (National Electronic Funds Transfer).

Members who have not opted for remittance of dividend through electronic mode and wish to avail the same are required to provide their bank details, including IFSC (Indian Financial System Code) and MICR (Magnetic Ink Character Recognition), to their respective Depository Participants (DPs) for shares held in electronic form or to the Company's RTA for shares held in physical form, as the case may be, in order to ensure safe and speedy credit of their dividend into their Bank account.

Dividend income is taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend (TDS) paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. Further details in this regard have been made available in the Notice for the Company's 16th Annual General Meeting forming part of this Annual Report. The Company sends TDS certificate to the shareholders at their registered email id or postal address, as the case may be, post payment of the dividend.

Details of Unclaimed Dividend

The details of the outstanding unclaimed dividend as on 31st March, 2021 and corresponding due dates for transfer to IEPF are as under:

Sr. No	Particulars of Dividend	Amount (in ₹)	Due Dates of Transfer to IEPF
1	Final Dividend 2018-2019	4800	09th September, 2026
2	Interim Dividend 2019-2020	31272	17th March, 2027

PLANT LOCATIONS:

The Company's plants, which are operative, are located at:

1	RAI	1633,HSIIDC, INDUSTRIAL ESTATE RAI,SUB TEHSIL RAI,DISTT. SONIPAT-131029,HARYANA	131029
2	SONEPAT	KHASRA NO.30//23/2/2MIN 24/1 MIN NATHUPUR SUB- TEHSIL RAI	131029

OTHER DISCLOSURE:

1. There were no materially significant related party transactions during the year.

2. The Board has received disclosures from senior management relating to material, financial and commercial transactions where they and/ or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.

3. There was no non-compliance during the year by the Company on any matter related to Capital Market. There were no penalties imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India or any statutory authority.

4. The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees and Directors to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy. The said policy has been posted on the Company's website. The Company affirms that no personnel have been denied access to the Audit Committee of Directors.

5. All mandatory requirements as per Listing Regulations have been complied with by the Company.

6. Disclosure of instances along with the reasons, where the Board of Directors had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the financial year 2020-21:

   There was no instance during the financial year 2020-21, where the Board of Directors did not accept the recommendation of any Committee of the Board which it was mandatorily required to accept.

7. Total fees for all services paid by the Company, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part:

Total fees for all services paid by the Company, to **M/s Rajesh Kukreja & Associates** (Statutory Auditor of the Company) and other firms in the network entity of which the Statutory Auditor is a part, as included in the consolidated financial statements of the Company for the year ended 31st March, 2021, are as follows:

	(Amount in Lakhs)
Fees for audit and related services paid to M/s Rajesh Kukreja & Associates	4.00
Other Services	2.68

8. Disclosures with respect to demat suspense account/ unclaimed suspense account
   (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; **NIL**
   (b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year; **NIL**
   (c) Number of shareholders to whom shares were transferred from suspense account during the year; **NIL**
   (d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; **NIL**
   (e) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. **NIL**
9. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
   a. Number of complaints filed during the financial year 2020-21: **Nil**
   b. Number of complaints disposed of during the financial year 2020-21: **Nil**
   c. Number of complaints pending as on end of the financial year 2020-21: **Nil**

Particulars	Regulations	Details	Website
Related Party Transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Companies Act, 2013.	o No material significant transactions that may have potential conflict with the interests of the Company have occurred during the financial year 2020-21. o The POLICY ON DEALINGS & MATERILAITY OF RELATED PARTY TRANSACTIONS placed on the website of the Company.	https://www.sircapaints.com/investors/#policies
Details of Non -compliance by the Company, penalty, strictures imposed on the Company by the Stock Exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets	Schedule V Part C Point 10(b) to the SEBI (LODR) Regulations, 2015.	The Company has complied with the requirements of the Stock Exchanges/ SEBI and other statutory authorities as applicable. No penalty or strictures were imposed on the Company by these authorities.	N.A
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI (LODR) Regulations, 2015.	The Company has adopted a Vigil Mechanism and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. The said policy has been uploaded on the website of the Company.	https://www.sircapaints.com/investors/#policies
Policy on Archival and Preservation of Documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted a Policy on Archival and Preservation of Documents.	https://www.sircapaints.com/investors/#policies
Details of compliance with the mandatory requirements and adoption of non-mandatory requirements of SEBI (LODR) Regulations, 2015, relating to Corporate Governance	Regulation 27(1) as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015.	The Company has complied with all mandatory requirements and The Company has also adopted few non-mandatory requirements listed in Regulation 27(1) as specified in Part E of Schedule II of the SEBI Listing Regulations.	https://www.sircapaints.com/investors/#policies
Accounting Treatment and Compliance with Accounting Standards	Companies (Indian Accounting Standards (IND AS) Rules, 2015 under Section 133 of the Companies Act, 2013.	o The Company has followed and prepared the Financial Statements in accordance with the Indian Accounting Standards (IND AS). o The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.	-

MD & CFO Certification	Part B of Schedule II of SEBI Listing Regulations	o The Managing Director and the Chief Financial Officer have certified to the Board and have issued certificate, certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs for the Financial Year ended 31st March, 2020. o The Said Certificate is enclosed with the Annual report and annexed as Annexure-I to the Corporate Governance Report.	-
Code of Conduct	Para D of Schedule V of SEBI (LODR) Regulations, 2015.	o In compliance with Regulation 26(3) of the Listing Regulations and the Companies Act, 2013, adopted, framed a Code of Conduct and posted on the website of the company. o The Code is applicable to the members of Board, the executive officers and all employees of the Company. o Declaration of code of conduct is given as below Table	https://www.sircapaints.com/investors/#policies
*Prevention of Insider Trading	SEBI (Prohibition of insider trading) Regulations, 2015.	o The board has laid down Code of Conduct for insider trading in Compliance with regulation; o All the directors and Senior Management Personnel who are expected to have access to Unpublished Price Sensitive Information concerning the Company, is responsible for adherence to this code.	https://www.sircapaints.com/investors/#policies

Declaration

(Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

I, **Sanjay Agarwal, Chairman cum Managing Director of the Company**, do hereby declare that all the Board members and senior management personnel of the Company affirmed compliance with the code of conduct, adopted by the Company, for the Board of Directors and Senior Management of the Company.

Place :- New Delhi
Date :- 10th July, 2021

Sanjay Agarwal
DIN: 01302479
Chairman Cum Managing Director

Annexure "I" To The Corporate Governance Report

This is to certify to the Board of Directors that;

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2021 and that to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   (ii) these statements together present a true and fair view of Sirca Paints India Limited's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. To the best of our knowledge and belief, no transactions entered into by the Sirca Paints India Limited during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee

   (i) Significant changes in internal control over financial reporting during the year.

   (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements. and

   (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place :- New Delhi
Date :- 28th May, 2021

Sanjay Agarwal
Chairman Cum Managing Director
DIN: 01302479

Shallu
Chief Financial Officer
PAN:DCDPS8801K

Annexure "II" To the Corporate Governance Report Independent Auditor's Certificate on Corporate Governance

TO THE MEMBERS OF

SIRCA PAINTS INDIA LIMITED

We have examined the compliance of conditions of corporate governance by Sirca Paints India Limited ("the Company") for the year ended on March 31, 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations.

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

For, **Karan Khurana & Associates.**
Company Secretaries

Place :- New Delhi
Date :- 10th July, 2021

Karan Khurana
(Company Secretary in Practice)
UDIN: F010893C000543911
FCS No. 10893
COP. No. 15397

Annexure - C

FORM AOC-1

(Pursuant to first provision to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

PART- A SUBSIDIARIES

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

1. CIN: U24290DL2020PLC359767
2. Name of the subsidiary: Sirca Industries Limited
3. The date since when subsidiary was Incorporated: 03rd Day of January, 2020
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period: N.A.
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries: N.A.
6. Share capital: ₹ 10,00,000
7. Reserves and surplus: ₹ -3,32,708
8. Total assets: ₹ 6,87,292
9. Total Liabilities: NIL
10. Investments: NIL
11. Turnover: NIL
12. Profit before taxation: NIL
13. Provision for taxation: NIL
14. Profit after taxation: NIL
15. Proposed Dividend: NIL
16. Extent of shareholding (in percentage): 100%

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

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

PART B ASSOCIATES AND JOINT VENTURES

STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

Name of Associates or Joint Ventures	Name1	Name2	Name3
1. Latest audited Balance Sheet Date			
2. Date on which the Associate or Joint Venture was associated or acquired			
3. Shares of Associate or Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates or Joint Venture			
Extent of Holding (in percentage)		NOT APPLICABLE	
4. Description of how there is significant influence			
5. Reason why the associate/joint venture is not consolidated			
6. Net worth attributable to shareholding as per latest audited Balance Sheet			
7. Profit or Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the ye

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified"

For and On Behalf of the Board of Directors
SIRCA PAINTS INDIA LIMITED
(Formerly Known as Sircolor Wood Coatings Pvt. Ltd.)

Place :- New Delhi
Date :- 10th July, 2021

Sanjay Agarwal
Chairman Cum Managing Director
DIN: 01302479

Apoorv Agarwal
Joint Managing Director
DIN: 01302537

Annexure - D Secretarial Audit Report for the Financial Year Ended 31st March, 2021

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

To,
The Members,
Sirca Paints India Limited,
Plot No. 50, Phase-2, Badli, Industrial Area,
New Delhi - 110042

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the company for the financial year ended on 31st March, 2021, according to the provisions of the following laws:,

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contract Regulation Act, 1956 (SCRA) and the rule made thereunder;

iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, Foreign Exchange Management Act, 1992 ("SEBI Act)"

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

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)

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

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as applicable. (Not applicable to the Company during the audit period)

vi. Other laws applicable specifically to the Company namely:-

   a. The Information Technology Act, 2000 and the rules made thereunder;

   b. The Environment (Protection) Act, 1986 and the rules made there under;

   c. The Factory Act, 1948 and the rules made there under;

   d. The Manufacture and other waste (Management and Transboundary Movement) Rules, 2016;

   e. The Manufacture, Storage, and import of Hazardous Chemicals rules, 1989

   f. Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control pollution) Rules, 1975.

   g. The Indian Contract Act, 1872, as amended from time to time;

   h. The Trade Mark Act, 1999, as amended from time to time;

   i. Legal Metrology Act, 2009, as amended from time to time; and

   j. Micro, Small and Medium Enterprises Development Act, 2006, as amended from time to time

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

i. Secretarial Standard issued by The Institute of Company Secretaries of India (ICSI).

ii. The Listing Agreements entered into by the Company with National Stock Exchange of India read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standard mentioned above.

We report that, the compliance by the company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors and other designated professionals.

We further report that, the Board of directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out it compliance with the provisions of the Act.

Adequate notice of meetings of the Board of Directors were given to all directors and agenda and detailed agenda notes in respect of such meetings, except where consent of the directors was received for scheduling meeting at a shorter notice, were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that, based on the information provided and the representation made by the company and also on the review of the compliance certificates/ report taken on record by the Board of Directors of the company, in my opinion there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period:

a. Independent directors have been appointed in the board on 18.09.2020

b. Independent directors have been resigned on 28.09.2020

c. The company is in under process of complying with the FEMA provisions with respect to non-filing of FC-TRS for the financial year 2008-09 and 2009 -2010.

d. During Trading window closure, one of the promoter group member have traded in the equity shares of the Company on **10th of August, 2020,** which considered as violation of the Code and SEBI (Prohibition for Insider Trading) Regulations, 2015. As a result, the Company has issued a show cause notice to such Promoter. Further In compliance with SEBI Circular No. SEBI/HO/ISD/ISD/CIR/P/2020/135 dated July 23, 2020, a report for the aforesaid violation of a Promoter in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 reported to the Stock exchange on 13th August, 2020.

and except the above, there were no other specific actions/events in pursuance of the above-referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

For, **Karan Khurana & Associates.**
Company Secretaries

Place :- New Delhi
Date :- 10th July, 2021

Karan Khurana
(Company Secretary in Practice)
UDIN: F010893C000543911
FCS No. 10893
COP. No. 15397

Annexure – I

(To the Secretarial Audit Report of M/s. SIRCA Paints India Limited For the Financial Year ended 31.03.2021)

To,
The Members,
Sirca Paints India Limited,
Plot No. 50, Phase-2, Badli, Industrial Area,
New Delhi - 110042

Our Secretarial Audit Report for the financial year ended 31.03.2021 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were, to the best of my understanding, appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. we believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness, appropriateness or adequacy of financial records, Books of Accounts and decisions taken in board and in committees of the Company, during the period under review. However, we have verified as to whether or not the board process and approvals in various committees have been complied with or not, during the period under review.

4. Where ever required, We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis to assess the compliance of secretarial duties and board process.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, **Karan Khurana & Associates.**
Company Secretaries

Place :- New Delhi
Date :- 10th July, 2021

Karan Khurana
(Company Secretary in Practice)
UDIN: F010893C000543911
FCS No. 10893
COP. No. 15397

To,
The Members,
Sirca Paints India Limited,
Plot No. 50, Phase-2, Badli, Industrial Area,
New Delhi - 110042

I, **Karan Khurana,** proprietor of **Karan Khurana & Associates,** a Company Secretary in practice, have examined the relevant register, records, forms, returns and disclosures received from the Directors of **Sirca Paints India Limited** having CIN **L24219DL2006PLC145092** and having registered office at **Plot No. 50, Phase-2, Badli, Industrial Area, New Delhi - 110042 IN** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2021** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other authority.

S. No.	Name of Director	DIN	Date of Appointment in Company
1.	Sanjay Kapoor	00383275	14.12.2017
2.	Sanjay Agarwal	01302479	19.01.2006
3.	Apoorv Agarwal	01302537	19.01.2006
4.	Gurjit Bains Singh	01977032	19.01.2006
5.	Shyam lal Goyal	08815530	18.09.2020
6.	Ugo Pelosin	08196294	27.09.2018
7.	Anil Kumar Mehrotra	05338446	04.07.2019
8.	Anu Chauhan	08500056	04.07.2019

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

For, **Karan Khurana & Associates.**
Company Secretaries

Place :- New Delhi
Date :- 10th July, 2021

Karan Khurana
(Company Secretary in Practice)
UDIN: F010893C000543911
FCS No. 10893
COP. No. 15397

Annexure - E

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2020-2021

1.	A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be taken and a reference to the web link to the CSR Policy and projects or programmes	:	Given separately as a part of this Report.
	Web link	:	www.sircapaints.com.
2.	Composition of the CSR Committee	:	1. Mr. Sanjay Agarwal (Chairman) 2. Mr. Apoorv Agarwal (Member) 3. Mrs. Anu Chauhan (Member)
3.	Average net profit of the Company for the three immediately preceding financial years	:	₹ 33,57,28,036 (Rupees Thirty Three Crores Fifty Seven Lakhs Twenty Eight Thousand and Thirty Six)
4.	Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above)	:	₹ 67,14,561 (Rupees Sixty Seven Lakh Fourteen Thousand Five Hundred and Sixty One)
5.	Details of CSR expenditure during the year	:	₹ 67,25,000 (Rupees Sixty Seven Lakh Twenty Five Thousand only)
	1. Total amount to be spent for the Financial Year	:	₹ 67,14,561
	2. Total amount actually spent in Financial year	:	₹ 67,25,000
	3. Amount unspent, if any	:	NIL
	4. Manner in which amount spend during the financial year	:	Given separately as a part of this Report.
6.	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount on CSR	:	Not Applicable
7.	Responsibility Statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company	:	The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Place :- New Delhi
Date :- 10th July, 2021

Sanjay Agarwal
Chairman Cum Managing Director
Chairman of the Committee

Brief Outline of CSR Policy

The Mission and philosophy of CSR function of the Company is "To contribute positively to the development of the society, by acting as a good neighbour, considerate of others, playing the role of a good corporate citizen with passion and compassion." Hence, the CSR activities undertaken by the organization essentially focus on four core areas of Environment, Health, Education and Community Development. The focus of the Company is to contribute to various institutions and initiatives around the manufacturing locations to provide social services to the needy.

The CSR vision of the Company is to strive to be a responsible corporate by proactively partnering in the Environmental, Social and Economic development of the communities through the use of innovative technologies, products as well as through activities beyond normal business.

The Company endeavours to make a positive and significant contribution to the society by targeting social and cultural issues, maintaining a humanitarian approach and focusing on areas in and around its plants and where its establishments are located.

The Company would continue to carry out CSR activities as it has been carrying out over the years in the areas of Environment, Health, Education and Community Development. In particular, the Company will undertake CSR activities as specified in Schedule VII to the Companies Act, 2013 (including any amendments to Schedule VII and any other activities specified by the Government through its notifications and circulars) as follows:

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation, including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water;

2. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;

5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;

6. Measures for the benefit of armed forces veterans, war widows and their dependents;

7. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;

8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socioeconomic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;

9. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organization (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);

10. Rural development projects;

11. Slum area development;

12. Disaster management, including relief, rehabilitation and reconstruction activities.

CSR activities will be undertaken either by the Company itself or through a Trust/Section 8 Company to be established by the Company or through any other Trust engaged in similar projects and activities. The Company may also collaborate with other companies to carry out its CSR activities.

Annexure to the Point 6(c)

S. No.	Particulars	Details
(1)	CSR project or activity identified	Educational and Health
(2)	Sector in which the project is covered	1. Promoting the noble Cause of development of Educational Institutions of International Standards in India. 2. Promoting Preventive Healthcare and Sanitation
(3)	Projects or Programme (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Local area
(4)	Total Amount Outlay (budget project or Programme wise)	₹ 67,14,561 (Rupees Sixty Seven Lakh Fourteen Thousand Five Hundred and Sixty one Only)
(5)	Total Amount spent on the project or Programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	₹ 67,25,000 (Rupees Sixty Seven Lakh Twenty Five Thousand Only)
(6)	Total Cumulative expenditure up to the reporting period	Total cumulative amount spend during the financial year 2020-21 is ₹ 67,25,000/- (Rupees Ninety Seven Lakh)
(7)	Amount Spent direct or through implementing agency	Through Implementing agency, Meenakshi Foundation, 811, Ansal Bhawan, 16, K.G.Marg, New Delhi-110001

Annexure - F

FORM NO. AOC -2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A.
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advance, if any
1	Mrs. Ayushi Agarwal (Relative of KMP)	Office Place of Profit (Salary)	12 Month	As per the agreement	20.06.2020	N.A
2	Mr. Chirag Goel (Relative of KMP)	Office Place of Profit (Salary)	12 Months	As per the Agreement	20.06.2020	N.A.

