

# 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



August 24<sup>th</sup>, 2020

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 2019-2020 ALONGWITH THE NOTICE OF THE 15<sup>TH</sup> ANNUAL GENERAL MEETING.**

**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 **15<sup>th</sup> AGM and the Annual Report** of the Company for the **financial year 2019-20**.

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 2019- is being 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, 18<sup>th</sup> September, 2020, 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")** The Notice of AGM along with the Annual Report for the financial year 2019-20 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**  
(Formerly known as Sircolor Wood Coatings Pvt. Ltd.)

**Chahat Mahajan** Company Secretary  
Company Secretary & Compliance Officer  
(M.No. 51255)  
Place: Delhi





Sirca Paints India Limited | Annual Report 2019-20

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**The face of  
opportunity.**

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**₹135.05 cr**

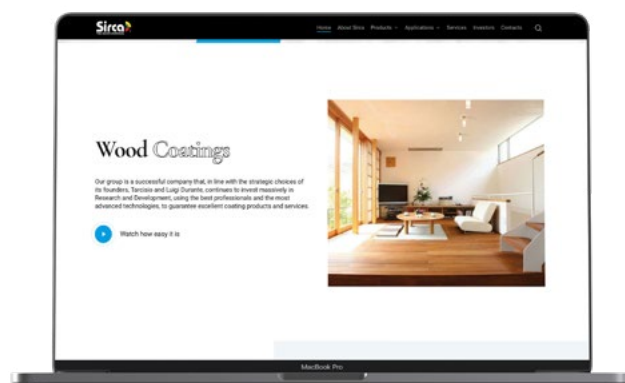
REVENUE FROM OPERATIONS

**₹31.78 cr**

EBITDA

**₹25.15 cr**

PROFIT AFTER TAX



For more information, visit:

[www.sircapaints.com](http://www.sircapaints.com)

## FORWARD - LOOKING STATEMENT

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.



20  
YEARS  
AGO

20 years ago,  
we introduced the  
Indian markets  
to  
**IMPORTED,  
NICHE  
WOOD COATING  
PRODUCTS.**

This is a story of  
where it all started and  
what's to come.

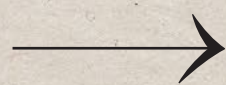




*From*

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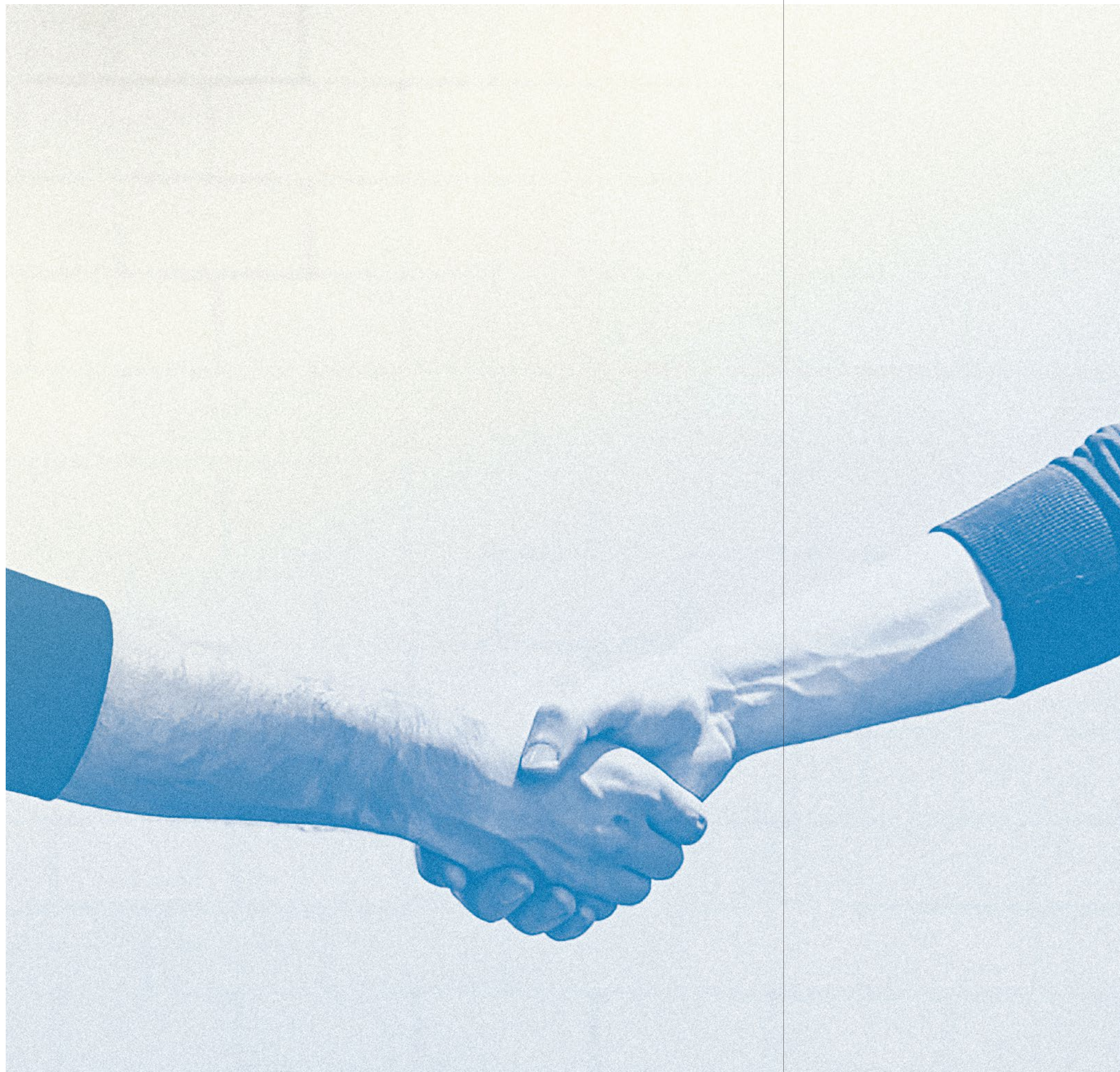
to