For and On Behalf of the Board of Directors
SIRCA PAINTS INDIA LIMITED
(Formerly Known as Sircolor Wood Coatings Pvt. Ltd.)

Place :- New Delhi
Date :- 28th May, 2021

Sanjay Agarwal
DIN: 01302479
Chairman Cum Managing Director

Apoorv Agarwal
DIN: 01302537
Joint Managing Director

Annexure - G

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197 OF COMPANIES ACT, 2013 AND RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) Ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year ended 2020-21. The percentage increase in remuneration of Managing Directors, Chief Financial Officer and Company Secretary during the financial year 2020-21are as follows:

Name of Director/KMP	Designation	Ratio of remuneration of each director/to median remuneration of employees	% increase in remuneration in the financial year 2020-21
Sanjay Agarwal	Managing Director	30.61	Nil
Apoorv Agarwal	Joint Managing Director	13.27	Nil
Shallu	Chief Financial Officer	Not Applicable	Nil
Chahat Mahajan	Company Secretary	Not Applicable	Nil

(ii) The median remuneration of employees of the Company during the financial year 2020-21 was ₹ **24,500** on the basis of monthly remuneration of all employees except the executive directors of the company and there was a increase of **2.08%** in the median remuneration of the total Employees.

(iii) The number of permanent employees on the rolls of the company during the financial year 2020-21: 394

(iv) Average percentile increases already made in the salaries of employees other than the Managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average annual increase in the salaries of employees was around 11.12% other than the managerial personnel. There was no percentage increase in the managerial remuneration, since there was no revision in their salaries.

(v) Affirmation that the remuneration is as per the Remuneration Policy of the Company;

The Company affirms that the remuneration of the Directors, Key managerial Personnel and other employees is as per the remuneration policy of the company.

(vi) The information required under Section 197 of the Act read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

A. The details of every employee who if:

(i) Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than ₹ 102,00,000/-; **Not Applicable.**

(ii) Employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than ₹ 8,50,000/-; **Not Applicable**.

(iii) Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company; **Not Applicable.**

B. the details pertaining to top ten employees of Company along with additional information indicating in Rule 5(3) of the captioned rules as mentioned herein below:

SR. No.	Name	Remuneration	Nature of Employment, whether contractual or otherwise	Qualification & Experience	Date of Joining & Age (MM/DD/YYYY)	Last employment, if any	% of Equity Shares held, if any	Nature of relationship
1.	Baljeet Singh Bhurgy	21,13,333	On Roll	MBA	10/01/2014	TSI Yatra	NA	
2.	Partasarathy K V	19,78,441	On Roll	Graduate	02/01/2019	Woodover	NA	
3.	Sunny Bhardwaj	18,08,858	On Roll	Graduate	18/02/2020	Icrotone Pvt Ltd	NA	
4.	Chirag Goel	16,39,280	On Roll	Graduate	01/05/2018	-	NA	Son in law of Mr Sanjay Agarwal (Promoter)

5.	Harpreet Bagga	13,81,121	On Roll	M.Com	01/04/2016	-	NA	
6.	Subhash Chand	13,00,118	On Roll	Graduate	02/05/2019	Glaxci Paints Pvt Ltd	NA	
7.	Rishi Puri	12,64,598	On Roll	Graduate	10/07/2019	Asian Paints	NA	
8.	Deepak Ahuja	12,43,591	On Roll	Senior Secondary	02/04/2012	Kapci Coatings India Pvt Ltd	NA	
9.	Dharamvir Tuli	12,43,591	On Roll	Graduate	13/09/2018	Asian Paints Ltd	NA	
10.	Dushyant Kumar	2,15,214	On Roll	MBA	11/02/2021	Expertserv Solution India Pvt Ltd	NA	

Note: Above mentioned particulars of Employees are on the basis of their last drawn monthly gross remuneration of FY 2020-21 for easy and fair calculations.

For and On Behalf of the Board of Directors
SIRCA PAINTS INDIA LIMITED
(Formerly Known as Sircolor Wood Coatings Pvt. Ltd.)

Place :- New Delhi
Date :- 10th July, 2021

Sanjay Agarwal
Chairman Cum Managing Director
DIN: 01302479

Apoorv Agarwal
Joint Managing Director
DIN: 01302537

Business Responsibility Report (BRR)

INTRODUCTION

Sirca Paint India Limited is committed to manage its operations including deployment of resources using principles of sustainable development to minimize impact on environment and protect the interests of all its stakeholders including – employees, vendors, neighbouring communities and customers.

The Company's approach to sustainable development is incorporated into its business strategy. An integral part of Sirca's sustainable journey is its continuous endeavour to protect environment through conservation of water and energy, minimization of waste and its environmentally sound disposal.

The business responsibility report is a summary of the Company's sustainability programmes and its more detailed sustainability report is published separately which is available on Company's website and can be accessed by using this link - https://sircapaints.com/.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN)	L24219DL2006PLC145092
2	Name of the Company	Sirca Paints India Limited
3	Registered Address	Plot No. 50, Phase-2, Badli, Industrial Area, Delhi - 110042
4	Website	https://sircapaints.com/
5	E-mail ID	cs@sircapaints.com
6	Financial Year Reported	01st April, 2020 to 31st Day of March, 2021

7. THE COMPANY IS ENGAGED IN (INDUSTRIAL ACTIVITY CODE-WISE):

Group	Description
46634	Import & Trading of Paints products
20221	Manufacture of paints and varnishes, enamels or lacquers

*As per National Industrial Classification – Ministry of Statistics and Programme implementation

8. KEY PRODUCT THAT THE COMPANY MANUFACTURES/PROVIDES: PAINTS

Please refer to Company's website (https://www.sircapaints.com/wood-coating/, https://www.sircapaints.com/wall-paints/) for complete list and details of our product portfolio.

9. TOTAL NUMBER OF LOCATIONS WHERE BUSINESS ACTIVITY IS UNDERTAKEN BY THE COMPANY:

I. Number of International Locations:

Distribution centres	1

II. Number of national locations-

Paint Manufacturing Facilities	2
Research & Technology Centre and Test sites	1
Depot/Branch offices:	13
Distribution/ CSA centres	25

10. MARKET SERVED BY THE COMPANY

Local	State	National	International
✓	✓	✓	✓

SECTION B: FINANCIAL DETAILS OF THE COMPANY (IN LAKHS)

1.	Paid Up Share Capital	2,740.44
2.	Total Turnover	14,318
3.	Total profit after taxes	1,658
4.	Total spending on Corporate Social Responsibility (CSR) as a percentage of Profit After Tax (PAT) %	
	The Company's total spending on CSR for the financial year 2020 – 21 is ₹ **67,25,000** (Rupees Rupees Sixty Seven Lakh Twenty Five Thousand only) which is 2.67 % of PAT	

5. **SOME OF THE AREAS FOR WHICH EXPENDITURE IN POINT 4 (ABOVE) HAS BEEN INCURRED:**
   - Education;
   - Health care, Hygiene and Sanitation;
   - Vocational Training.

SECTION C: OTHER DETAILS

- The company as on 31st Day of March, 2021 had one (1) wholly owned subsidiary;
- The company encourage its subsidiary to adopt its policies and practices;

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. **DETAILS OF DIRECTOR / DIRECTORS RESPONSIBLE FOR BR**
   a. Details of the Director responsible for implementation of the BR Policy:
      - DIN: 01302479
      - Name: Sanjay Agarwal
      - Designation: Chairman cum Managing Director of the Company

   b. Details of BR Head:
      - Name: Apoorv Agarwal
      - Designation: Joint Managing Director
      - Tel. No: 011-42083083
      - E-mail ID: info@sircapaints.com

2. **PRINCIPLE-WISE [AS PER NATIONAL VOLUNTARY GUIDELINES (NVGS)] BR POLICY/POLICIES (REPLY IN Y/N)**

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

Sr. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy conform to any national/international standards?	Y	Y	Y	Y	Y	Y	NA	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
5	Does the Company has a specified committee of the Board of Directors/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
7	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8	Does the Company has a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
9	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	NA	Y	Y

Notes:

- While there may not be a formal consultation with all the stakeholders, the relevant policies have evolved over a period of time by taking inputs& feedback from the concerned internal stakeholders.
- The spirit and content of the Code of Conduct and all the applicable laws and standards are captured in the policies articulated by the Company. The policies are based on and are in compliance with the applicable regulatory requirements and International Standards. Please refer the detailed report for more information.
- As a process all the policies are noted by the Board. The Board authorizes Senior Officials of the Company to authenticate the policies and make necessary changes whenever required.
- The implementation and adherence to the Code of Conduct for Employees is overseen by the Human Resource and Internal Audit Function. The CSR Policy is administered by the CSR Committee in line with the requirements of the Companies Act, 2013 and Rules framed thereunder.
- While the Company has not carried out independent audit of the policies, the Internal Audit Function periodically looks at the implementation of the policies.

Principles	Applicable Policies	Link for policies
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Code of Conduct	https://www.sircapaints.com/investors/#policies
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Environment, Health and Safety Policy.	https://www.sircapaints.com/investors/#policies
Principle 3: Businesses should promote the well-being of all employees	Code of Conduct & Internal HR Policies for Employees	https://www.sircapaints.com/investors/#policies
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	CSR Policy & Customer Policy.	https://www.sircapaints.com/investors/#policies
Principle 5: Businesses should respect and promote human rights	Code of Conduct.	https://www.sircapaints.com/investors/#policies
Principle 6: Businesses should respect, protect, and make efforts to restore the environment	Environment, Health and Safety Policy.	https://www.sircapaints.com/investors/#policies
Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner	NA	NA
Principle 8: Businesses should support inclusive growth and equitable development	CSR Policy	https://www.sircapaints.com/investors/#policies
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner	Customer Policy	https://www.sircapaints.com/investors/#policies

2A. IF ANSWER TO SR. NO. 1 AGAINST ANY PRINCIPLE IS 'NO', PLEASE EXPLAIN WHY:

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

GOVERNANCE RELATED TO BR

The Board of Directors of the Company, either directly or through its Committees, assesses various initiatives forming part of the BR performance of the Company on a periodic basis. The CSR Committee meets regularly to review implementation of the projects/programs/ activities to be undertaken in the field of CSR. Other supporting functions/groups like Sustainability, meet on a periodic basis to assess the BR performance.

Since the business responsibility statement is made applicable over the company for recently we shall soon place more information on the company website related to Business responsibility on the company website.

PRINCIPLE 1

Business should conduct and govern themselves with Ethics, Transparency and Accountability

The Company has built trust with its stakeholders by adhering to compliance, disclosures, responsible and ethical business conduct. Our sustainability approach is based on the principles of transparency and accountability. Across the organisation, we strive to ensure the highest levels of adherence to these principles through our policies like Code of Conduct for Board Members and Senior Management Personnel, Code of Conduct for Employees, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, etc. The Company's practice of making timely, accurate and complete disclosure of relevant

information has not only enabled it to gain trust of its stakeholders' but also foster a culture promoting ethics and integrity.

The Company also has a Whistle Blower policy under which an Ethics Committee comprising of the Managing Director & CEO, Compliance Officer and Head of the Human Resources function has been constituted for receiving and investigating complaints from any employee/ business associates. An easy access is provided to employees to enable them to report any instances of fraud, abuse, misconduct or malpractices at workplace.

The Code of Conduct for employees and the Whistle Blower Policy of the Company is also extended to employees of the subsidiary companies. The Code of Conduct which covers acts such as deception, bribery, forgery, extortion and corruption are applicable to any irregularity involving employees as well as vendors, contractors, customers, and/or any other entities having a business relationship with the Company. Adequate measures have been taken to educate employees and suppliers on the Company's expectation on ethical conduct.

The Company has adopted and implemented various policies and codes thereby setting the foundation for good corporate governance at the core of all its business transactions and processes. The Company has put in place a robust system of compliance in the organization with the help of its people and technology. A well-organised compliance management system which enables the Company's employees to know about the compliance requirements related to their respective areas, report the status of compliances and seek clarity on legal provisions, has been set up. The web-based compliance management system not only helps adhere to the regulatory requirements but also develops a culture of self-regulation and accountability at all levels in the Company.

The Company is cognizant of its responsibility towards protecting and maintaining the confidentiality and disclosure of price sensitive information in accordance with the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. In this regard, the Company has developed its Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which not only conforms to the regulatory requirements but also instils a sense of responsibility among the designated persons for protecting and maintaining confidentiality. With a view to implement the Code in its true spirit and to ensure full adherence by the designated persons, the Company has automated the process of obtaining disclosures and sanctioning pre-clearance applications for trades by designated persons under the Code of Conduct to Regulate, Monitor and Report Trading by Insiders.

There are different systems in place to receive and resolve complaints from various stakeholders. In case of investors, complaints received from SEBI, stock exchanges or depositories are resolved through Company's Compliance officer. During the year the Company has not received any complaint from the investors of the company by the end of 31st Day of March, 2021.

PRINCIPLE 2

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

The Company is committed to offer products that meet internationally accepted green product standards. This commitment drives the team of dedicated professionals working at Company's partner's Research & Technology Centre at Italy, where technology and innovation are the corner stones. Research, development and innovation through a structured approach to projects, as well as the constant improvement of process technologies, are essential for growth in new markets, but also for strengthening the company's core business.

Sirca Paints' Good & Green vision supports the development of goods that are environmentally sustainable. Our technology partner, Sirca SPA, has moto to cover every market need by trying to promote a new "Green" idea! Your company fact, works every day to put at the center of their work a respect for the environment: a modus operandi which results in a careful selection of raw materials, in a reduction of energy consumption in developing strategies to reduce emissions into the atmosphere and in a continuous search for solutions with low environmental impact, trying to extend the life cycle of the products.

Our mission is to keep growing in terms of markets served and product offering, all while maintaining the highest quality and environmental standards through a philosophy of sustainable and responsible growth. The company pays much attention to sustainability from the formulation of product to the end of the life cycle, including the search for raw materials from organic renewable sources and the development of projects to improve production and energy efficiency.

Sirca manufactures and sells coatings for wood, a natural and precious material, to be protected and enhanced. Water or solvent-based, our paints are mainly applied in the field of furniture and design and are often developed in collaboration with Italy's most prestigious furniture companies. Standing out for their quality, level of customisation and durability, Sirca paints are manufactured alongside resins for a variety of industries. Water proofing features for wood coatings products continue to be a focus area and several new products have been launched to prevent migration of water into the structure and improve the service life of construction.

Environmental awareness, D paints have set a benchmark for products with low environmental impact. Using water-based paints reduces the emission of volatile organic compounds into the environment by 95%compared to solvent-based coatings. In addition, D'AQUA paints are easy to use and non-flammable. Coming in a wide range of colours, they ensure excellent results for many types of outdoor and indoor applications, on both wood and metal.

Sirca therefore constantly monitors the change or creation of new standards and certifications, both nationally and internationally, and formulates, amends and tests its products to meet these requirements. Some of these Certificates are:

PRINCIPLE 3

Businesses should promote the wellbeing of all employees

At Sirca Paints India Limited, we believe in safety, wellbeing and work life balance for all our employees. In adherence to these principles, we are always striving to provide a carefree, fun and satisfied work culture amongst the team. Even during these pandemic times, we devised and developed some quick initiatives for our employees by collaborating with major medical labs for their testing and general well being. Mental distress activities are being carried out on regular basis and involve the families of the employees.

Sr. No.	Category of Employees	Number of Employee
1	Total Number of Employees	394
	Women Employee	23
	Disable Employees	0
	Temporary Employees	12

The Company's policy prohibits engaging of any child labor or involuntary labour. Thus, there are no complaints relating to child labour, forced labour and involuntary labour.

Safety & Health at the workplace

Establishing policies, plans and procedures aimed at reducing accident rates are important, but a strong safety culture emerges only when employees share the organisation's vision. At Sirca Paints we are building a culture where employees exhibit and practice safe behaviour.

The Company has in its staff, specially trained safety professionals along with trained line management.

The Company provides mediclaim facility under the Group Mediclaim Policy to its on-roll employees including employees at the manufacturing locations (based on settlement agreements signed by the Company). This year, we also introduced Group Accidental Policy at the plants and sites employees working which cover nearly 30% of our workforce.

Safety and dignity of our women employees is of paramount importance. In order to ensure their safety and to secure individual rights at the workplace, the Company has designed an internal module to apprise employees on the provisions of the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) and redressal mechanisms. In addition to the POSH workshops which are conducted for all new-joinee inductions, workshops are also conducted to sensitize employees on the subject. An Internal Complaints Committee has been constituted at all locations with an empaneled external expert.

No case of Sexual harassment was reported during the previous financial year.

PRINCIPLE 4

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

Identifying the stakeholders and engaging with them through multiple channels in order to hear what they have to say about our products and services are essential parts of our sustainability plan. The health and wellbeing of our communities has always been an important facet of our operations. The Company extends its social responsibility by engaging in strategic and trust based community development interventions.

While our CSR approach focuses on the development of communities around the vicinity of our plants, we have also developed innovative programs that leverage our capabilities as a paint manufacturer and the home improvement service provider to enhance livelihood of underserved communities through vocational training and skill development.

Fair treatment and safeguarding the interests of the contract workforce is important for the Company. Contract labor is deployed at the manufacturing facilities and in other functions, in various non-core activities like housekeeping, canteen operations, warehouse operations and others. Each unit maintains suitable checks and balances to ensure that wage payments, statutory contributions, and other such obligations are met by the contractors. Further, safety training programs which are conducted for employees and workmen are also extended to contractual employees. The Company has taken significant steps towards imparting training and skill building for painters and contractors.

We have developed and devised transparent systems and efficiencies into the system to maintain the trust from our stakeholders. All our CSR activities during the pandemic are also covering the entire dealer& distributor network and anyone connected to us.

PRINCIPLE 5

Business should respect and promote human rights

Human rights as enshrined in the Universal Declaration of the Human Rights of the United Nations has been the fulcrum of our Code of Conduct for Employees, Human Resource Policies and the settlements reached with the Trade Unions at our plants. Some of the points like prohibition of child labour and forced labour and workers' right to information are of special importance for the employment of contract workforce at our manufacturing units. According to International conventions, the term 'human rights' covers a host of aspects including freedom of association, collective bargaining, non-discrimination, gender equality, avoidance of child and forced labour among others. The Company is compliant to national regulations pertaining to human rights. Several workshops explaining the principles enshrined in the Code of Conduct of the Company were organized for its employees. The Code of Conduct of the Company also applies to the employees of the subsidiary companies.

There are Grievance Redressal Mechanisms in place at all the plants with proportion of workers and management as per the statutory norms.

Sirca paints India Limited always work on the well-being of the employees and always refer the Employee as the "**ASSET**" of the Organisation. The organisation always follows the policies and procedures to maintain the better productivity & positive work environment.

Some of the Initiatives taken in the different areas of the organisation which helps the employee to grow.

a) Start – Up Experience Programs

- **Remote Level Interviews:** Due to pandemic situation, the company had opened the talent pool for all employees. This initiative will help the candidate and the interviewer to have the face to face session without hassle or any location issue. The virtual meeting via Google Meet/Zoom Meeting will be arranged and based upon the feedback the selection of the candidate takes place.

- **Mentor Programs for New Entrants:** This initiative was taken by the organisation to familiar with the other staff members; here one

employee will work as a "Buddy" for the new entrant. Knowing the team member will help the employee to grow and to work in the positive environment.

- **Remote Orientation for Employees:** Remote Orientation will done at the locations and weekly joining will take the part in this program as it plays an important role in the employee's life and the HR Representative will describe the company policies and procedures, current scenario and strategy about the organisation.

b) Commendations Programs

- **Technical Training Programs for Marketing Team:** This program is designed for the overall strategy and objectives of the business. Organisation's Technical Person will guide the new entrant with the Product Technical Specifications.

- **Technical Guide to Marketing Employees:** This program is design for the Marketing Employees, where the technical team had a link of the each sample and this will help the Marketing Team to demonstrate any effect to the clients.

- **Appreciation Tree Concept for Marketing Team:** This initiative works only in the Marketing Team and will be perform on weekly basis. Leaders will provide the target to their team members and based upon the evaluation the appreciation will marked to the "Appreciated Employee". Now this program will extended towards the manufacturing unit and support unit as well.

- **Coffee Friday for Leaders:** "Video Conferencing Session" is conducted with all the leaders of the different location, where the leaders discuss the strategy and current scenario of their location. How well they move towards the next step or any other occasion or event will be organised. The best way to resolve the issues or some measure methods to be taken in their location.

c) Health & Safety Programs

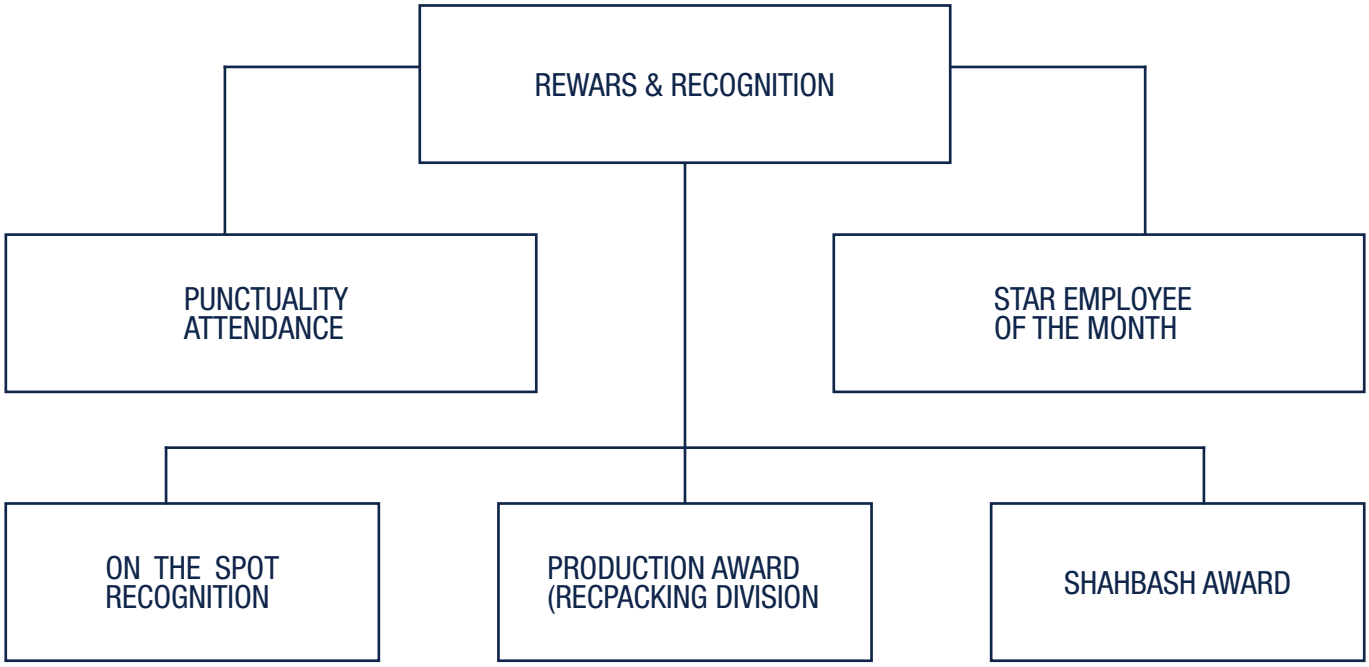
- **Group Medi-claim Program:** Taking into the consideration the current scenario, health plan for Employees is programmed and all employees with their family are the part of this.

- **Personal Accidental Insurance:** This program provides the financial safety to the employee. Insurance will able to protect the employee from the accident related medical bills as well as provide compensation to make up the lost wages.

- **COVID 19 Training Session for Employees:** This program is the small training session given to all employees on Daily basis specially in plants location where the blue collar employee will literate by the Factory Manager and also ensure that all the rules and regulations will be applicable in the location as governed by the Government.

- **Sirca Meduet:** This initiative was taken into consideration at Covid Scenario and tied with the test aggregator, where any of the Sirca Parivaar member can avail the services of the medical test on discount basis.

- **Rewards and Recognition for Blue Collar:** It is the main method of motivating employees to change work habits and key behaviour to benefit a small business. A strong Reward and Recognition program will be the backbone of employee engagement in organisation. Here the few programs are listed below in terms of R&R Activities for Blue Collar.



d) **Flexible Timing:**

- **Maternity Flexi Timing for Women Employee:** This initiative will be considered as "PARENTAL PERKS" for the employee. The organisation will provide the flexi working to the Pregnant Women or Work from Home (if required) because in this condition, the Safety of the Women is very important and to ensure their safety the module has been designed to apprise women employees.

- **Work from Home:** The key feature of work from home is flexibility - flexibility to work from anywhere, to work day/night and also in the preferred environment. The work from home is the most advantageous feature of working. This feature will also encourage the sense of responsibility within the team members.

e) **Engagement Programs for Employees**

- **Star Employee of the Month:** The purpose of this program is to recognise the employee performance. Employees who have achieved excellence in the field and best one amongst all the field are recognised and rewarded.

- **Birthdays/Anniversary Celebration:** Celebration at office brings the staff members together for one purpose and these get together creates the personal connections which help the employees to work together for better future prospects. Most employees like to recognise for their accomplishments and the work place celebration give you a platform for providing the appreciation.

- **Marriage Gifts for Employees:** To create and develop an environment of organisation belongingness and to extend best wishes to the employees and spouse on the occasion of their wedding. As Marriage is the important landmark in every employee's life and the idea of marriage gifting is cherish forever.

- **Online Activities for Employees:** To make the Monday morning quite excited, the quiz program will be introduced online and based upon the interest of the employees like fashion/entertainment/ politics/economic/others. Set of 5 will be the part of this program and the employees have to answer online in a single show.

- **Online Extracurricular Engagement:** This initiative takes place on Saturdays only, inter department wise activity take place. The tournaments will be chess/ludo/carom. This will help the employees to know each other better and also assess the mental well-being of the remote working employees.

  Yearly Higher Sales Competition for Marketing Team: The organisation will give the separate target to the team/employee, which will help the team or employee to win the different packages and cash awards.

  REDRESSAL CELL FOR EMPLOYEES: Policies & Procedures of the organisation are very important in the organisation because it increases the efficiency of the organisation. In case of any violation of policies and procedures of the organisation or in case of any complaint Email id: grievance@sircapaints.com for the resolution of such grievance.

PRINCIPLE 6

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

At Sirca Paints, we have a well - defined sustainability programme. We continuously provide our customers with new technology products which are environmentally friendly.

The quality of our environment has a strong impact on our health, which, here in Sirca, we consider our most valuable asset. Since we operate in a sensitive area such as chemicals, we are constantly

committed to "green thinking", which is putting environmental respect at the centre of our work. This way of working translates into a careful selection of raw materials, reduction of energy consumption, development of strategies aimed at reducing emissions in the atmosphere, and a constant search for solutions with low environmental impact, trying to extend the life cycle of products.

Sirca manufactures and sells coatings for wood, a natural and precious material, to be protected and enhanced. Water or solvent-based, our paints are mainly applied in the field of furniture and design and are often developed in collaboration with Italy's most prestigious furniture companies. Standing out for their quality, level of customisation and durability, Sirca paints are manufactured alongside resins for a variety of industries.

We follow the classical '3R' strategy of Reduce, Reuse and Recycle waste management. The factories have adopted a twin-focused approach for effective effluent management - reducing the trade effluent generated at source and finding possible ways of reusing the treated effluent within the factory.

As part of the Environment Management System, our factory monitors the Business Risks and Operational Risks. In order to monitor the health of the Environment Management System, review meetings are held periodically. The meetings are chaired by the senior management and environment personnel within the Supply Chain function. The members deliberate on the topics of Natural Resource Conservation, Energy & Emissions Reduction, Waste Management including its Generation and Disposal.

Systems and processes have been set in place since the past few years to communicate to the senior management about the environmental statutory compliance by each factory. The Company remains abreast with all applicable legislations and efforts are always to be ahead on the compliance curve.

PRINCIPLE 7

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

The Company has maintained a fair degree of transparency through timely and adequate disclosure of information to the public and regulatory bodies. The Company articulates the larger interest of industry and the community at industrial forums.

PRINCIPLE 8

Businesses should support inclusive growth and equitable development

The health and wellbeing of our communities has always been an important facet of our operations. Sirca Paints extends its social responsibility by engaging its strategic and trust based community development interventions.

While the Company's CSR approach focusses on the development of the communities around the vicinity of the plants, the Company has also developed innovative programmes that leverage our capabilities as a wood coating & wall paints manufacturer to enhance livelihoods of underserved communities through vocational trainings and skill development.

An amount of ₹ **67,25,000 (Rupees Sixty Seven Lakh Twenty Five Thousand only)** was spent towards various CSR projects during the financial year 2020-21.

The details of the CSR initiatives undertaken by the Company are set out in the Corporate Social Responsibility section of this Annual Report.

PRINCIPLE 9

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

The Company places its customers at the center of all its business conducts rather than at the receiving end. The culture of customer centricity has been instilled through various efforts, training programs for our employees to understand customer issues etc.

Our vast experience in the field of coatings and resins and a desire to provide the best solutions to

any customer request is what motivates us to move forward, to push our limits and provide an increasingly wide offering. We believe that knowing how to listen to customer needs is the starting point to establish strong, long-term relationships.

The Colour Passion system reproduces a wide range of coloured finishes for both wood and metal, with great precision and high quality. A full service design for end users and stores; a workstation to reproduce any colour chart accurately and quickly. Based on their request for customized products and the number of colours, our technical staff helps customers choose the equipment that best suits their needs: spectrophotometers, tinting machines, forms, or even weighing, mixing, spraying and control systems.

We work daily to meet the needs of all our customers, wherever they are, delivering our products quickly and on-time thanks to efficient logistics, automated warehouses and an extensive sales network.

The Company believes in implementing the customer feedback into product development and enhancing user experience. In order to facilitate our customers to communicate their views, feedback, suggestions, complaints etc.

On our website, we have created an interactive platform that allows any potential customer to raise queries pertaining to our products and services. Be it our number 180030022939 or company website www.sircapaints.com, all our channels ensure that a potential customer with access to phone/internet is able to engage, receive or share the desired information about our products and services.

The products of the Company display all information which is mandated by law including the directions for use. Product information is available in the Product Information Sheet that is available with the dealers of the Company and on the website of the Company.

There are no cases filed by any stakeholder against the Company regarding unfair trade practices.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SIRCA PAINTS INDIA LIMITED

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the standalone financial statements of Sirca Paints India Limited **formerly known as SIRCA PAINTS INDIA PRIVATE LIMITED, earlier known as SIRCOLOR WOOD COATINGS PRIVATE LIMITED** ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of Cash Flows for the year ended on that date, and the notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting standards prescribed under section 133 of the Act read with the Companies(Indian Accounting Standards) Rules 2015, as amended,("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

a) Revenue recognition (refer note no. 2.4 & 28 of the Standalone financial Statements)

The key audit matters	How the matter was addressed in our report
Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.	Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. Our other audit procedures with regard to revenue recognition include testing controls, automated and manual, around dispatches/deliveries, E –Way bill Verification, inventory reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures. Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period. Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.

b) Discounts and incentives (Refer note 2.4 and 28 of the Standalone Financial Statements)

The key audit matters	How the matter was addressed in our report
Discounts and incentives to dealers / customers are administered through various schemes including incentives. These are material items of business cost. The calculation of the amount of expense to be recognized is both voluminous, complex and involves significant judgement. There is a risk that such liabilities for discounts and incentives may be inaccurately recognised.	Our audit procedures included assessment of the design and implementation of controls, in addition to testing the effectiveness of key controls in respect of recognition of the liabilities for such discounts and incentives. We have considered each significant type of discount recognized and assessed the appropriateness of the judgement applied while recognising the liability including the methodology and inputs used in calculating the amount and in some cases, re-performed the calculation. Our audit procedures also included verification of appropriate authorization, analytical review including comparison of budgeted amount and actual charge for the year and review of historical trends in respect of these liabilities.

OTHER INFORMATION

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

- Obtain an understanding of internal financial controls 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 in the standalone financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by 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 and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with the AS specified under Section 133 of the Act;

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) With respect to the adequacy of the internal financial controls with reference to financial statements of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

i. The Company does not have any pending litigations which would impact on the financial position of the company.

ii. The Company does not have any long-term contracts including derivative contracts, as such the question of commenting on any material foreseeable losses thereon does not arise.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

4. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Rajesh Kukreja & Associates**
Chartered Accountants
(Firm's Registration No.0004254N)

Rajesh Kukreja
Proprietor
(Membership No.-083496)
UDIN: 21083496AAAABX6457

Place :- New Delhi
Date :- 28th May, 2021

ANNEXURE A

TO THE INDEPENDENT AUDITOR'S REPORT on the standalone financial statements of Sirca Paints India Limited for the year ended 31st March, 2021

(REFERRED TO IN PARAGRAPH 1(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

Report on the Internal Financial Controls Over Financial Reporting under section 143(3)(i) of the Companies Act, 2013 ("the Act")

OPINION

We have audited the internal financial controls over financial reporting of SIRCA PAINTS INDIA LIMITED formerly known as **SIRCA PAINTS INDIA PRIVATE LIMITED, earlier known as SIRCOLOR WOOD COATINGS PRIVATE LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) 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 WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements ,including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls 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 control system with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance note").

For **Rajesh Kukreja & Associates**
Chartered Accountants
(Firm's Registration No.0004254N)

Rajesh Kukreja
Proprietor
(Membership No.-083496)
UDIN: 21083496AAAABX6457

Place :- New Delhi
Date :- 28th May, 2021

ANNEXURE B

TO THE INDEPENDENT AUDITOR'S REPORT on the standalone financial statements of Sirca Paints India Limited for the year ended 31st March, 2021

(REFERRED TO IN PARAGRAPH UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

1. On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

   b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

   c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company

2. a) The inventory, except goods-in-transit has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

   b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. In respect of inventory lying with third parties, these have substantially been confirmed by them.

   c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

3. According to information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly reporting under clause (iii) of Paragraph 3 of the Order is not applicable to the Company.

4. The company has not granted any loans, investments, guarantees and securities to the parties covered under section 185 of the Act. Accordingly reporting under clause (iv) of Paragraph 3 of the Order is not applicable to the Company.

5. According to the information and explanation given to us, the Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013. Accordingly reporting under clause (v) of Paragraph 3 of the Order is not applicable to the Company.

6. According to the information and explanation given to us, the Central Government has not prescribed maintenance of Cost Records under Sub section (1) of section 148 of the Act 2013. Accordingly reporting under clause (vi) of Paragraph 3 of the Order is not applicable to the Company.

7 a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Provident Fund, Investor's Education & Protection Fund, Employee's State Insurance, Goods & Service Tax, Income-Tax, Customs Duty, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities. Ac-cording to the information & explanations given to us, no undisputed amounts payable in respect of the above said dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

   b) According to the information and explanations given to us, there are no dues of Income Tax, Service Tax, Goods & Service Tax and Customs Duty and other statutory dues, which have not been deposited with the appropriate authorities on account of any disputes.

8. According to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, bank or Government nor has it issued any debentures. Accordingly reporting under clause (viii) of Paragraph 3 of the Order is not applicable to the Company.

9. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly reporting under clause (ix) of Paragraph 3 of the Order is not applicable to the Company.

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

11. According to the information and explanations given to us and based on our examination of the records, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly reporting under clause (xii) of Paragraph 3 of the Order is not applicable to the Company.