SIRCA PAINTS INDIA  
LIMITED

This journey dates back to the time when the market for high-end wood coatings in India was nearly non-existent. That is when two gentlemen came across an unconceived-opportunity to import and distribute high-end wood coating products from Italy, Malaysia and Korea. What started out as a small trading operation in a 1200 Sq. Ft. godown has now transformed into one among the top-3 luxury wood coatings brands in the country.

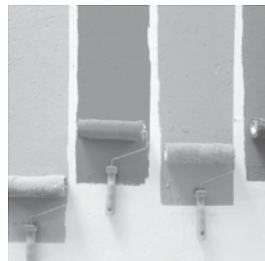
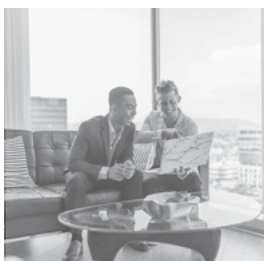
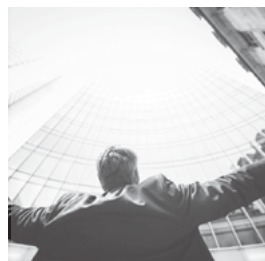
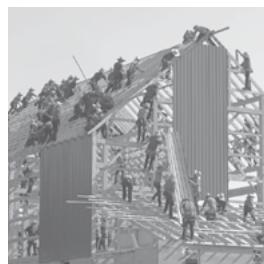
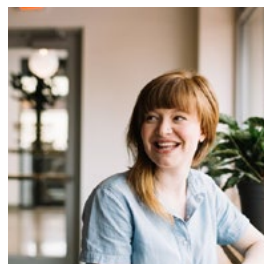
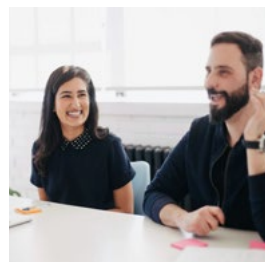
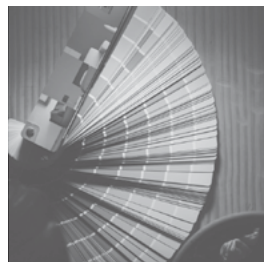
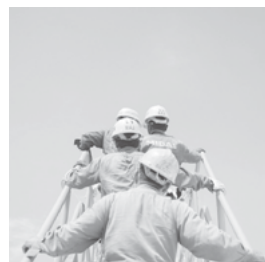




“PEOPLE  
NEED A  
CARRIAGE  
FOR THEIR  
JOURNEY.  
WE NEEDED A  
COMPANION.”

The journey was  
and is winning India's  
luxury wood coatings  
landscape, and the  
companion is  
Sirca S.p.A (Italy).





## 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.

Sirca Italy's focus was just not limited to exporting containers and meeting sales targets, but it laid equal importance on customer response & satisfaction. The distinction lied in their superior product quality, R&D forte, but moreover in their **INTENTION.**

Sirca's commitment to attain **CUSTOMER SATISFACTION** and touching lives was as intense as our desire to cater to the growing needs of the indian markets.

In Sirca S.p.A (Italy) we found partners who unitedly wanted to create a market for luxury wood coatings in India.



The

# MADE IN ITALY

Phenomenon

Italy is characterized by a widespread presence of high production competences and expertise, especially in manufacturing. The exceptional caliber and prowess that distinguish the Italian labor and artisan, along with substantial innovational skills, point to the fact that Italy represents a particularly interesting place, especially for the appreciation of high-quality products.

**“Made in Italy” brand constitutes a relevant element also for wood finished furniture, which, in turn, contributes to its recognition and leads consumers to perceive it in a positive way 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, which are developed in collaboration with Italy’s most prestigious furniture brands.

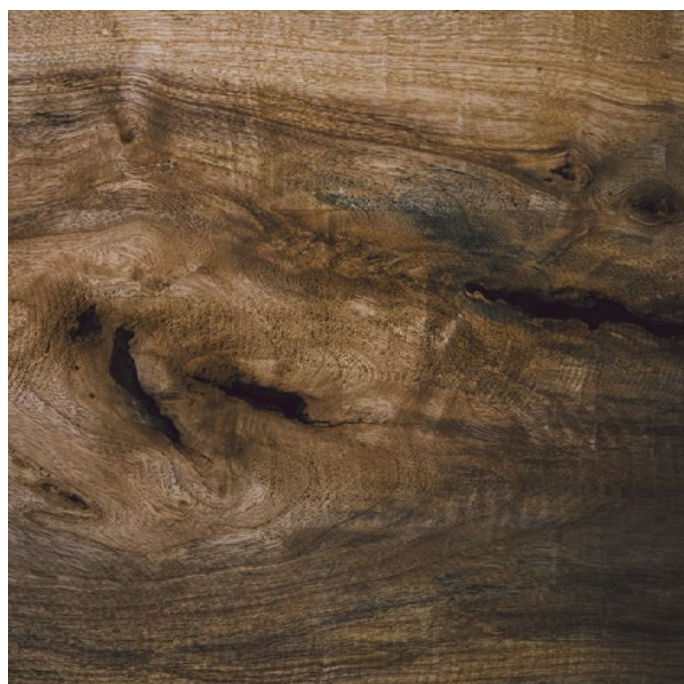
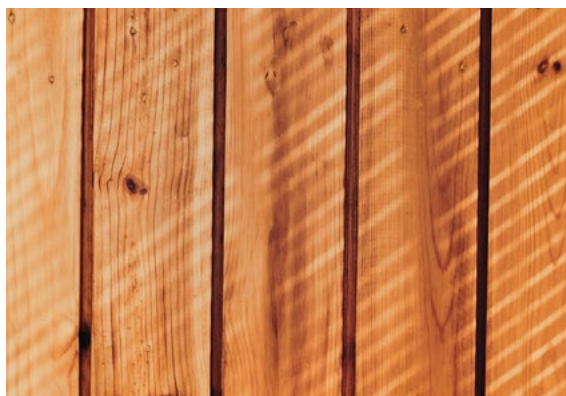
**Sirca emits the very essence of luxury furniture.**

## ***Sirca - industria resine e vernici per il legno***

Sirca is almost half-a-century old brand that has been synonymous with quality and guarantee, in coatings for wood, plastic, and glass. The Sirca brand is one of the principal players in the global luxury wood coatings market that delivers on the **Made in Italy** promise.