13. According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by applicable Indian Accounting Standards.

14. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or

partly convertible debentures during the year. Accordingly reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.

15. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.

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

For **Rajesh Kukreja & Associates**
Chartered Accountants
(Firm's Registration No.0004254N)

Rajesh Kukreja
Proprietor
(Membership No.-083496)
UDIN: 21083496AAAABX6457

Place :- New Delhi
Date :- 28th May, 2021

Standalone Balance Sheet

As at 31.03.2021

₹ in lakhs

	Particulars	Note	As at 31.03.2021	As at 31.03.2020
	ASSETS			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	3	3,570.11	4,530.18
	(b) Intangible assets	4	496.74	500.65
	(c) Capital work in progress	5	185.53	-
	(d) Intangible asset under development	6	-	-
	(e) Financial assets		-	-
	(i) Loans	7	10.71	10.55
	(ii) Other financial assets	8	10.00	-
	(f) Other non-current assets	9	147.92	147.92
	(g) Deferred tax asset	10	112.09	94.64
			4,533.11	**5,283.94**
(2)	**Current assets**			
	(a) Inventories	11	6,494.95	5,144.50
	(b) Financial assets		-	-
	(i) Trade receivables	12	4,304.79	4,559.10
	(ii) Cash and cash equivalents	13	3,845.65	458.56
	(iii) Other bank balances	14	4,035.00	4,526.99
	(iv) Other financial assets	15	1,159.28	155.61
	(c) Current Tax Assets (net)	16	99.93	163.72
	(d) Other current assets	17	1,002.37	405.23
			-	
			20,941.98	**15,413.70**
(3)	Non Current assets classified as held for sale	18	-	284.68
	TOTAL ASSETS		**25,475.09**	**20,982.33**
	EQUITY AND LIABILITIES			
(1)	**EQUITY**			
	(a) Share Capital	19	2,740.44	2,740.44
	(b) Other equity	20	17,419.37	15,725.10
			20,159.81	**18,465.54**
(2)	**LIABILITIES**			
(A)	**Non-current liabilities**			
	(a) Financial liabilities - Long term borrowings	21	-	-
	(b) Long term provision	22	27.67	18.04
			27.67	**18.04**
(B)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade payables	23	3,484.38	2,029.75
	(ii) Short term borrowings	24	1,319.59	-
	(iii) Other financial liability	25	202.53	300.13
	(b) Other current liability	26	281.11	168.86
	(c) Current tax liability (Net)	27	-	-
			5,287.61	**2,498.75**
	TOTAL EQUITY AND LIABILITIES		**25,475.09**	**20,982.33**

The accompanying notes are integral part of the Financial Statements
In terms of our report of even date For and on behalf of

For and On Behalf of the Board of Directors
SIRCA PAINTS INDIA LIMITED

For **Rajesh Kukreja & Associates**
Chartered Accountants

Sanjay Agarwal
Chairman Cum Managing Director
DIN: 01302479

Apoorv Agarwal
Joint Managing Director
DIN: 01302537

Rajesh Kukreja
(Proprietor.)
Membership No.-083496
Place:-New Delhi
Date : 28th May, 2021
UDIN: 21083496AAAABX6457

Shallu
Chief Financial Officer
PAN:- DCDPS8801K

Chahat Mahajan
Company Secretary
PAN:-BJDPM4121K

Standalone Statement of Profit and loss

For the year ended March 31, 2021

₹ in lakhs

	Particulars	Note	April'20 to March'21	April'19 to March'20
I	Revenue from operations	28	14318.36	13505.25
II	Other Income	29	1414.51	561.34
III	**Total Revenue (I + II)**		**15732.87**	**14066.59**
IV	**EXPENSES**			
	(a) Cost of Material Consumed	30	2081.40	713.30
	(b) Purchase of traded goods	31	7263.08	8466.73
	(c) Changes in stock of traded goods	32	-923.51	-2099.14
	(d) Employee benefit expenses	33	1594.19	1385.70
	(e) Finance costs	34	10.41	8.90
	(f) Depreciation and amortization expenses	35	363.57	239.95
	(g) Impairment of non-current assets	36	-	72.67
	(h) Other expenses	37	3084.93	1860.00
	Total Expenses (IV)		**13,474.07**	**10,648.10**
V	**Profit before tax (III - IV)**		**2,258.80**	**3,418.49**
VI	**Tax Expense**	**38**		
	(a) Current tax		615.73	901.46
	(b) Taxation for earlier years		-	-
	(c) Deferred tax		(17.45)	1.28
	Total tax expense		**598.29**	**902.74**
VII	**Profit after tax (V-VI)**		**1,660.51**	**2,515.75**
VIII	**Other Comprehensive Income**			
	(a) Items that will not be reclassified to profit or loss			
	Remeasurement gain/(loss) on defined benefit plan		4.79	1.70
	(b) Items that will be reclassified to profit or loss		-	-
			4.79	1.70
IX	**Total Comprehensive Income for the year (VII+VIII)**		**1,665.30**	**2,517.45**
X	**Earnings per equity share**			
	Basic / Diluted	39	6.06	9.18

The accompanying notes are integral part of the Financial Statements
In terms of our report of even date For and on behalf of

For **Rajesh Kukreja & Associates**
Chartered Accountants

Rajesh Kukreja
(Proprietor.)
Membership No.-083496
Place:-New Delhi
Date : 28th May, 2021
UDIN: 21083496AAAABX6457

For and On Behalf of the Board of Directors
SIRCA PAINTS INDIA LIMITED

Sanjay Agarwal
Chairman Cum Managing Director
DIN: 01302479

Apoorv Agarwal
Joint Managing Director
DIN: 01302537

Shallu
Chief Financial Officer
PAN:- DCDPS8801K

Chahat Mahajan
Company Secretary
PAN:-BJDPM4121K

Standalone Cash Flow Statement

For the year ended March 31, 2021

₹ in lakhs

	Particulars	April'20 to March'21	April'19 to March'20
A.	**Cash Flow from Operating activities:**		
	Profit before taxes	**2,258.80**	**3,418.49**
	Adjustments for:		
	Depreciation and amortization expenses	363.57	239.95
	Impairment of non-current assets	-	72.67
	Gain on fair valuation of forwards contracts	-	-
	Expected Credit Loss	59.80	
	Profit on sale of assets	(23.38)	(65.32)
	Finance Income	(266.52)	(363.63)
	Finance expenses	10.41	8.90
	Other non cash items	4.79	1.70
	Operating profit before working capital changes	**2,407.46**	**3,312.75**
	Adjustments for:		
	Trade receivables	254.31	(588.18)
	Financial assets and other current/non-current asset	(1,600.82)	(207.91)
	Inventories	(1,350.45)	(2,467.06)
	Trade payables	1,454.63	327.72
	Financial liabilities and other current/non-current liabilities	1,334.24	20.29
	Cash generated from operations	**2,499.37**	**397.61**
	Direct tax paid (net of refunds)	(575.55)	(1,153.91)
	Net Cash from Operating Activities…….A	**1,923.82**	**(756.30)**
B.	**Cash Flow from Investing Activities:**		
	Purchase of fixed assets including WIP	(411.83)	(2,260.76)
	Sale of fixed assets	1,137.16	85.78
	Investments & Securities	(10.17)	-
	Movement in fixed deposits with banks	491.99	2,047.01
	Interest received	266.52	609.08
	Net cash used in Investing Activities ……. B	**1,473.68**	**481.12**
C.	**Cash Flow from Financing activities:**		
	Proceeds from issue of equity shares (Net of transaction cost)	-	-
	Net Proceeds/(Repayment) of borrowings	-	(13.38)
	Interest and other finance costs paid	(10.41)	(8.90)
	Dividend Paid (Including Dividend distribution tax)	-	(823.67)
	Net Cash used in Financing Activities …….. C	**(10.41)**	**(845.94)**
	Net increase or (decrease) in cash or cash equivalents (A+B+C)	**3,387.09**	**(1,121.12)**
	Cash & Cash equivalents as at 1st April	**458.56**	**1,579.68**
	Cash & Cash equivalents as at 31st March	**3,845.65**	**458.56**

The accompanying notes are integral part of the Financial Statements
In terms of our report of even date For and on behalf of

For **Rajesh Kukreja & Associates**
Chartered Accountants

Rajesh Kukreja
(Proprietor.)
Membership No.-083496
Place:-New Delhi
Date : 28th May, 2021
UDIN: 21083496AAAABX6457

For and On Behalf of the Board of Directors
SIRCA PAINTS INDIA LIMITED

Sanjay Agarwal
Chairman Cum Managing Director
DIN: 01302479

Apoorv Agarwal
Joint Managing Director
DIN: 01302537

Shallu
Chief Financial Officer
PAN:- DCDPS8801K

Chahat Mahajan
Company Secretary
PAN:-BJDPM4121K

Notes to Financial Statement

For the year ended March 31, 2021

NOTE 1: CORPORATE INFORMATION

SIRCA PAINTS INDIA LIMITED (Formerly known as SIRCA PAINTS INDIA PRIVATE LIMITED and earlier known as Sircolor Wood Coatings Private Limited, is a public limited company domiciled in India and incorporated under the provisions of The Companies Act, 1956/2013 located at Plot No-50, Phase -2, Badli, Industrial Area, Nr. Tata Power Office, Delhi-110042 (India).

The Company is listed on the National Stock Exchange (NSE).The company is engaged in the business of sole import and distribution of total product range of Sirca S.P.A. Italy, which has progressively grown up to a significant position in the wood, glass and metal coatings in the global market, becoming one of the four top companies in this segment. Sirca paints india ltd also started its production of wall paints, Melamine products, N.C products and economical P.U. products in technical collaboration with Sirca spa italy that sets the company in the market with particular quality and competitiveness power. Our product range includes all PU products, stains, special effects, acrylic PU, polyster, Wallpaints, U.V. Products etc.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements and in preparing the opening Ind AS financial statement for financial position as at April 1, 2018.

2.1 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time . Upto the year ended March 31, 2019, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2018. Refer Note 45 for the details of first-time adoption exemptions availed by the Company.

2.2 BASIS OF PREPARATION AND MEASUREMENT

(i) Basis of preparation

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements. The financial statements of the Company for the year ended March 31, 2021 were approved for issue in accordance with the resolution of the Board of Directors on May 28, 2021.

(ii) Basis of measurement

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS. 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.

2.3 USE OF ESTIMATES AND JUDGMENT

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant judgments and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

2.4 REVENUE FROM CONTRACT WITH CUSTOMERS

Company has adopted Ind AS 115 Revenue from Contract With Customers starting April 01, 2018. Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and Goods and Service Tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience. Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations. Interest income is recognised using the effective interest rate (EIR) method.

2.5 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

The financial statements of the Company is presented in INR, which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the

end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the statement of profit and loss for the period.

2.6 PROPERTY, PLANT AND EQUIPMENT

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying amount of the replaced part is de-recognised.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs during the period of construction are added to the cost of eligible tangible assets.

Gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in the statement of profit and loss. Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are closed as "Capital work-in-progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

2.7 INTANGIBLE ASSETS

Patents, trademarks, License and software costs are included in the balance sheet as intangible assets where they are clearly linked to long term economic benefits for the Company. In this case they are measured initially at purchase cost and then subsequently intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Design - 10 years

Know-how - NIL

Computer software - 5 years

Trademarks - 5 years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

2.8 DEPRECIATION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on written down value basis over the useful life as prescribed in Schedule II of the Companies Act, 2013 unless otherwise specified. Depreciable amount for the assets is the cost of an asset less its estimated residual value. Depreciation on addition to/deductions from fixed assets is provided on pro rata basis from/to the date of acquisition/disposal. Depreciation on assets under construction commences only when the assets are ready for their intended use.

2.9 FINANCIAL INSTRUMENTS

I. Financial Assets:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value. In case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified and measured at

- amortised cost

- fair value through profit and loss (FVTPL)

- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except during the period the Company changes its business model for managing financial assets.

(a) Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

EFFECTIVE INTEREST METHOD

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(b) Debt Instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

FINANCIAL ASSETS AT AMORTISED COST (AC)

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the 'EIR' method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive

income (OCI).Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER PROFIT OR LOSS (FVTPL)

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

(c) Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by instrument basis. Fair value changes on an equity instrument is recognised as 'other income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(d) Derivative Financial Instruments

The Company uses derivative financial instruments to hedge its foreign currency and commodity risks. Derivatives are measured at fair value. The treatment of changes in the value of derivative depends on their use as explained below:

CASH FLOW HEDGES:

Derivatives are held to hedge the uncertainty in timing or amount of future forecast cash flows. Such derivatives are classified as being part of cash flow hedge relationships. For an effective hedge, gains and losses from changes in the fair value of derivatives are recognised in other comprehensive income. Any ineffective elements of the hedge are recognised in the statement of profit and loss. If the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the statement of profit and loss at the same time as the related cash flow.

DERIVATIVES FOR WHICH HEDGE ACCOUNTING IS NOT APPLIED

Derivative financial instruments for which hedge accounting is not applied are initially recognised at fair value on the date on which a derivative contract is entered and are subsequently measured at FVTPL.

IMPAIRMENT OF FINANCIAL ASSETS

The Company applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables

ii. Financial assets measured at amortised cost (other than trade receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI).

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

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 Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions. As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. ECL allowance recognised (or reversed) during the period is recognised as income/expense in the Statement of Profit and Loss under the head 'Other expenses'. conditions and forecasts of future economic conditions.

DERECOGNITION OF FINANCIAL ASSETS

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing of the proceeds received.

II. Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial Liabilities

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

SUBSEQUENT MEASUREMENT

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

DERECOGNITION OF FINANCIAL LIABILITIES

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

2.10 EMPLOYEE BENEFITS

Defined contribution plans

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company in respect of above schemes has made contribution to a Government administered fund(s) and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plans

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability / (asset) are recognised immediately in Other Comprehensive Income. The service cost, net interest on the net defined benefit liability / (asset) is treated as a net expense within employment costs. Past service cost is recognised as an expense, when the plan amendment or curtailment occurs, or when any related restructuring cost or termination benefits are recognised, whichever is earlier. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation, as reduced by the fair value plan assets.

2.11 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

2.12 PROVISIONS AND CONTINGENT LIABILTY

Provisions are recognised 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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only 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 arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.13 INCOME TAXES

Tax expense for the year comprises current and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws enacted in the country. It is recognised in the Statement of Profit and Loss except to the extent it relates to an item which is recognised directly in equity or in other comprehensive income. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

2.14 LEASES

Company has adopted Ind AS 116 "Leases" Starting April 01, 2019, with initial date of application being April 01, 2019.

Accounting policy upto March 31, 2019:

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease. Leases are classified as finance leases where the terms of the lease transfers

substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Accounting policy w.e.f. April 01,2019

The Company applied Ind AS 16 using the modified retrospective approach with a date of initial application of 1 January 2019 and accordingly the comparative figures have not been restated. Moreover, there was no impact of initial application on the balance of retained earnings as of April 01, 2019. As a result, the Company has changed its accounting policy for lease contracts as detailed below.

The Company as a lessee

At inception of a contract the Company assess whether a contract is, or contain a lease. A contract is, or contains, a lease if contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method.

The Company as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

2.15 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell. Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

2.16 BORROWING COSTS

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

2.17 EXPENDITURE

Expenses are accounted on accrual basis.

2.18 EARNING PER SHARE

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.19 INSURANCE CLAIM

The fire was broke out at one of the plant of the company at Sonipat, Haryana on 27/06/2020. However during the year company has booked losses on account of fire of ₹ 10.57 Cr out of which 8.44 relates to fixed asset and 2.13 relates to Stock. However, the loss was fully insured and the company has received the claim amounted to ₹ 9.64 on 21/04/21.

NOTE - 3: PROPERTY, PLANT AND EQUIPMENT

S.No	Particulars	Useful Life	Depreciation rate	Gross Block					Accumulated Depreciation and Impairment						Net Block
				Cost/ Deemed Cost 01st April	Additions	Deletion	Assets Classified as held for sale	Cost/ Deemed Cost 31st March	as at 01st April	Depreciation For the Year	Deletion	Impairment Loss	Assets Classified as held for sale	as at 31st March	As at 31st March
1	**Freehold Land**	**NA**	**NA**												
	Current Year			1,566.21	-	48.00	-	1,518.21	-	-	-	-	-	-	1,518.21
	Previous Year			1,759.32	13.52	-	206.63	1,566.21	-	-	-	46.54	46.54	-	1,566.21
2	**Building**	**30**	**9.50%**												
	Current Year			1,653.13	84.99	317.77	-	1,420.35	163.01	116.21	23.89	-	-	255.33	1,165.01
	Previous Year			579.88	1,281.14	36.92	170.97	1,653.13	118.06	82.44	17.24	26.13	46.39	163.01	1,490.11
3	**Plant & Machinery**	**15**	**18.10%**												
	Current Year			1,129.52	74.75	415.64	-	788.63	122.57	126.65	37.76	-	-	211.46	577.17
	Previous Year			164.93	964.59	-	-	1,129.52	57.81	64.76	-	-	-	122.57	1,006.95
4	**Office Equipments**	**10**	**25.89%**												
	Current Year			110.01	14.82	54.70	-	70.13	21.13	23.15	9.00	-	-	35.28	34.85
	Previous Year			15.61	95.16	0.76	-	110.01	7.99	13.14	-	-	-	21.13	88.89
5	**Furniture & Fixture**	**10**	**25.89%**												
	Current Year			242.72	16.30	11.49	-	247.54	72.80	40.27	1.76	-	-	111.31	136.23
	Previous Year			144.68	98.05	-	-	242.72	36.51	36.28	-	-	-	72.80	169.93
6	**Electrical Installation**	**10**	**25.89%**												
	Current Year			178.57	22.65	60.25	-	140.97	21.10	31.06	8.73	-	-	43.43	97.55
	Previous Year			14.42	164.18	0.03	-	178.57	5.09	16.01	-	-	-	21.10	157.47
7	**Vehicles**	**8**	**31.23%**												
	Current Year			157.35	-	-	-	157.35	118.23	10.86	-	-	-	129.09	28.26
	Previous Year			153.52	3.83	-	-	157.35	104.21	14.02	-	-	-	118.23	39.12
8	**Computer**	**3**	**63.16%**												
	Current Year			38.03	8.74	-	-	46.77	26.53	7.41	-	-	-	33.94	12.83
	Previous Year			24.60	13.43	-	-	38.03	19.94	6.58	-	-	-	26.53	11.50
	TOTAL (Current year)			**5,075.55**	**222.24**	**907.83**	**-**	**4,389.95**	**545.37**	**355.61**	**81.14**	**-**	**-**	**819.84**	**3,570.11**
	TOTAL (Previous year)			**2,856.97**	**2,633.89**	**37.70**	**377.61**	**5,075.55**	**349.62**	**233.24**	**17.24**	**72.67**	**92.92**	**545.37**	**4,530.18**

NOTE - 4: INTANGIBLE ASSETS

S.No	Particulars	Useful Life	Depreciation rate	Gross Block					Accumulated Depreciation and Impairment						Net Block
				Cost/ Deemed Cost 01st April	Additions	Deletion	Assets Classified as held for sale	Cost/ Deemed Cost 31st March	as at 01st April	Depreciation For the Year	Deletion	Impairment Loss	Assets Classified as held for sale	as at 31st March	As at 31st March
1	Technical Know How	NA	NA												
	Current Year			491.85	-	-	-	491.85	-	-	-	-	-	-	491.85
	Previous Year			-	491.85	-	-	491.85	-	-	-	-	-	-	491.85
2	Software	3	63.16%												
	Current Year			17.22	4.05	-	-	21.27	8.42	7.96	-	-	-	16.38	4.89
	Previous Year			12.13	5.10	-	-	17.22	1.72	6.70	-	-	-	8.42	8.80
	TOTAL (Current year)			**509.07**	**4.05**	**-**	**-**	**513.13**	**8.42**	**7.96**	**-**	**-**	**-**	**16.38**	**496.74**
	TOTAL (Previous year)			**12.13**	**496.95**	**-**	**-**	**509.07**	**1.72**	**6.70**	**-**	**-**	**-**	**8.42**	**500.65**

NOTE - 5: CAPITAL WORK IN PROGRESS

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Building in Nathupur	185.53	-
Total	**185.53**	**-**

NOTE - 6: INTANGIBLE ASSET UNDER DEVELOPMENT

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Technical Know How	-	-
Total	**-**	**-**

NOTE - 7: LOANS

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Security deposit	**-**	**-**
Unsecured, considered good	10.71	10.55
Total	**10.71**	**10.55**

NOTE - 8: OTHER FINANCIAL ASSETS

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Fixed deposits held with bank (Earmarked)	-	-
Investment in Wholly owned Subsy	10.00	-
Total	**10.00**	**-**

NOTE - 9: OTHER NON-CURRENT ASSETS

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Capital advances		
Unsecured, considered good	147.92	147.92
Total	**147.92**	**147.92**

NOTE - 10: DEFERRED TAX ASSET

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred Tax	**112.09**	**94.64**
Property, Plant & Equipment and intangible assets	-	18.60
Equity share issuance cost	-	71.41
Unabsorbed business losses	-	-
Gratuity Liability	-	4.62
Total	**112.09**	**94.64**

Reconciliation of movement in deferred tax balances with the amount recognized in Statement of Profit and Loss and Other Equity

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Opening Balance	94.64	132.69
Closing Balance	112.09	94.64
Net movement in deferred tax balances	**(17.45)**	**38.05**
Recognized in Statement of Profit and Loss	(17.45)	1.28
Recognized in Other Equity	0.00	36.77
	(17.45)	**38.05**

NOTE - 11: INVENTORIES

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
(At cost or net realisable value, which ever is lower)		
Raw Material	804.05	367.91
Finished Goods - Trading	5,690.91	4,776.59
Total	**6,494.95**	**5,144.50**

NOTE - 12: TRADE RECEIVABLES

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Unsecured, considered doubtful	-	-
(b) Unsecured, considered good	4,379.31	4,573.83
	4,379.31	**4,573.83**
Less: Allowance for credit losses	74.52	14.73
Total	**4,304.79**	**4,559.10**

(i) In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

(ii) Ageing of trade receivables is as below:

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
0-30 days	1,988.86	945.98
30-60 days	883.19	1,064.93
60-180 days	594.47	1,442.66
greater than 180 days	838.27	1,105.53
	4,304.79	**4,559.10**

NOTE - 13: CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Balances with banks		
- on Current accounts	3,827.42	447.07
Cash on hand	18.23	11.49
Total	**3,845.65**	**458.56**

NOTE - 14: OTHER BANK BALANCES

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Fixed Deposits held with banks	4,035.00	4,526.99
Total	**4,035.00**	**4,526.99**

NOTE - 15: OTHER FINANCIAL ASSETS

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Interest accrued on FDR	133.24	86.22
Advances to Staff	6.60	6.56
Other receivables (Detention charges)	-	-
Reimbursement Right Receivable	963.90	-
Derivative asset	-	-
Security deposit	55.53	62.83
Total	**1,159.28**	**155.61**

NOTE - 16: CURRENT TAX ASSETS (NET)

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Advance tax and TDS	715.67	1,041.38
Less: Provision for taxation	(615.73)	(877.65)
	99.93	**163.72**

NOTE - 17: OTHER CURRENT ASSETS

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Balance With Revenue Authorities	233.78	331.95
Prepaid expenses	32.83	17.88
Advance to suppliers	8.04	53.10
Branch Difference	-	-
Other advances	725.78	2.30
GST Reversed (Pending Payment)	1.96	-
Total	**1,002.37**	**405.23**

NOTE - 18: NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Land and Buildings	-	284.68
Total	**-**	**284.68**

(i) In January'2020 Company decided to sell two of its Properties (Land & Building) situated at Vijay Vihar, Delhi and Badli Industrial Area, Delhi respectively. The sale for these properties is expected to be completed by Q2 of Financial Year 2020-21. The building has been reclassified from "Property, Plant and Equipment" to "Non Current assets classified as held for sale" pursuant to requirement of Ind AS 105. "Non-current Assets Held for Sale and Discontinued Operations". As at March 31, 2020, the Company has received an advance against such expected sale proceeds for ₹ 77.50 Lacs.

(ii) Building classified as held for sale during the reporting period is measured at the lower of carrying amount and fair value less cost to sell. The fair value has been determined based on the agreed sales value with the buyer.

NOTE - 19: SHARE CAPITAL

₹ in lakhs

Particulars	As at 31.03.2021		As at 31.03.2020	
	Number	Amount	Number	Amount
Authorised				
3,20,00,000 shares Equity Shares of INR 10 each	320.00	3,200.00	320.00	3,200.00
	320.00	**3,200.00**	**320.00**	**3,200.00**
Issues, Subscribed and Paid up				
2,74,04,400 shares Equity Shares of INR 10 each	274.04	2,740.44	274.04	2,740.44
	274.04	**2,740.44**	**274.04**	**2,740.44**

(a) The Company has only one class of equity shares. Each shareholder is eligible for one vote per share. The dividend proposed by the Board is subject to the approval of shareholders except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

(b) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

₹ in lakhs

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	274.04	2,740.44	274.04	2,740.44
Add: Equity shares issued during the year	-	-	-	-
Balance as at the end of the year	**274.04**	**2,740.44**	**274.04**	**2,740.44**

(c) Details of Shareholders holding more than 5 % shares in the Company

₹ in lakhs

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of shares	Holding %	No. of shares	Holding %
1. SANJAY AGARWAL	88.80	32.41%	88.80	32.41%
2. GURJIT SINGH BAIN	38.66	14.11%	38.66	14.11%
3. BGB ITALIA	51.55	18.81%	51.55	18.81%
4. SIRCA S.P.A. ITALY	10.50	3.83%	10.50	3.83%

NOTE - 20: OTHER EQUITY

₹ in lakhs

Particulars	Security premium reserve	Retained Earnings	Other Comprehensive Income	Total
Opening balance as at 01.04.2020	**8,373.28**	**7,348.87**	**2.95**	**15,725.10**
Add: Profit for the year	-	1,660.51	-	1,660.51
Add : Provision for Income Tax (Reversed)	-	28.97	-	28.97
Add: Remeasurement gain/loss	-	-	4.79	4.79
Closing balance as at 31.03.2021	**8,373.28**	**9,038.35**	**7.74**	**17,419.37**

The nature of reserves are as follows:

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

2. Other Comprehensive Income represents remeasurement gain/(loss) arising on defined benefit plans of Company.

3. Retained Earnings is a free reserves that is available for distribution of dividends.

NOTE - 21: LONG TERM BORROWINGS

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Secured		
Term Loan from Banks (#)	(0.00)	8.24
Less: Current maturities of long term borrowings	-	(8.24)
Total	**(0.00)**	**-**

Car Loan from Kotak Mahindra Prime Limited/Toyota Finance \ ICICI Bank Ltd. (This loan is secured by way of hypothecation of vehicle acquired out of this term loan)

NOTE - 22: LONG TERM PROVISION

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Secured		
Provision for Gratuity	27.67	18.04
Provision for Gratuity	99.96	70.37
Less: LIC Gratuity fund (Asset)	(72.28)	(58.08)
Add: LIC Gratuity fund (Liab)	-	-
Less: Ind AS Accounting entries	-	-
Less: Ind AS Accounting entries - after Ind AS valuation	-	5.76
Total	**27.67**	**18.04**

NOTE - 23: TRADE PAYABLES

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Creditor for supplies and services	3,484.38	2,029.75
Total	**3,484.38**	**2,029.75**

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
i. The principal amount remaining unpaid to supplier as at the end of the year	-	64.32
ii. The interest due thereon remaining unpaid to supplier as at the end of the year	-	0.42
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	0.65	0.67
iv. The amount of interest accrued during the year and remaining unpaid at the end of the year	-	1.09
	0.65	**66.50**

NOTE - 24: SHORT TERM BORROWINGS

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Secured (against FDR)		
Yes Bank- Overdraft	-	-
Indus Ind Bank- Buyer's Credit	1,319.59	-
	1,319.59	**-**

Buyer credit facility from Indus Ind Bank is secured against the fixed deposits of the Company and carries a interest rate of 6%

NOTE - 25: OTHER FINANCIAL LIABILITY

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Current maturities of long term borrowings	(0.00)	8.24
Expenses payable	93.54	132.57
Security deposit	3.00	3.00
Employee dues	105.63	96.73
Unclaimed dividend	0.36	59.60
Total	**202.53**	**300.13**

NOTE - 26: OTHER CURRENT LIABILITY

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Statutory dues	138.25	46.82
Contract liability	126.27	28.77
Employer contributions	16.59	15.77
Advance received against expected sale of assets	-	77.50
Total	**281.11**	**168.86**

NOTE - 27: CURRENT TAX LIABILITY

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for taxation	-	-
Less: Advance tax and TDS	-	-
Total	**-**	**-**

NOTE - 28: REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
(a) Sales of Products	14,318.36	13,505.25
Sales	15,385.85	14,194.06
Less: ATR	595.56	443.15
Less: Painter Scheme	555.74	401.90
Add: ATR Receivable	83.81	156.25
	14,318.36	**13,505.25**

NOTE - 29: OTHER INCOME

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Finance income	263.00	363.63
Miscellaneous income	966.18	29.36
Foreign currency fluctuations	158.44	103.03
Gain on sale of capital assets	23.38	65.32
Interest Income	3.52	-
	1,414.51	**561.34**

NOTE - 30: COST OF MATERIAL CONSUMED

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Opening stock	367.91	-
Add: Purchase of raw material	2,517.53	1,081.21
Less: Closing stock of Raw Material & WIP	(804.05)	(367.91)
	2,081.40	**713.30**

NOTE - 31: PURCHASE OF TRADED GOODS

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Purchase of Paints & Varnish	7,263.08	8,466.73
	7,263.08	**8,466.73**

31.01 Purchase Include custom duty of ₹ 5,56,46,321 (Yr 2019-20- 6,49,61,938)

NOTE - 32: CHANGES IN STOCK OF TRADED GOODS

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Opening Stock		
Finished goods	4,776.59	2,677.45
	4,776.59	**2,677.45**
Closing Stock		
Finished goods	5,700.10	4,776.59
	5,700.10	**4,776.59**
	(923.51)	**(2,099.14)**

32.01 Closing Stock Include Stock in transit ₹ 1964901/- (yr 2019-20, 76,01,733/-)

NOTE - 33: EMPLOYEE BENEFIT EXPENSES

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Salaries and wages	1,331.54	1,138.32
Directors Remuneration	121.57	129.00
Gratuity expenses	26.70	20.89
Employer Contribution to provident fund and ESIC	91.59	77.47
Staff welfare expenses	22.79	20.01
	1,594.19	**1,385.70**

NOTE - 34: FINANCE COSTS

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Interest on bank loans	0.22	1.26
Interest on other loans	0.50	0.21
Other borrowing cost	9.69	7.43
	10.41	**8.90**

NOTE - 35: DEPRECIATION AND AMORTIZATION EXPENSES

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Depreciation on Property, plant & equipment	363.57	233.24
Amortization of intangible assets	-	6.70
	363.57	**239.95**

NOTE - 36: IMPAIRMENT OF NON-CURRENT ASSETS

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Impairment of land & building classified as held for sale	-	72.67
(Refer Note 18 for details of assets)		
	-	**72.67**

NOTE - 37: OTHER EXPENSES

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Manufacturing Expenses		
Consumable Stores	34.19	36.94
Freight & Octroi	435.46	240.16
Miscellaneous Expenses	16.84	33.05
Clearing & Forwarding Exp.	73.11	80.60
Selling, Distribution & Administration Expenses	**-**	**-**
Legal & Professional Expenses	43.99	51.67
Interest on MSME	7.91	1.09
CSR Expense (Point (a) below)	67.25	97.00
Testing Charges	0.38	-
Repair & Maintenance	87.46	78.20
Telephone Expenses	6.51	7.58
Electricity Expenses	45.95	39.15
Insurance	32.32	16.68
Office Expenses	13.43	6.86
Postage & Courier	8.00	12.51
Printing & Stationery	7.32	7.89
Property Tax	8.50	0.06
Rent	171.06	139.81
Security Charges	12.29	2.87
Audit Fees	4.00	4.00
Advertisement	35.75	70.98
Expected credit loss	59.80	17.07
Loss Due to Fire	1,058.91	-
Commission	154.05	73.06
Discount & Compensation	254.73	87.97
Exhibition Expenses	(0.19)	34.63
Branch Handling Charges	9.61	-
GST Demand	8.17	-
Buyer's Credit Fees	8.71	-
Fire Charges	0.54	-
Sales Promotion Expenses	184.59	396.11
Travelling & Conveyance	135.60	282.41
Foreign Currency Fluctuation	81.55	36.34
Fair valuation of derivative	-	5.33
Loss In Transit	17.13	-
	3,084.93	**1,860.00**

NOTE - 39: EARNING PER SHARES

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Profit after tax (₹ In Lakhs)	1,660.51	2,515.75
Weighted average number of equity shares (For basic and diluted EPS)	274.04	274.04
Nominal value of Ordinary Shares	10.00	10.00
Basic and Diluted Earnings per Ordinary Share	6.06	9.18

NOTE - 40: SEGMENT REPORTING

The Company activity during the year revolves around manufacturing and trading of wood coating products. Considering the nature of Company's business and operations, as well as based on review of operating results by the chief operating decision maker to make decision about resource allocation and performance measurement, there is only one reportable business segment viz. "Wood Coating Products" and a single geographical segment in accordance with the requirement of Ind AS 108 - "Operating Segments". Accordingly no separate disclosures has been made for segment reporting under Ind AS 108.

NOTE - 41: RESTATED STATEMENT OF RELATED PARTY DISCLOSURE

(a) List of related parties and related party relationship

Related party relationship	Party	Relation
Key Management Personal (KMP)		
Chairman	Sanjay Agarwal	
Joint Managing Director	Apoorv Agarwal	Son of Managing Director
Chief Financial Officer	Shallu	
Company Secretary	Chahat Mahajan	
Relatives of KMP	Ayushi Agarwal	Daughter of Managing Director
	Chirag Goel	Son-in -Law
Promoter Group (Other than KMP)	Anita Agarwal	Wife of Managing Director
	Ayushi Agarwal	Daughter of Managing Director
	Srishti Agarwal	Wife of Apoorv Agarwal
	BGB Italia	Gurjit Singh Bains (Non Executive Director) is act as director and holding more than 20% of Paid up Capital

(b) Related party transactions

Transaction during the year

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Key Managerial persons		
Remuneration to KMP	138.67	145.38
Remuneration to KMP Relatives	22.67	24.00
Director Sitting Fees	1.95	1.65
Rent to KMP	-	2.40
Bonus to KMP	5.45	5.54
Bonus to KMP Relatives	0.72	0.71
Dividend Paid to promoter group	-	130.27
Dividend Paid to KMP	-	330.98

Outstanding balances as at end of the year

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Remuneration to KMP	12.25	12.25
Remuneration to KMP Relatives	2.00	2.00
Director Sitting Fees	-	1.18
Dividend Paid	-	-

NOTE - 42: CAPITAL MANAGEMENT

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth.

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met mostly through internal accruals and some short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio

and maturity profile of the overall debt portfolio of the Company. In all the financial years presented in these financial statements Company has negative net debts and has met its capital requirements through internal accruals. For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves. Net debt includes short-term borrowings as reduced by cash and cash equivalents, fixed deposits held with bank and margin money held with banks.

NOTE - 43: FINANCIAL INSTRUMENTS

This note gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The significant accounting policy in relation to financial instruments is contained in Note 2.9.

a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2021, March 31, 2020.