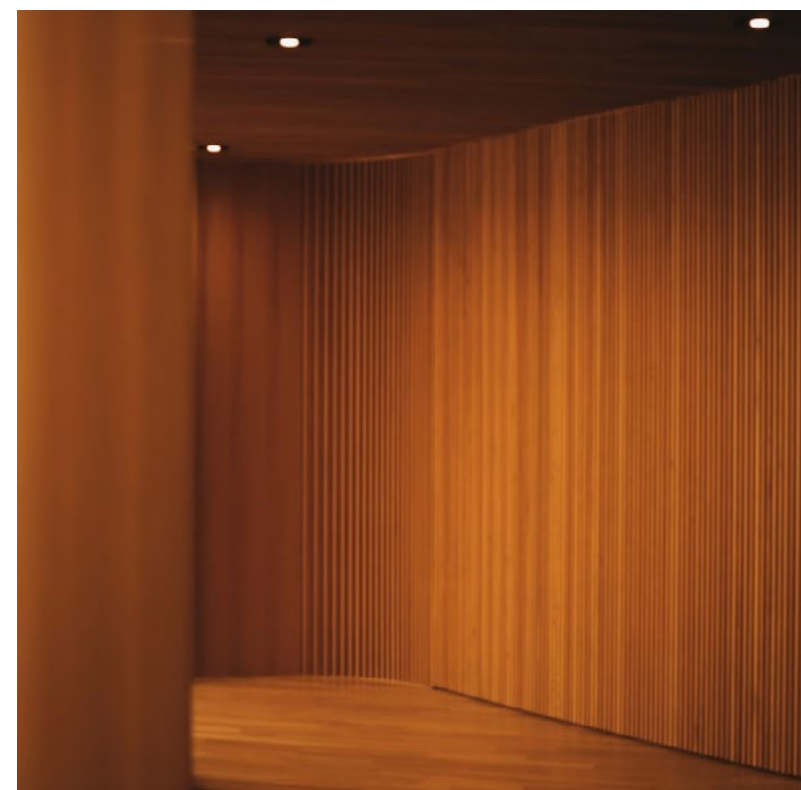
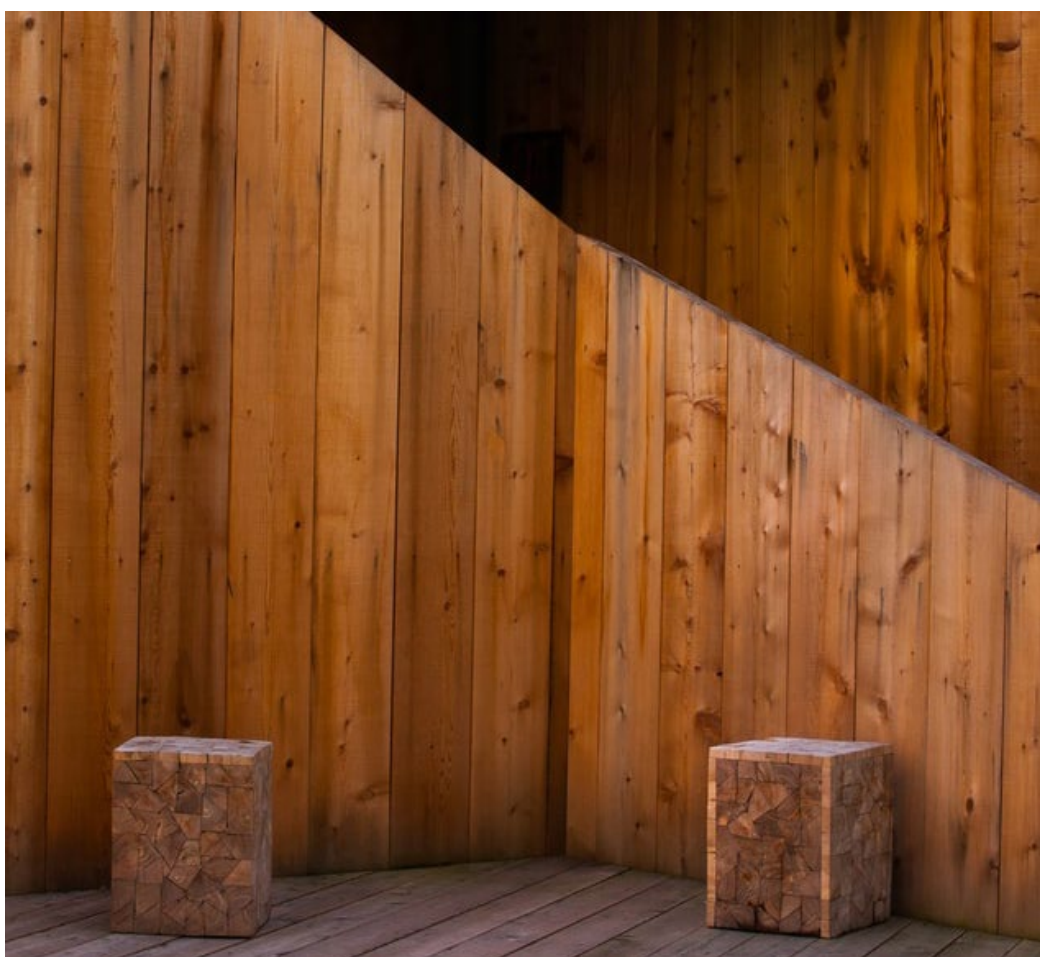
Sirca is the **union of traditional Made-in-Italy craftsmanship and modern-day** advanced technology, and research and development, to deliver the most superior products in the wood coatings arena.