As at 31.03.2021

₹ in lakhs

Particulars	Amortized Cost	Derivative instrument #	Total carrying and fair value
Financial Assets*			
Loans	10.71	-	10.71
Trade receivables	4,304.79	-	4,304.79
Cash and cash equivalents	3,845.65	-	3,845.65
Other bank balances	4,035.00	-	4,035.00
Derivative asset	-	-	-
Other financial assets	1,159.28	-	1,159.28
	13,355.43	**-**	**13,355.43**
Financial Liability			
Borrowings	1,319.59	-	1,319.59
Trade payables	3,484.38	-	3,484.38
Other financial liabilities	202.53	-	202.53
	5006.50	**-**	**5006.50**

As at 31.03.2020

₹ in lakhs

Particulars	Amortized Cost	Derivative instrument #	Total carrying and fair value
Financial Assets*			
Loans	10.55	-	10.55
Trade receivables	4,559.10	-	4,559.10
Cash and cash equivalents	458.56	-	458.56
Other bank balances	4,526.99	-	4,526.99
Derivative asset	-	-	-
Other financial assets	155.61	-	155.61
	9,710.80	**-**	**9,710.80**
Financial Liability			
Borrowings	-	-	-
Trade payables	2,029.75	-	2,029.75
Other financial liabilities	300.13	-	300.13
	2,329.89	**-**	**2,329.89**

* The fair value of all other financial asset and liability carried at amortize cost is equal to their carrying value

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices in active markets for identical assets or liabilities. Company does not hold any asset/liability that fall into this category.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using 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). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Company does not hold any asset/liability that fall into this category.

₹ in lakhs

Particulars	Level - 2	
	As at 31.03.2021	As at 31.03.2020
Financial instruments at FVTPL		
Foreign currency forward contracts	-	-

(c) Derivative financial instruments

Derivative instruments used by the Company primarily include forward exchange contracts. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities. The Company does not hold or issue derivative financial instruments for trading purpose.

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
forward exchange contracts - Assets	-	-
forward exchange contracts - Liability	-	-
Notional value of above contract	-	-

d) Financial risk management

The Company's activities are primarily exposed to a credit risk and market risk arising from movement in foreign exchange rates i.e. foreign exchange risk.

(i) Market risk - Foreign currency exchange rate risk:

The Company make significant amount of purchases in foreign currency which exposes the Company to the risk of fluctuation in foreign currency exchange rates which may have a potential impact on the statement of profit and loss and equity.

In order to protect itself from foreign currency movements, Company often enters into forward exchange contracts from scheduled bank for its anticipated receipts. The exposure is such contract is disclosed in Note 43(c) above

The foreign currency exposure of company is as follows:

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
A. Trade Payables - EURO		
INR (In Lakhs)	2,167.22	1,451.33
EURO (In Lakhs)	25.24	17.45
Sensitivity analysis (In Lakhs)		
Strengthen of foreign currency by 5%	-108.36	-72.57
Weakening of foreign currency by 5%	108.36	72.57

(ii) Credit risk

The credit risk exposure of the Company primarily arises from Cash and cash equivalents, trade receiables, derivative financial instruments, financial assets measured at amortised cost. Credit risk arises from the possibility that the counter party may not be able to settle their obligations. To manage trade receivable, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

None of the financial instruments of the Company results in material concentration of credit risks.

NOTE 44: EMPLOYEE BENEFIT PLAN

(A) Defined benefit Plan

The defined benefit plan operated by the Company is as below:

Retiring gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company has taken a gratuity plan from Life Insurance Corporation (LIC) and annual contributions are made to this plan. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

THE DEFINED BENEFIT PLANS EXPOSE THE COMPANY TO A NUMBER OF ACTUARIAL RISKS AS BELOW:

(a) Interest risk: A decrease in the bond interest rate will increase the plan liability.

(b) Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(c) Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

THE FOLLOWING TABLE SETS OUT THE AMOUNTS RECOGNISED IN THE FINANCIAL STATEMENTS IN RESPECT OF RETIRING GRATUITY PLAN:

All figures are presented in ₹ Lakhs

(i) Change in Defined Benefit Obligation (DBO) during the year

Particulars	31.03.2021	31.03.2020
Present value of DBO at the beginning of the year	76.13	55.25
Service cost	25.49	17.73
Interest cost	5.14	4.29
Actuarial loss arising from changes in financial assumptions	0.78	8.44
Actuarial loss arising from changes in experience adjustments	-	(7.78)
Benefits paid	(2.54)	(1.80)
Present value of DBO at the end of the year	**99.96**	**76.13**

(ii) Change in fair value of plant assets during the year

Particulars	31.03.2021	31.03.2020
Fair value of plan assets at the beginning of the year	58.08	14.50
Interest income	4.45	3.48
Employer contributions	1.23	41.90
Benefits paid	(2.54)	(1.80)
Fair value of plan assets at the end of the year	**72.28**	**58.08**

(iii) Actuarial (Gain)/Loss on Plan Asset

Particulars	31.03.2021	31.03.2020
Expected Interest Income	3.92	1.13
Actual Income on Plan Asset	0.45	3.48
Actuarial gain /(loss) on Assets	**0.53**	**2.36**

(iv) Amounts recognised in the Balance Sheet

Particulars	31.03.2021	31.03.2020
Present value of DBO at the end of the year	99.96	76.13
Fair value of plan assets at the end of the year	72.28	58.08
Net Liability recognised in the Balance Sheet	**27.67**	**18.04**

(v) Components of employer expense

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Service cost	25.49	17.73
Net Interest cost	1.22	3.17
Expense recognised in Statement of Profit t and Loss	**26.70**	**20.89**

(vi) Other comprehensive income

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Actuarial gain / (loss) on liabilities	4.26	(0.66)
Actuarial gain / (loss) on assets	0.53	2.36
Remeasurements recognised in other comprehensive income	**4.79**	**1.70**

(vi) Nature and extent of investment details of the plan assets

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
State and Central Securities	0%	0%
Bonds	0%	0%
Special deposits	0%	0%
Insurer managed funds	100%	100%

(vii) Assumptions

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Discount Rate	6.81%	6.75%
Rate of increase in Compensation levels	6%	6.00%
Rate of Return on Plan Assets	NA	7.77%
Average future service (in Years)	28.98 Years	28.98 Years

(viii) Sensitivity Analysis

Particulars	As at 31.03.2021	As at 31.03.2020
Base Liability	99.9565	76.13
Increase Discount Rate by 0.5%	93.83169	71.76
Decrease Discount Rate by 0.5%	106.79115	81.01
Increase Salary Inflation by 1%	113.43396	85.50
Decrease Salary Inflation by 1%	88.9382	68.47
Increase Withdrawal Rate by 1%	100.69214	76.80
Decrease Withdrawal Rate by 1%	98.89616	75.20

(ix) Maturity Profile of Defined Benefit Obligation (Valued on undiscounted basis)

Particulars	As at 31.03.2021	As at 31.03.2020
Year 1	24.66	22.73
Year 2	1.40	1.09
Year 3	1.77	2.30
Year 4	2.42	1.57
Year 5	2.85	1.96
After 5th Year	289.47	204.06
	322.57	**233.70**

(B) Defined Contribution Plan

PROVIDENT FUND AND PENSION

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the employee provident fund organization (EPFO).

The total expenses recognised in the statement of profit and loss during the year on account of defined contribution plans amounted to ₹ 91.58 Lakhs (PY: ₹ 77.47 Lakhs)

NOTE 45 DIVIDEND ON EQUITY SHARE

The Board of Directors have recommended payment of final dividend of ₹ 1.50 (Rupees one and Paise Fifty only) per equity share of the face value of ₹ 10 each for the financial year ended 31 March 2021.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SIRCA PAINTS INDIA LIMITED

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the Consolidated financial statements of Sirca Paints India Limited **formerly known as SIRCA PAINTS INDIA PRIVATE LIMITED, earlier known as SIRCOLOR WOOD COATINGS PRIVATE LIMITED** ("the Parent") and its Subsidiary (the parent and its subsidiary together referred as "the Group") , which comprise the Consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss (including other comprehensive income), the Consolidated statement of changes in equity and the Consolidated statement of Cash Flows for the year ended on that date, and the notes to the Consolidated financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India), of the Consolidated state of affairs of the Group as at March 31, 2021 and their Consolidated profit , their Consolidated total comprehensive income, their Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

a) Revenue recognition (refer note no. 2.4 & 28 of the Standalone financial Statements)

The key audit matters	How the matter was addressed in our report
Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.	Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. Our other audit procedures with regard to revenue recognition include testing controls, automated and manual, around dispatches/deliveries, E –Way bill Verification, inventory reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures. Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period. Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.

b) Discounts and incentives (Refer note 2.4 and 28 of the Standalone Financial Statements)

The key audit matters	How the matter was addressed in our report
Discounts and incentives to dealers / customers are administered through various schemes including incentives. These are material items of business cost. The calculation of the amount of expense to be recognized is both voluminous, complex and involves significant judgement. There is a risk that such liabilities for discounts and incentives may be inaccurately recognised.	Our audit procedures included assessment of the design and implementation of controls, in addition to testing the effectiveness of key controls in respect of recognition of the liabilities for such discounts and incentives. We have considered each significant type of discount recognized and assessed the appropriateness of the judgement applied while recognising the liability including the methodology and inputs used in calculating the amount and in some cases, re-performed the calculation. Our audit procedures also included verification of appropriate authorization, analytical review including comparison of budgeted amount and actual charge for the year and review of historical trends in respect of these liabilities.

OTHER INFORMATION

The Parent's management and Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the company's annual report but does not include the Consolidated financial statements and our auditor's report thereon.

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

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

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the Consolidated financial statements, management and respective Board of Directors of the companies included in the Group are responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

- Obtain an understanding of internal financial controls 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 Parent 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 in the Consolidated financial statements made by the Management and respective Board of Directors of the companies included in the Group.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

b. In our opinion, proper books of account as required by law related to the preparation of the aforesaid Consolidated Financial Statements have been kept by the Company so far as it appears from our examination of those books;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flow and the Consolidated statement of changes in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

d. In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;

e. On the basis of the written representations received from the directors of the Parent 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. With respect to the adequacy of the internal financial controls with reference to Consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors report of the company and its subsidiary incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of those Companies internal financial controls over financial reporting.

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

   i. The Group does not have any pending litigations which would impact on the financial position of the company.

   ii. The Group does not have any long-term contracts including derivative contracts, as such the question of commenting on any material foreseeable losses thereon does not arise.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Group to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **Rajesh Kukreja & Associates**
Chartered Accountants
(Firm's Registration No.0004254N)

Rajesh Kukreja
Proprietor
(Membership No.-083496)
UDIN: 21083496AAAABX6457

Place :- New Delhi
Date :- 28th May, 2021

ANNEXURE A

TO THE INDEPENDENT AUDITOR'S REPORT on the Consolidated financial statements of Sirca Paints India Limited for the year ended 31st March, 2021

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under section 143(3)(i) of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended March 31, 2021. We have audited the internal financial controls over financial reporting of **SIRCA PAINTS INDIA LIMITED formerly known as SIRCA PAINTS INDIA PRIVATE LIMITED, earlier known as SIRCOLOR WOOD COATINGS PRIVATE LIMITED** ("the Company") and its Subsidiary company incorporated in India.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) 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 WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls 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 and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, 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 financial control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Rajesh Kukreja & Associates**
Chartered Accountants
(Firm's Registration No.0004254N)

Rajesh Kukreja
Proprietor
(Membership No.-083496)
UDIN: 21083496AAAABX6457

Place :- New Delhi
Date :- 28th May, 2021

Consolidated Balance Sheet

As at 31.03.2021

₹ in lakhs

	Particulars	Note	As at 31.03.2021	As at 31.03.2020
	ASSETS			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	3	3,570.11	4,530.18
	(b) Intangible assets	4	496.74	500.65
	(c) Capital work in progress	5	185.53	-
	(d) Intangible asset under development	6	-	-
	(e) Financial assets		-	-
	(i) Loans	7	10.71	10.55
	(ii) Other financial assets	8	-	-
	(f) Other non-current assets	9	147.92	147.92
	(g) Deferred tax asset	10	112.09	94.64
			4,523.11	**5,283.94**
(2)	**Current assets**			
	(a) Inventories	11	6,494.95	5,144.50
	(b) Financial assets		-	-
	(i) Trade receivables	12	4,304.79	4,559.10
	(ii) Cash and cash equivalents	13	3,852.30	458.56
	(iii) Other bank balances	14	4,035.00	4,526.99
	(iv) Other financial assets	15	1,159.28	155.61
	(c) Current Tax Assets (net)	16	100.98	163.72
	(d) Other current assets	17	1,002.60	405.23
			20,949.90	**15,413.70**
(3)	**Non Current assets classified as held for sale**	**18**	**-**	**284.68**
	TOTAL ASSETS		**25,473.01**	**20,982.33**
	EQUITY AND LIABILITIES			
(1)	**EQUITY**			
	(a) Share Capital	19	2,740.44	2,740.44
	(b) Other equity	20	17,417.09	15,725.10
			20,157.53	**18,465.54**
(2)	**LIABILITIES**			
(A)	**Non-current liabilities**			
	(a) Financial liabilities - Long term borrowings	21	-	-
	(b) Long term provision	22	27.67	18.04
			27.67	**18.04**
(B)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade payables	23	3,484.38	2,029.75
	(ii) Short term borrowings	24	1,319.59	-
	(iii) Other financial liability	25	202.73	300.13
	(b) Other current liability	26	281.11	168.86
	(c) Current tax liability (Net)	27	-	-
			5,287.81	**2,498.75**
	TOTAL EQUITY AND LIABILITIES		**25,473.01**	**20,982.33**

The accompanying notes are integral part of the Financial Statements
In terms of our report of even date For and on behalf of

For **Rajesh Kukreja & Associates**
Chartered Accountants

Rajesh Kukreja
(Proprietor.)
Membership No.-083496
Place:-New Delhi
Date : 28th May, 2021
UDIN: 21083496AAAABX6457

For and On Behalf of the Board of Directors
SIRCA PAINTS INDIA LIMITED

Sanjay Agarwal
Chairman Cum Managing Director
DIN: 01302479

Apoorv Agarwal
Joint Managing Director
DIN: 01302537

Shallu
Chief Financial Officer
PAN:- DCDPS8801K

Chahat Mahajan
Company Secretary
PAN:-BJDPM4121K

Consolidated Statement of Profit and loss

For the year ended March 31, 2021

₹ in lakhs

	Particulars	Note	April'20 to March'21	April'19 to March'20
I	Revenue from operations	28	14,318.36	13,505.25
II	Other Income	29	1414.51	561.34
III	**Total Revenue (I + II)**		**15,732.87**	**14,066.59**
IV	**EXPENSES**			
	(a) Cost of Material Consumed	30	2081.40	713.30
	(b) Purchase of traded goods	31	7263.08	8466.73
	(c) Changes in stock of traded goods	32	-923.51	-2099.14
	(d) Employee benefit expenses	33	1594.19	1385.70
	(e) Finance costs	34	10.41	8.90
	(f) Depreciation and amortization expenses	35	365.87	239.95
	(g) Impairment of non-current assets	36	-	72.67
	(h) Other expenses	37	3085.95	1860.00
	Total Expenses (IV)		**13,477.40**	**10,648.10**
V	**Profit before tax (III - IV)**		**2,255.47**	**3,418.49**
VI	**Tax Expense**	**38**		
	(a) Current tax		614.69	901.46
	(b) Taxation for earlier years		-	-
	(c) Deferred tax		(17.45)	1.28
	Total tax expense		**597.24**	**902.74**
VII	**Profit after tax (V-VI)**		**1,658.23**	**2,515.75**
VIII	**Other Comprehensive Income**			
	(a) Items that will not be reclassified to profit or loss			
	Remeasurement gain/(loss) on defined benefit plan		4.79	1.70
	(b) Items that will be reclassified to profit or loss		-	-
			4.79	1.70
IX	**Total Comprehensive Income for the year (VII+VIII)**		**1,663.02**	**2,517.45**
X	**Earnings per equity share**			
	Basic / Diluted	39	6.05	9.18

The accompanying notes are integral part of the Financial Statements
In terms of our report of even date For and on behalf of

For and On Behalf of the Board of Directors
SIRCA PAINTS INDIA LIMITED

For **Rajesh Kukreja & Associates**
Chartered Accountants

Sanjay Agarwal
Chairman Cum Managing Director
DIN: 01302479

Apoorv Agarwal
Joint Managing Director
DIN: 01302537

Rajesh Kukreja
(Proprietor.)
Membership No.-083496
Place:-New Delhi
Date : 28th May, 2021
UDIN: 21083496AAAABX6457

Shallu
Chief Financial Officer
PAN:- DCDPS8801K

Chahat Mahajan
Company Secretary
PAN:-BJDPM4121K

Consolidated Cash Flow Statement

For the year ended March 31, 2021

₹ in lakhs

	Particulars	April'20 to March'21	April'19 to March'20
A.	**Cash Flow from Operating activities:**		
	Profit before taxes	**2,255.47**	**3,418.49**
	Adjustments for:		
	Depreciation and amortization expenses	363.57	239.95
	Impairment of non-current assets	-	72.67
	Gain on fair valuation of forwards contracts	-	-
	Expected Credit Loss	59.80	
	Profit on sale of assets	(23.38)	(65.32)
	Finance Income	(266.52)	(363.63)
	Finance expenses	10.41	8.90
	Other non cash items	4.79	1.70
	Operating profit before working capital changes	**2,404.14**	**3,312.75**
	Adjustments for:		
	Trade receivables	254.31	(588.18)
	Financial assets and other current/non-current asset	(1,600.82)	(207.91)
	Inventories	(1,350.45)	(2,467.06)
	Trade payables	1,454.63	327.72
	Financial liabilities and other current/non-current liabilities	1,334.24	20.29
	Cash generated from operations	**2,496.04**	**397.61**
	Direct tax paid (net of refunds)	(575.55)	(1,153.91)
	Net Cash from Operating Activities…….A	**1,920.49**	**(756.30)**
B.	**Cash Flow from Investing Activities:**		
	Purchase of fixed assets including WIP	(411.83)	(2,260.76)
	Sale of fixed assets	1,137.16	85.78
	Investments & Securities	(0.17)	-
	Movement in fixed deposits with banks	491.99	2,047.01
	Interest received	266.52	609.08
	Net cash used in Investing Activities ……. B	**1,483.68**	**481.12**
C.	**Cash Flow from Financing activities:**		
	Proceeds from issue of equity shares (Net of transaction cost)	-	-
	Net Proceeds/(Repayment) of borrowings	-	(13.38)
	Interest and other finance costs paid	(10.41)	(8.90)
	Dividend Paid (Including Dividend distribution tax)	-	(823.67)
	Net Cash used in Financing Activities …….. C	**(10.41)**	**(845.94)**
	Net increase or (decrease) in cash or cash equivalents (A+B+C)	**3,393.76**	**(1,121.12)**
	Cash & Cash equivalents as at 1st April	**458.56**	**1,579.68**
	Cash & Cash equivalents as at 31st March	**3,852.32**	**458.56**

The accompanying notes are integral part of the Financial Statements
In terms of our report of even date For and on behalf of

For **Rajesh Kukreja & Associates**
Chartered Accountants

Rajesh Kukreja
(Proprietor.)
Membership No.-083496
Place:-New Delhi
Date : 28th May, 2021
UDIN: 21083496AAAABX6457

For and On Behalf of the Board of Directors
SIRCA PAINTS INDIA LIMITED

Sanjay Agarwal
Chairman Cum Managing Director
DIN: 01302479

Apoorv Agarwal
Joint Managing Director
DIN: 01302537

Shallu
Chief Financial Officer
PAN:- DCDPS8801K

Chahat Mahajan
Company Secretary
PAN:-BJDPM4121K

Notes to Financial Statement

For the year ended March 31, 2021

NOTE 1: CORPORATE INFORMATION

SIRCA PAINTS INDIA LIMITED (Formerly known as SIRCA PAINTS INDIA PRIVATE LIMITED and earlier known as Sircolor Wood Coatings Private Limited, is a public limited company domiciled in India and incorporated under the provisions of The Companies Act, 1956/2013 located at Plot No-50, Phase -2, Badli, Industrial Area, Nr. Tata Power Office, Delhi-110042 (India).