## *How did a luxury Italian brand gain relevance in the price-conscious Indian consumer mindset?*

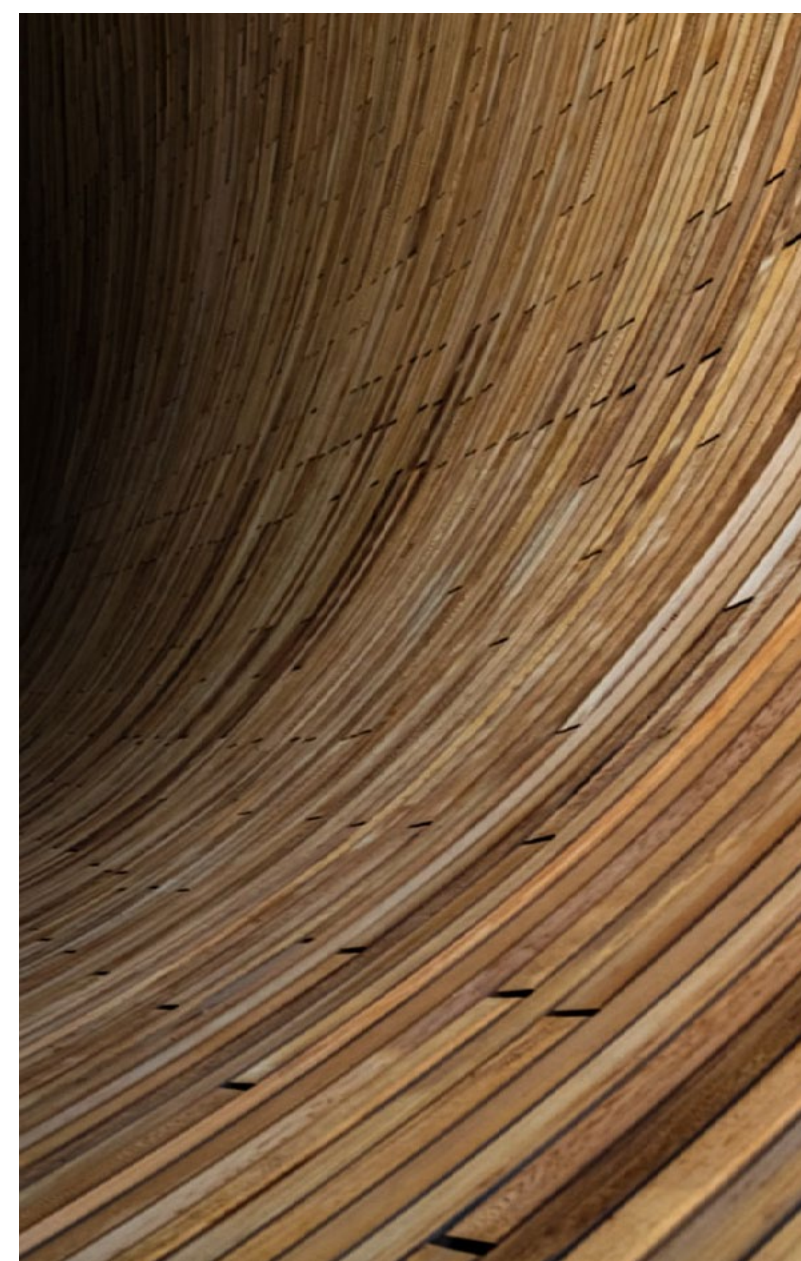
There was a time when wood polish used to stand for protection of wood from decay & corrosion.



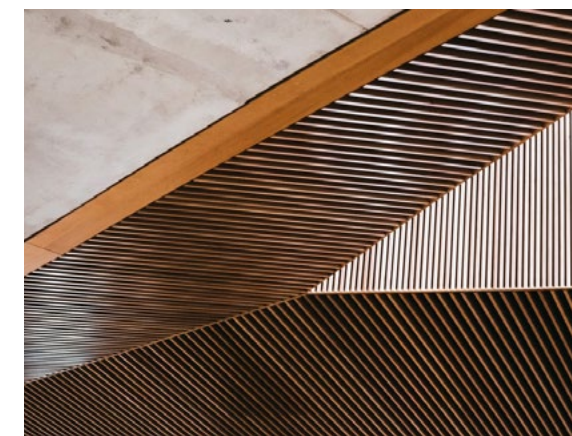
Not anymore, wood coatings & finishes aren't just limited to protection and anti-corrosion features. Today, wood coatings are a means & medium to enhance the aesthetic & artistic value of one's home.

Wood coatings & finishes are an opportunity to transform & remodel 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 among the top-3 brands dominating India's luxury wood coatings landscape.





# Estab- lishing Sirca in India.

Mr. Sanjay Agarwal, CMD, recalls saying that establishing Sirca & luxury wood coatings in India was 'A journey of patience.'

In early days, we faced hurdles in creating acceptability of wood coatings & finishes as a superior substitute to traditional wood polish. 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 for them. 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. 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, he 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.'*

*Similarly goes a story for onboarding an **OEM - 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 Newage, and they remain an exclusive client to date.'

*Quite similar goes the story for **Harmony Musical Instruments** - a premier Asian electric guitar manufacturer based out of Chennai, a loyal Sirca customer using our products for many years now.*



The face of opportunity.

# What if?

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Turning opportunities into possibilities and possibilities into realities is imbibed deep in the genes of Sirca Paints India Limited.

The two little words, “What if?” have led to our incredible journey at Sirca. By constantly questioning ourselves and thinking about the opportunities, we are better prepared to embrace tomorrow.

Our team of 325+ 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.

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

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.**



1.1

Sirca India Today

Founded and promoted by Mr. Sanjay Agarwal and Mr. Gurjeet Singh Bains in 2006, Sirca Paints India Limited is a leading high-end wood coatings company, engaged in the manufacturing, sales and exports of wood coatings and other decorative paints under the brand 'Sirca'. The company has an exclusive tie-up with Sirca S.p.A (Italy) for manufacturing and sales of Sirca products in India, Nepal, Bangladesh and Sri Lanka. Listed on NSE through its initial public offer in 2018, SPIL is progressing on its journey to become a leading brand in the Indian wood coatings & paints market.

Among the  
**TOP 3 PREMIUM**  
wood coatings brand in India

**EXCLUSIVE LICENSEE**  
FOR INDIA, NEPAL,  
BANGLADESH AND SRI LANKA



Retail Vs OEM mix - 70 : 30

Nearly  
**50 YEARS OLD**  
globally identified brand - Sirca

**325+** TEAM  
STRENGTH

**PREFERRED  
OEM VENDOR**  
ON ITS WAY TO BECOME A  
DOMINATING RETAIL BRAND

**FASTEST MIGRATION**  
AMONG THE FASTEST  
MIGRATIONS FROM NSE  
EMERGE TO MAINBOARD

Sirca’s Footprint

1600+  
DEALERS

~ 600  
SHOP BOARDS INSTALLED

15 BRANCHES &  
DEPOTS

11 SIRCA  
STUDIOS

2 MANUFACTURING  
FACILITY

KEY  
OEM’S

KEY OEM’S - GODREJ  
& BOYCE (GODREJ  
INTERIO), JINDAL  
STAINLESS,  
INDOLINE, SPACE  
WOOD, PYRAMID, MAS  
FURNITURE, ALSORG,  
SOUNDARYA  
DECORATORS, AND  
MANY MORE.





# Sirca's Value Proposition

*The promise and quality of 'Made in Italy' blended with innovation, research and development to provide the most sophisticated and customised products and services in the paints industry.*



## CORE OFFERING : ITALIAN WOOD, METAL AND GLASS COATINGS

- Sirca's core offering is the Italian wood coatings product range that includes everything needed to protect and paint wood and alternative surfaces used in the furnishing and furniture accessories industry. These are precise 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, Hand Made Effects, Special Effects, Additives among others.
- Sirca also offers bicomponent water-borne and solvent-borne, pigmented topcoats suitable to coat glass and produce a variety of shades and effects. The company also offers paints and coatings for metals, used for corrosion protection & artistic features. These products find application in both retail and industrial usage.
- These are premium range products, positioned on the higher-end price-spectrum of the wood, glass and metal coatings product category.
- The brands USP remains - highly sophisticated Made in Italy products.
- Target market remains quality-conscious, health-conscious, and aspiring consumers.



## RECENT ADDITIONS : MASS MARKET NITROCELLULOSE (NC) & MELAMINE COATINGS AND THINNERS

- Nitrocellulose (NC) & Melamine coatings are slowly phasing out in the developed markets on account of health-concerns. In India, the change is relatively slow and too big a market to ignore in the interim.
- The positioning of these products is completely distinguished from our Italian portfolio. These products have been launched under the brand 'Unico' with distinctive packaging.
- The target market is price-conscious. However, aided with the strong R&D and know-how of Sirca S.p.A (Italy), we have been able to develop best-in-class quality at reasonable prices.
- This segment will help us make in-roads in price-conscious markets and help us to create a market for our core Italian portfolio.



## PORTFOLIO EXPANSION: WALL PAINTS

- Recently in 2019, the company entered the wall paints segment with a select, premium category product portfolio.
- Sirca's complete wall paints range is water-based, non-toxic, non-flammable, and harmless to health and the environment.
- These products were launched to create an integrated product portfolio that aids the company in onboarding dealers and distributors, compared to creating distribution for a single product portfolio.
- The distribution network so created helps us in expanding the reach of our core Italian offering.



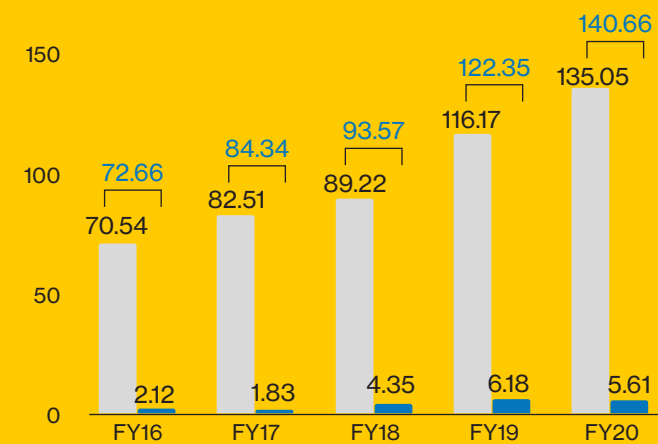
## NEED OF THE HOUR : LAUNCH OF HAND CLEANSERS AND SURFACE DISINFECTANTS

Keeping in mind the need of the hour and the immense demand for sanitisation products, while the entire world faces an unprecedented pandemic, the company has decided to launch a range of products in the same category. These products will help us serve a growing demand for sanitisation products at the company's distribution channels and paint dealers in general. The company has launched both solvent-based and water-based products, water-based products are very user-friendly and are finding applications in more than just hand sanitisation.