The Company is listed on the National Stock Exchange (NSE).The company is engaged in the business of sole import and distribution of total product range of Sirca S.P.A. Italy, which has progressively grown up to a significant position in the wood, glass and metal coatings in the global market, becoming one of the four top companies in this segment. Sirca paints india ltd also started its production of wall paints, Melamine products, N.C products and economical P.U. products in technical collaboration with Sirca spa italy that sets the company in the market with particular quality and competitiveness power. Our product range includes all PU products, stains, special effects, acrylic PU, polyster, Wallpaints, U.V. Products etc.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements and in preparing the opening Ind AS financial statement for financial position as at April 1, 2018.

2.1 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time . Upto the year ended March 31, 2019, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2018. Refer Note 45 for the details of first-time adoption exemptions availed by the Company.

2.2 BASIS OF PREPARATION AND MEASUREMENT

(i) Basis of preparation

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements. The financial statements of the Company for the year ended March 31, 2021 were approved for issue in accordance with the resolution of the Board of Directors on May 28, 2021.

(ii) Basis of measurement

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS. 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.

2.3 USE OF ESTIMATES AND JUDGMENT

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant judgments and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

2.4 REVENUE FROM CONTRACT WITH CUSTOMERS

Company has adopted Ind AS 115 Revenue from Contract With Customers starting April 01, 2018. Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and Goods and Service Tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience. Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations. Interest income is recognised using the effective interest rate (EIR) method.

2.5 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

The financial statements of the Company is presented in INR, which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the

end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the statement of profit and loss for the period.

2.6 PROPERTY, PLANT AND EQUIPMENT

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying amount of the replaced part is de-recognised.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs during the period of construction are added to the cost of eligible tangible assets.

Gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in the statement of profit and loss. Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are closed as "Capital work-in-progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

2.7 INTANGIBLE ASSETS

Patents, trademarks, License and software costs are included in the balance sheet as intangible assets where they are clearly linked to long term economic benefits for the Company. In this case they are measured initially at purchase cost and then subsequently intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Design - 10 years

Know-how - NIL

Computer software - 5 years

Trademarks - 5 years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

2.8 DEPRECIATION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on written down value basis over the useful life as prescribed in Schedule II of the Companies Act, 2013 unless otherwise specified. Depreciable amount for the assets is the cost of an asset less its estimated residual value. Depreciation on addition to/deductions from fixed assets is provided on pro rata basis from/to the date of acquisition/disposal. Depreciation on assets under construction commences only when the assets are ready for their intended use.

2.9 FINANCIAL INSTRUMENTS

I. Financial Assets:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value. In case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified and measured at

- amortised cost

- fair value through profit and loss (FVTPL)

- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except during the period the Company changes its business model for managing financial assets.

(a) Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

EFFECTIVE INTEREST METHOD

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(b) Debt Instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

FINANCIAL ASSETS AT AMORTISED COST (AC)

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the 'EIR' method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive

income (OCI).Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER PROFIT OR LOSS (FVTPL)

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

(c) Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by instrument basis. Fair value changes on an equity instrument is recognised as 'other income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(d) Derivative Financial Instruments

The Company uses derivative financial instruments to hedge its foreign currency and commodity risks. Derivatives are measured at fair value. The treatment of changes in the value of derivative depends on their use as explained below:

CASH FLOW HEDGES:

Derivatives are held to hedge the uncertainty in timing or amount of future forecast cash flows. Such derivatives are classified as being part of cash flow hedge relationships. For an effective hedge, gains and losses from changes in the fair value of derivatives are recognised in other comprehensive income. Any ineffective elements of the hedge are recognised in the statement of profit and loss. If the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the statement of profit and loss at the same time as the related cash flow.

DERIVATIVES FOR WHICH HEDGE ACCOUNTING IS NOT APPLIED

Derivative financial instruments for which hedge accounting is not applied are initially recognised at fair value on the date on which a derivative contract is entered and are subsequently measured at FVTPL.

IMPAIRMENT OF FINANCIAL ASSETS

The Company applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables

ii. Financial assets measured at amortised cost (other than trade receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI).

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

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 Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions. As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. ECL allowance recognised (or reversed) during the period is recognised as income/expense in the Statement of Profit and Loss under the head 'Other expenses'. conditions and forecasts of future economic conditions.

DERECOGNITION OF FINANCIAL ASSETS

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing of the proceeds received.

II. Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial Liabilities

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

SUBSEQUENT MEASUREMENT

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

DERECOGNITION OF FINANCIAL LIABILITIES

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

2.10 EMPLOYEE BENEFITS

Defined contribution plans

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company in respect of above schemes has made contribution to a Government administered fund(s) and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plans

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability / (asset) are recognised immediately in Other Comprehensive Income. The service cost, net interest on the net defined benefit liability / (asset) is treated as a net expense within employment costs. Past service cost is recognised as an expense, when the plan amendment or curtailment occurs, or when any related restructuring cost or termination benefits are recognised, whichever is earlier. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation, as reduced by the fair value plan assets.

2.11 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

2.12 PROVISIONS AND CONTINGENT LIABILTY

Provisions are recognised 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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only 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 arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.13 INCOME TAXES

Tax expense for the year comprises current and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws enacted in the country. It is recognised in the Statement of Profit and Loss except to the extent it relates to an item which is recognised directly in equity or in other comprehensive income. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

2.14 LEASES

Company has adopted Ind AS 116 "Leases" Starting April 01, 2019, with initial date of application being April 01, 2019.

Accounting policy upto March 31, 2019:

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease. Leases are classified as finance leases where the terms of the lease transfers

substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Accounting policy w.e.f. April 01,2019

The Company applied Ind AS 16 using the modified retrospective approach with a date of initial application of 1 January 2019 and accordingly the comparative figures have not been restated. Moreover, there was no impact of initial application on the balance of retained earnings as of April 01, 2019. As a result, the Company has changed its accounting policy for lease contracts as detailed below.

The Company as a lessee

At inception of a contract the Company assess whether a contract is, or contain a lease. A contract is, or contains, a lease if contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method.

The Company as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

2.15 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell. Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

2.16 BORROWING COSTS

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

2.17 EXPENDITURE

Expenses are accounted on accrual basis.

2.18 EARNING PER SHARE

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.19 INSURANCE CLAIM

The fire was broke out at one of the plant of the company at Sonipat, Haryana on 27/06/2020. However during the year company has booked losses on account of fire of ₹ 10.57 Cr out of which 8.44 relates to fixed asset and 2.13 relates to Stock. However, the loss was fully insured and the company has received the claim amounted to ₹ 9.64 on 21/04/21.

NOTE - 3: PROPERTY, PLANT AND EQUIPMENT

S.No	Particulars	Useful Life	Depreciation rate	Gross Block					Accumulated Depreciation and Impairment						Net Block
				Cost/ Deemed Cost 01st April	Additions	Deletion	Assets Classified as held for sale	Cost/ Deemed Cost 31st March	as at 01st April	Depreciation For the Year	Deletion	Impairment Loss	Assets Classified as held for sale	as at 31st March	As at 31st March
1	**Freehold Land**	**NA**	**NA**												
	Current Year			1,566.21	-	48.00	-	1,518.21	-	-	-	-	-	-	1,518.21
	Previous Year			1,759.32	13.52	-	206.63	1,566.21	-	-	-	46.54	46.54	-	1,566.21
2	**Building**	**30**	**9.50%**												
	Current Year			1,653.13	84.99	317.77	-	1,420.35	163.01	116.21	23.89	-	-	255.33	1,165.01
	Previous Year			579.88	1,281.14	36.92	170.97	1,653.13	118.06	82.44	17.24	26.13	46.39	163.01	1,490.11
3	**Plant & Machinery**	**15**	**18.10%**												
	Current Year			1,129.52	74.75	415.64	-	788.63	122.57	126.65	37.76	-	-	211.46	577.17
	Previous Year			164.93	964.59	-	-	1,129.52	57.81	64.76	-	-	-	122.57	1,006.95
4	**Office Equipments**	**10**	**25.89%**												
	Current Year			110.01	14.82	54.70	-	70.13	21.13	23.15	9.00	-	-	35.28	34.85
	Previous Year			15.61	95.16	0.76	-	110.01	7.99	13.14	-	-	-	21.13	88.89
5	**Furniture & Fixture**	**10**	**25.89%**												
	Current Year			242.72	16.30	11.49	-	247.54	72.80	40.27	1.76	-	-	111.31	136.23
	Previous Year			144.68	98.05	-	-	242.72	36.51	36.28	-	-	-	72.80	169.93
6	**Electrical Installation**	**10**	**25.89%**												
	Current Year			178.57	22.65	60.25	-	140.97	21.10	31.06	8.73	-	-	43.43	97.55
	Previous Year			14.42	164.18	0.03	-	178.57	5.09	16.01	-	-	-	21.10	157.47
7	**Vehicles**	**8**	**31.23%**												
	Current Year			157.35	-	-	-	157.35	118.23	10.86	-	-	-	129.09	28.26
	Previous Year			153.52	3.83	-	-	157.35	104.21	14.02	-	-	-	118.23	39.12
8	**Computer**	**3**	**63.16%**												
	Current Year			38.03	8.74	-	-	46.77	26.53	7.41	-	-	-	33.94	12.83
	Previous Year			24.60	13.43	-	-	38.03	19.94	6.58	-	-	-	26.53	11.50
	TOTAL (Current year)			**5,075.55**	**222.24**	**907.83**	**-**	**4,389.95**	**545.37**	**355.61**	**81.14**	**-**	**-**	**819.84**	**3,570.11**
	TOTAL (Previous year)			**2,856.97**	**2,633.89**	**37.70**	**377.61**	**5,075.55**	**349.62**	**233.24**	**17.24**	**72.67**	**92.92**	**545.37**	**4,530.18**

NOTE - 4: INTANGIBLE ASSETS

S.No	Particulars	Useful Life	Depreciation rate	Gross Block					Accumulated Depreciation and Impairment						Net Block
				Cost/ Deemed Cost 01st April	Additions	Deletion	Assets Classified as held for sale	Cost/ Deemed Cost 31st March	as at 01st April	Depreciation For the Year	Deletion	Impairment Loss	Assets Classified as held for sale	as at 31st March	As at 31st March
1	Technical Know How	NA	NA												
	Current Year			491.85	-	-	-	491.85	-	-	-	-	-	-	491.85
	Previous Year			-	491.85	-	-	491.85	-	-	-	-	-	-	491.85
2	Software	3	63.16%												
	Current Year			17.22	4.05	-	-	21.27	8.42	7.96	-	-	-	16.38	4.89
	Previous Year			12.13	5.10	-	-	17.22	1.72	6.70	-	-	-	8.42	8.80
	TOTAL (Current year)			**509.07**	**4.05**	**-**	**-**	**513.13**	**8.42**	**7.96**	**-**	**-**	**-**	**16.38**	**496.74**
	TOTAL (Previous year)			**12.13**	**496.95**	**-**	**-**	**509.07**	**1.72**	**6.70**	**-**	**-**	**-**	**8.42**	**500.65**

NOTE - 5: CAPITAL WORK IN PROGRESS

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Building in Nathupur	185.53	-
Total	**185.53**	**-**

NOTE - 6: INTANGIBLE ASSET UNDER DEVELOPMENT

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Technical Know How	-	-
Total	**-**	**-**

NOTE - 7: LOANS

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Security deposit	**-**	**-**
Unsecured, considered good	10.71	10.55
Total	**10.71**	**10.55**

NOTE - 8: OTHER FINANCIAL ASSETS

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
-	-	-
-	-	-
Total	**-**	**-**

NOTE - 9: OTHER NON-CURRENT ASSETS

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Capital advances		
Unsecured, considered good	147.92	147.92
Total	**147.92**	**147.92**

NOTE - 10: DEFERRED TAX ASSET

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred Tax	**112.09**	**94.64**
Property, Plant & Equipment and intangible assets	-	18.60
Equity share issuance cost	-	71.41
Unabsorbed business losses	-	-
Gratuity Liability	-	4.62
Total	**112.09**	**94.64**

Reconciliation of movement in deferred tax balances with the amount recognized in Statement of Profit and Loss and Other Equity

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Opening Balance	94.64	132.69
Closing Balance	112.09	94.64
Net movement in deferred tax balances	**(17.45)**	**38.05**
Recognized in Statement of Profit and Loss	(17.45)	1.28
Recognized in Other Equity	0.00	36.77
	(17.45)	**38.05**

NOTE - 11: INVENTORIES

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
(At cost or net realisable value, which ever is lower)		
Raw Material	804.05	367.91
Finished Goods - Trading	5,690.91	4,776.59
Total	**6,494.95**	**5,144.50**

NOTE - 12: TRADE RECEIVABLES

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Unsecured, considered doubtful	-	-
(b) Unsecured, considered good	4,379.31	4,573.83
	4,379.31	**4,573.83**
Less: Allowance for credit losses	74.52	14.73
Total	**4,304.79**	**4,559.10**

(i) In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

(ii) Ageing of trade receivables is as below:

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
0-30 days	1,988.86	945.98
30-60 days	883.19	1,064.93
60-180 days	594.47	1,442.66
greater than 180 days	838.27	1,105.53
	4,304.79	**4,559.10**

NOTE - 13: CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Balances with banks		
- on Current accounts	3834.07	447.07
Cash on hand	18.23	11.49
Total	**3,852.30**	**458.56**

NOTE - 14: OTHER BANK BALANCES

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Fixed Deposits held with banks	4,035.00	4,526.99
Total	**4,035.00**	**4,526.99**

NOTE - 15: OTHER FINANCIAL ASSETS

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Interest accrued on FDR	133.24	86.22
Advances to Staff	6.60	6.56
Other receivables (Detention charges)	-	-
Reimbursement Right Receivable	963.90	-
Derivative asset	-	-
Security deposit	55.53	62.83
Total	**1,159.28**	**155.61**

NOTE - 16: CURRENT TAX ASSETS (NET)

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Advance tax and TDS	715.67	1,041.38
Less: Provision for taxation	(614.69)	(877.65)
	100.98	**163.72**

NOTE - 17: OTHER CURRENT ASSETS

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Balance With Revenue Authorities	234.02	331.95
Prepaid expenses	32.83	17.88
Advance to suppliers	8.04	53.10
Branch Difference	-	-
Other advances	725.78	2.30
GST Reversed (Pending Payment)	1.96	-
Total	**1,002.60**	**405.23**

NOTE - 18: NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Land and Buildings	-	284.68
Total	**-**	**284.68**

(i) In January' 2020 Company decided to sell two of its Properties (Land & Building) situated at Vijay Vihar, Delhi and Badli Industrial Area, Delhi respectively. The sale for these properties is expected to be completed by Q2 of Financial Year 2020-21. The building has been reclassified from "Property, Plant and Equipment" to "Non Current assets classified as held for sale" pursuant to requirement of Ind AS 105. "Non-current Assets Held for Sale and Discontinued Operations". As at March 31, 2020, the Company has received an advance against such expected sale proceeds for ₹ 77.50 Lacs.

(ii) Building classified as held for sale during the reporting period is measured at the lower of carrying amount and fair value less cost to sell. The fair value has been determined based on the agreed sales value with the buyer.