## Sirca in Numbers

### REVENUE FROM OPERATIONS AND TOTAL INCOME (₹ IN CR)

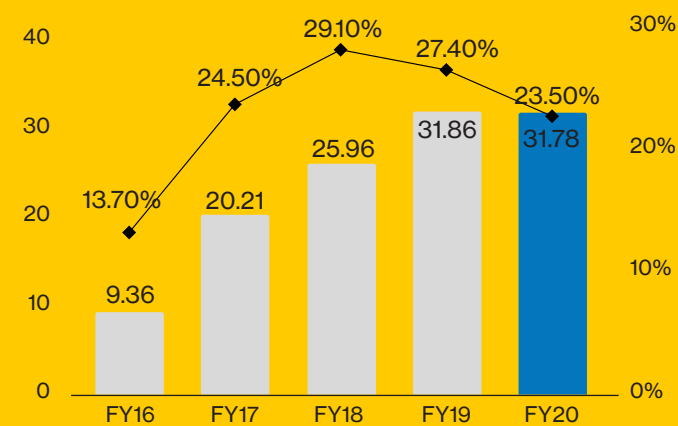


**13.98%**  
Y-O-Y% GROWTH

**17.63%**  
CAGR  
FY 16-20

■ Revenue from operations  
■ Other Income

### EBITDA (₹ IN CR) & EBITDA %

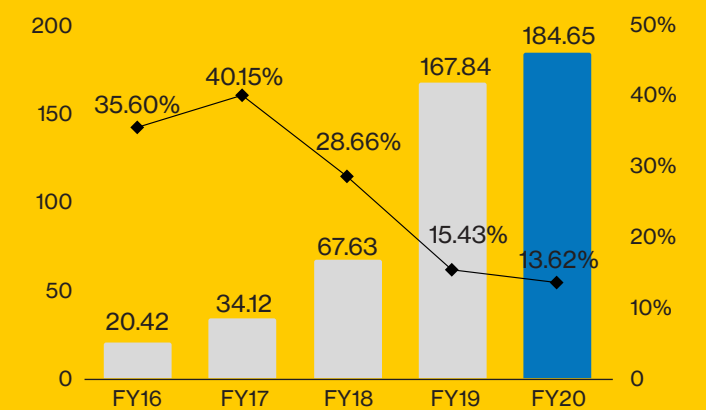


**-0.25%**  
Y-O-Y% GROWTH

**35.74%**  
CAGR  
FY 16-20

■ EBITDA  
— EBITDA %

### NET WORTH (₹ IN CR) & ROE %

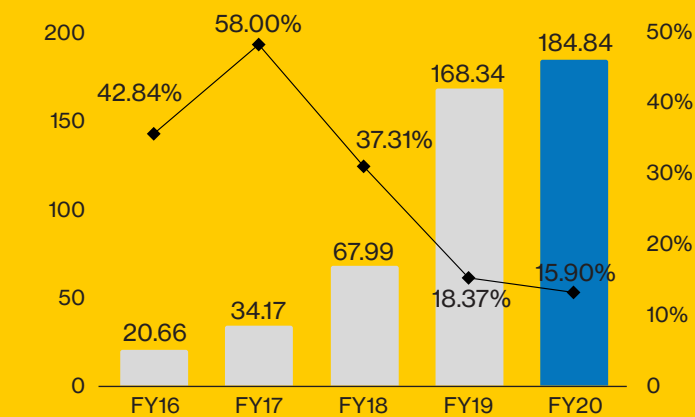


**9.10%**  
Y-O-Y% GROWTH

**73.41%**  
CAGR  
FY 16-20

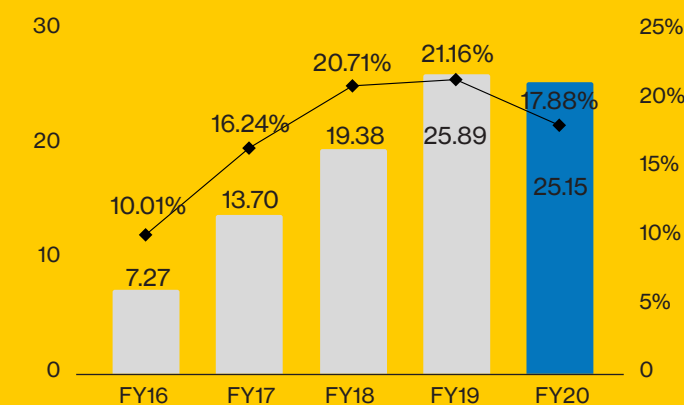
■ Net Worth  
— Return on Equity (%)

### CAPITAL EMPLOYED (₹ IN CR) & ROCE %



■ Capital Employed  
— Return on Capital Employed (%)