NOTE - 19: SHARE CAPITAL

₹ in lakhs

Particulars	As at 31.03.2021		As at 31.03.2020	
	Number	Amount	Number	Amount
Authorised				
3,20,00,000 shares Equity Shares of INR 10 each	320.00	3,200.00	320.00	3,200.00
	320.00	**3,200.00**	**320.00**	**3,200.00**
Issues, Subscribed and Paid up				
2,74,04,400 shares Equity Shares of INR 10 each	274.04	2,740.44	274.04	2,740.44
	274.04	**2,740.44**	**274.04**	**2,740.44**

(a) The Company has only one class of equity shares. Each shareholder is eligible for one vote per share. The dividend proposed by the Board is subject to the approval of shareholders except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

(b) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

₹ in lakhs

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	274.04	2,740.44	274.04	2,740.44
Add: Equity shares issued during the year	-	-	-	-
Balance as at the end of the year	**274.04**	**2,740.44**	**274.04**	**2,740.44**

(c) Details of Shareholders holding more than 5 % shares in the Company

₹ in lakhs

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of shares	Holding %	No. of shares	Holding %
1. SANJAY AGARWAL	88.80	32.41%	88.80	32.41%
2. GURJIT SINGH BAIN	38.66	14.11%	38.66	14.11%
3. BGB ITALIA	51.55	18.81%	51.55	18.81%
4. SIRCA S.P.A. ITALY	10.50	3.83%	10.50	3.83%

NOTE - 20: OTHER EQUITY

₹ in lakhs

Particulars	Security premium reserve	Retained Earnings	Other Comprehensive Income	Total
Opening balance as at 01.04.2020	**8,373.28**	**7,348.87**	**2.95**	**15,725.10**
Add: Profit for the year	-	1,658.23	-	1,658.23
Add : Provision for Income Tax (Reversed)	-	28.97	-	28.97
Add: Remeasurement gain/loss	-	-	4.79	4.79
Closing balance as at 31.03.2021	**8,373.28**	**9,036.07**	**7.74**	**17,417.09**

The nature of reserves are as follows:

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

2. Other Comprehensive Income represents remeasurement gain/(loss) arising on defined benefit plans of Company.

3. Retained Earnings is a free reserves that is available for distribution of dividends.

NOTE - 21: LONG TERM BORROWINGS

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Secured		
Term Loan from Banks (#)	(0.00)	8.24
Less: Current maturities of long term borrowings	-	(8.24)
Total	**(0.00)**	**-**

Car Loan from Kotak Mahindra Prime Limited/Toyota Finance \ ICICI Bank Ltd. (This loan is secured by way of hypothecation of vehicle acquired out of this term loan)

NOTE - 22: LONG TERM PROVISION

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Secured		
Provision for Gratuity	27.67	18.04
Provision for Gratuity	99.96	70.37
Less: LIC Gratuity fund (Asset)	(72.28)	(58.08)
Add: LIC Gratuity fund (Liab)	-	-
Less: Ind AS Accounting entries	-	-
Less: Ind AS Accounting entries - after Ind AS valuation	-	5.76
Total	**27.67**	**18.04**

NOTE - 23: TRADE PAYABLES

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Creditor for supplies and services	3,484.38	2,029.75
Total	**3,484.38**	**2,029.75**

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
i. The principal amount remaining unpaid to supplier as at the end of the year	-	64.32
ii. The interest due thereon remaining unpaid to supplier as at the end of the year	-	0.42
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	0.65	0.67
iv. The amount of interest accrued during the year and remaining unpaid at the end of the year	-	1.09
	0.65	**66.50**

NOTE - 24: SHORT TERM BORROWINGS

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Secured (against FDR)		
Yes Bank- Overdraft	-	-
Indus Ind Bank- Buyer's Credit	1,319.59	-
	1,319.59	**-**

Buyer credit facility from Indus Ind bank is secured against the fixed deposits of the Company and carries a interest rate of 6%

NOTE - 25: OTHER FINANCIAL LIABILITY

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Current maturities of long term borrowings	(0.00)	8.24
Expenses payable	93.74	132.57
Security deposit	3.00	3.00
Employee dues	105.63	96.73
Unclaimed dividend	0.36	59.60
Total	**202.73**	**300.13**

NOTE - 26: OTHER CURRENT LIABILITY

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Statutory dues	138.25	46.82
Contract liability	126.27	28.77
Employer contributions	16.59	15.77
Advance received against expected sale of assets	-	77.50
Total	**281.11**	**168.86**

NOTE - 27: CURRENT TAX LIABILITY

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for taxation	-	-
Less: Advance tax and TDS	-	-
Total	**-**	**-**

NOTE - 28: REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
(a) Sales of Products	14,318.36	13,505.25
Sales	15,385.85	14,194.06
Less: ATR	595.56	443.15
Less: Painter Scheme	555.74	401.90
Add: ATR Receivable	83.81	156.25
	14,318.36	**13,505.25**

NOTE - 29: OTHER INCOME

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Finance income	263.00	363.63
Miscellaneous income	966.18	29.36
Foreign currency fluctuations	158.44	103.03
Gain on sale of capital assets	23.38	65.32
Interest Income	3.52	-
	1,414.51	**561.34**

NOTE - 30: COST OF MATERIAL CONSUMED

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Opening stock	367.91	-
Add: Purchase of raw material	2,517.53	1,081.21
Less: Closing stock of Raw Material & WIP	(804.05)	(367.91)
	2,081.40	**713.30**

NOTE - 31: PURCHASE OF TRADED GOODS

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Purchase of Paints & Varnish	7,263.08	8,466.73
	7,263.08	**8,466.73**

31.01 Purchase Include custom duty of ₹ 5,56,46,321 (Yr 2019-20- 6,49,61,938)

NOTE - 32: CHANGES IN STOCK OF TRADED GOODS

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Opening Stock		
Finished goods	4,776.59	2,677.45
	4,776.59	**2,677.45**
Closing Stock		
Finished goods	5,700.10	4,776.59
	5,700.10	**4,776.59**
	(923.51)	**(2,099.14)**

32.01 Closing Stock Include Stock in transit ₹ 1964901/- (yr 2019-20, 76,01,733/-)

NOTE - 33: EMPLOYEE BENEFIT EXPENSES

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Salaries and wages	1,331.54	1,138.32
Directors Remuneration	121.57	129.00
Gratuity expenses	26.70	20.89
Employer Contribution to provident fund and ESIC	91.59	77.47
Staff welfare expenses	22.79	20.01
	1,594.19	**1,385.70**

NOTE - 34: FINANCE COSTS

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Interest on bank loans	0.22	1.26
Interest on other loans	0.50	0.21
Other borrowing cost	9.69	7.43
	10.41	**8.90**

NOTE - 35: DEPRECIATION AND AMORTIZATION EXPENSES

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Depreciation on Property, plant & equipment	363.57	233.24
Amortization of intangible assets	2.30	6.70
	365.87	**239.95**

NOTE - 36: IMPAIRMENT OF NON-CURRENT ASSETS

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Impairment of land & building classified as held for sale	-	72.67
(Refer Note 18 for details of assets)		
	-	**72.67**

NOTE - 37: OTHER EXPENSES

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Manufacturing Expenses		
Consumable Stores	34.19	36.94
Freight & Octroi	435.46	240.16
Miscellaneous Expenses	16.84	33.05
Clearing & Forwarding Exp.	73.11	80.60
Selling, Distribution & Administration Expenses	**-**	**-**
Legal & Professional Expenses	44.68	51.67
Interest on MSME	7.91	1.09
CSR Expense (Point (a) below)	67.25	97.00
Testing Charges	0.38	-
Preliminary Expense W/Off	-	-
Repair & Maintenance	87.46	78.20
Telephone Expenses	6.51	7.58
Electricity Expenses	45.95	39.15
Insurance	32.32	16.68
Office Expenses	13.47	6.86
Postage & Courier	8.00	12.51
Printing & Stationery	7.35	7.89
Property Tax	8.50	0.06
Rent	171.06	139.81
Security Charges	12.35	2.87
Audit Fees	4.20	4.00
Advertisement	35.75	70.98
Expected credit loss	59.80	17.07
Loss Due to Fire	1,058.91	-
Commission	154.05	73.06
Discount & Compensation	254.73	87.97
Exhibition Expenses	(0.19)	34.63
Branch Handling Charges	9.61	-
GST Demand	8.17	-
Buyer's Credit Fees	8.71	-
Fire Charges	0.54	-
Sales Promotion Expenses	184.59	396.11
Travelling & Conveyance	135.60	282.41
Foreign Currency Fluctuation	81.55	36.34
Fair valuation of derivative	-	5.33
Loss In Transit	17.13	-
	3,085.95	**1,860.00**

NOTE - 39: EARNING PER SHARES

₹ in lakhs

Particulars	April'20 to March'21	April'19 to March'20
Profit after tax (₹ In Lakhs)	1,658.23	2,515.75
Weighted average number of equity shares (For basic and diluted EPS)	274.04	274.04
Nominal value of Ordinary Shares	10.00	10.00
Basic and Diluted Earnings per Ordinary Share	6.05	9.18

NOTE - 40: SEGMENT REPORTING

The Company activity during the year revolves around manufacturing and trading of wood coating products. Considering the nature of Company's business and operations, as well as based on review of operating results by the chief operating decision maker to make decision about resource allocation and performance measurement, there is only one reportable business segment viz. "Wood Coating Products" and a single geographical segment in accordance with the requirement of Ind AS 108 - "Operating Segments". Accordingly no separate disclosures has been made for segment reporting under Ind AS 108.

NOTE - 41: RESTATED STATEMENT OF RELATED PARTY DISCLOSURE

(a) List of related parties and related party relationship

Related party relationship	Party	Relation
Key Management Personal (KMP)		
Chairman	Sanjay Agarwal	
Joint Managing Director	Apoorv Agarwal	Son of Managing Director
Chief Financial Officer	Shallu	
Company Secretary	Chahat Mahajan	
Relatives of KMP	Ayushi Agarwal	Daughter of Managing Director
	Chirag Goel	Son-in -Law
Promoter Group (Other than KMP)	Anita Agarwal	Wife of Managing Director
	Ayushi Agarwal	Daughter of Managing Director
	Srishti Agarwal	Wife of Apoorv Agarwal
	BGB Italia	Gurjit Singh Bains(Non Executive Director) is act as director and holding more than 20% of Paid up Capital

(b) Related party transactions

Transaction during the year

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Key Managerial persons		
Remuneration to KMP	138.67	145.38
Remuneration to KMP Relatives	22.67	24.00
Director Sitting Fees	1.95	1.65
Rent to KMP	-	2.40
Bonus to KMP	5.45	5.54
Bonus to KMP Relatives	0.72	0.71
Dividend Paid to promoter group	-	130.27
Dividend Paid to KMP	-	330.98

Outstanding balances as at end of the year

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Remuneration to KMP	12.25	12.25
Remuneration to KMP Relatives	2.00	2.00
Director Sitting Fees	-	1.18
Dividend Paid	-	-

NOTE - 42: CAPITAL MANAGEMENT

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth.

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met mostly through internal accruals and some short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio

and maturity profile of the overall debt portfolio of the Company. In all the financial years presented in these financial statements Company has negative net debts and has met its capital requirements through internal accruals. For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves. Net debt includes short-term borrowings as reduced by cash and cash equivalents, fixed deposits held with bank and margin money held with banks.

NOTE - 43: FINANCIAL INSTRUMENTS

This note gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The significant accounting policy in relation to financial instruments is contained in Note 2.9.

a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2021, March 31, 2020.

As at 31.03.2021

₹ in lakhs

Particulars	Amortized Cost	Derivative instrument #	Total carrying and fair value
Financial Assets*			
Loans	10.71	-	10.71
Trade receivables	4,304.79	-	4,304.79
Cash and cash equivalents	3,845.65	-	3,845.65
Other bank balances	4,035.00	-	4,035.00
Derivative asset	-	-	-
Other financial assets	1,159.28	-	1,159.28
	13,355.43	**-**	**13,355.43**
Financial Liability			
Borrowings	1,319.59	-	1,319.59
Trade payables	3,484.38	-	3,484.38
Other financial liabilities	202.53	-	202.53
	5,006.50	**-**	**5,006.50**

As at 31.03.2020

₹ in lakhs

Particulars	Amortized Cost	Derivative instrument #	Total carrying and fair value
Financial Assets*			
Loans	10.55	-	10.55
Trade receivables	4,559.10	-	4,559.10
Cash and cash equivalents	458.56	-	458.56
Other bank balances	4,526.99	-	4,526.99
Derivative asset	-	-	-
Other financial assets	155.61	-	155.61
	9,710.80	**-**	**9,710.80**
Financial Liability			
Borrowings	-	-	-
Trade payables	2,029.75	-	2,029.75
Other financial liabilities	300.13	-	300.13
	2,329.89	**-**	**2,329.89**

* The fair value of all other financial asset and liability carried at amortize cost is equal to their carrying value

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices in active markets for identical assets or liabilities. Company does not hold any asset/liability that fall into this category.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using 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). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Company does not hold any asset/liability that fall into this category.

₹ in lakhs

Particulars	Level - 2	
	As at 31.03.2021	As at 31.03.2020
Financial instruments at FVTPL		
Foreign currency forward contracts	-	-

(c) Derivative financial instruments

Derivative instruments used by the Company primarily include forward exchange contracts. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities. The Company does not hold or issue derivative financial instruments for trading purpose.

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
forward exchange contracts - Assets	-	-
forward exchange contracts - Liability	-	-
Notional value of above contract	-	-

d) Financial risk management

The Company's activities are primarily exposed to a credit risk and market risk arising from movement in foreign exchange rates i.e. foreign exchange risk.

(i) Market risk - Foreign currency exchange rate risk:

The Company make significant amount of purchases in foreign currency which exposes the Company to the risk of fluctuation in foreign currency exchange rates which may have a potential impact on the statement of profit and loss and equity.

In order to protect itself from foreign currency movements, Company often enters into forward exchange contracts from scheduled bank for its anticipated receipts. The exposure is such contract is disclosed in Note 43(c) above

The foreign currency exposure of company is as follows:

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
A. Trade Payables - EURO		
INR (In Lakhs)	2,167.22	1,451.33
EURO (In Lakhs)	25.24	17.45
Sensitivity analysis (In Lakhs)		
Strengthen of foreign currency by 5%	-108.36	-72.57
Weakening of foreign currency by 5%	108.36	72.57

(ii) Credit risk

The credit risk exposure of the Company primarily arises from Cash and cash equivalents, trade receiables, derivative financial instruments, financial assets measured at amortised cost. Credit risk arises from the possibility that the counter party may not be able to settle their obligations. To manage trade receivable, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

None of the financial instruments of the Company results in material concentration of credit risks.

NOTE 44: EMPLOYEE BENEFIT PLAN

(A) Defined benefit Plan

The defined benefit plan operated by the Company is as below:

Retiring gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company has taken a gratuity plan from Life Insurance Corporation (LIC) and annual contributions are made to this plan. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

THE DEFINED BENEFIT PLANS EXPOSE THE COMPANY TO A NUMBER OF ACTUARIAL RISKS AS BELOW:

(a) Interest risk: A decrease in the bond interest rate will increase the plan liability.

(b) Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(c) Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

THE FOLLOWING TABLE SETS OUT THE AMOUNTS RECOGNISED IN THE FINANCIAL STATEMENTS IN RESPECT OF RETIRING GRATUITY PLAN:

All figures are presented in ₹ Lakhs

(i) Change in Defined Benefit Obligation (DBO) during the year

Particulars	31.03.2021	31.03.2020
Present value of DBO at the beginning of the year	76.13	55.25
Service cost	25.49	17.73
Interest cost	5.14	4.29
Actuarial loss arising from changes in financial assumptions	0.78	8.44
Actuarial loss arising from changes in experience adjustments	-	(7.78)
Benefits paid	(2.54)	(1.80)
Present value of DBO at the end of the year	**99.96**	**76.13**

(ii) Change in fair value of plant assets during the year

Particulars	31.03.2021	31.03.2020
Fair value of plan assets at the beginning of the year	58.08	14.50
Interest income	4.45	3.48
Employer contributions	1.23	41.90
Benefits paid	(2.54)	(1.80)
Fair value of plan assets at the end of the year	**72.28**	**58.08**

(iii) Actuarial (Gain)/Loss on Plan Asset

Particulars	31.03.2021	31.03.2020
Expected Interest Income	3.92	1.13
Actual Income on Plan Asset	0.45	3.48
Actuarial gain /(loss) on Assets	**0.53**	**2.36**

(iv) Amounts recognised in the Balance Sheet

Particulars	31.03.2021	31.03.2020
Present value of DBO at the end of the year	99.96	76.13
Fair value of plan assets at the end of the year	72.28	58.08
Net Liability recognised in the Balance Sheet	**27.67**	**18.04**

(v) Components of employer expense

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Service cost	25.49	17.73
Net Interest cost	1.22	3.17
Expense recognised in Statement of Profit t and Loss	**26.70**	**20.89**

(vi) Other comprehensive income

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Actuarial gain / (loss) on liabilities	4.26	(0.66)
Actuarial gain / (loss) on assets	0.53	2.36
Remeasurements recognised in other comprehensive income	**4.79**	**1.70**

(vi) Nature and extent of investment details of the plan assets

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
State and Central Securities	0%	0%
Bonds	0%	0%
Special deposits	0%	0%
Insurer managed funds	100%	100%

(vii) Assumptions

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Discount Rate	6.81%	6.75%
Rate of increase in Compensation levels	6%	6.00%
Rate of Return on Plan Assets	NA	7.77%
Average future service (in Years)	28.98 Years	28.98 Years

(viii) Sensitivity Analysis

Particulars	As at 31.03.2021	As at 31.03.2020
Base Liability	99.9565	76.13
Increase Discount Rate by 0.5%	93.83169	71.76
Decrease Discount Rate by 0.5%	106.79115	81.01
Increase Salary Inflation by 1%	113.43396	85.50
Decrease Salary Inflation by 1%	88.9382	68.47
Increase Withdrawal Rate by 1%	100.69214	76.80
Decrease Withdrawal Rate by 1%	98.89616	75.20

(ix) Maturity Profile of Defined Benefit Obligation (Valued on undiscounted basis)

Particulars	As at 31.03.2021	As at 31.03.2020
Year 1	24.66	22.73
Year 2	1.40	1.09
Year 3	1.77	2.30
Year 4	2.42	1.57
Year 5	2.85	1.96
After 5th Year	289.47	204.06
	322.57	**233.70**

(B) Defined Contribution Plan

PROVIDENT FUND AND PENSION

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the employee provident fund organization (EPFO).

The total expenses recognised in the statement of profit and loss during the year on account of defined contribution plans amounted to ₹ 91.58 Lakhs (PY: ₹ 77.47 Lakhs)

NOTE 45 DIVIDEND ON EQUITY SHARE

The Board of Directors have recommended payment of final dividend of ₹ 1.50 (Rupees one and Paise Fifty only) per equity share of the face value of ₹ 10 each for the financial year ended 31 March 2021.

WOOD COATINGS (ITALY)

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