### PAT (₹ IN CR) & PAT %

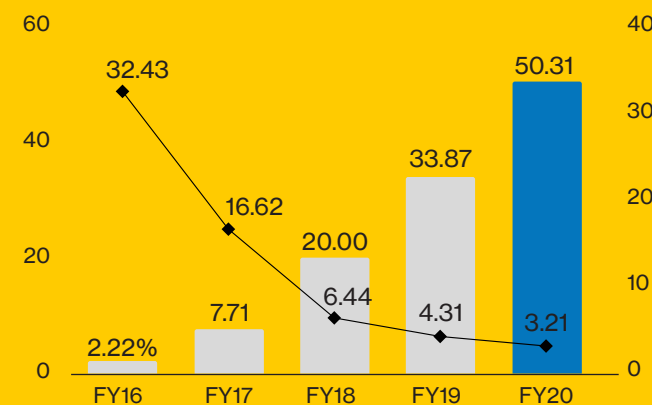


**-2.94%**  
Y-O-Y% GROWTH

**36.38%**  
CAGR  
FY 16-20

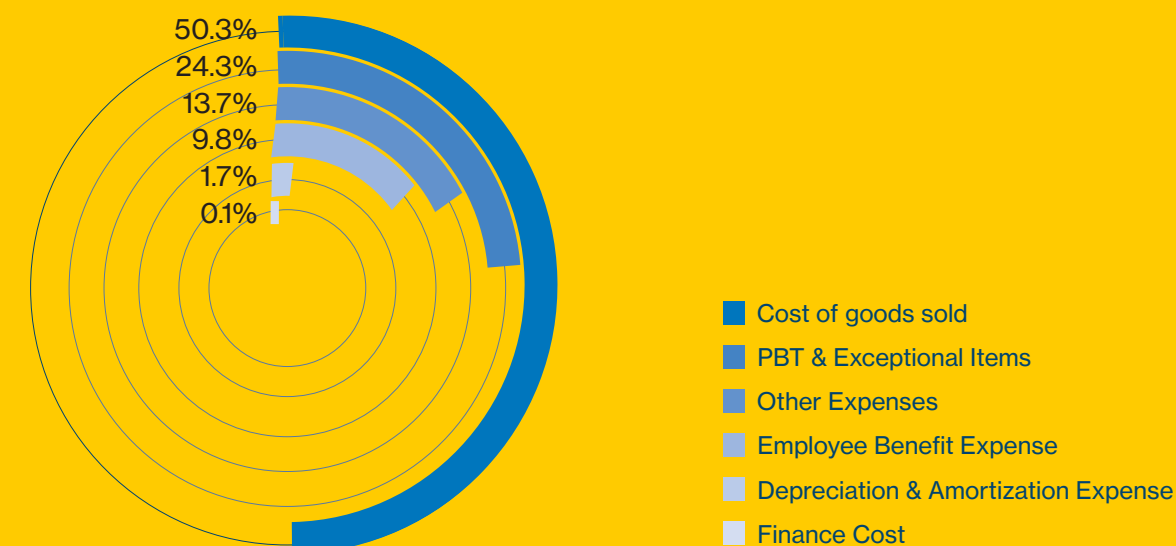
■ PAT  
— PAT %

### FIXED ASSETS (₹ IN CR) & FIXED ASSET TURNOVER



■ Fixed Assets  
— Fixed Assets Turnover

### TOTAL INCOME BUILT - UP FOR FY2020 (%)



\*EBITDA excluding Other Income & Exceptional Items



A Letter to our Stakeholders



DEAR STAKEHOLDERS,

It gives me immense pleasure to present you with the company's Annual Report for the year 2019-20. The year gone by was truly once in a lifetime occurrence. The onset of Novel Coronavirus and its subsequent consequences led to many challenges and learning's for us as an organisation. For the team at Sirca, the last few months have been very dynamic - from deploying our response plan to this pandemic, making improvisations to our existing plans, to drawing our future plan of action in response to the new realities of 2020-21.

Operational performance

The performance for the year 2019-20, ex of the March quarter results, has been remarkable. For the 9MFY20, the company recorded a 22.2% growth in its revenue from operations supported by strong volumes and remarkable profitability. The Novel Coronavirus's impact on our Q4FY20 performance was substantial, the company recorded a bare-minimum growth of 0.4%

coupled with tapered margins. This was prominently due to the deferral & loss of sales in the second half of March, which happens to be a crucial period of sales for the entire industry as dealers and contractors try to meet their sales targets for the year.

The impact of this pandemic was enough to make a dent in our financial performance for FY2020. For the full financial year, the company recorded revenue from operations of 135.05 crores as compared to 116.17 crores in the previous year, growing 16.3% y-o-y. The operating profit margin for FY2020 was 23.5% compared to 27.4% in FY2019, principally due to poor profitability in Q4FY20. Profit after tax for the year was 25.15 crores compared to 25.89 for the previous year, declining 2.9% y-o-y.

Key areas of focus

There were many noteworthy developments in the year gone by, to begin with, the company commissioned

its much-anticipated manufacturing facility for mass-market wood coatings portfolio, including Nitrocellulose (NC) & Melamine coatings and Thinners. This facility has been developed in technical collaboration with Sirca S.p.A (Italy) to manufacture best-in-class quality products at affordable price points. Tragically, shortly after its commissioning in November 2019, there was a fire incident at the facility in June 2020. Fortunately, there was no loss of life, and the fire was contained to the shed structure and raw materials. To maintain continuity of our newly launched product portfolio in the markets, we have temporarily shifted the production activities to another facility. This facility will be able to cater to the current level of demand until the time operations resume at our Sonipat plant.

With our new mass-market product range launched under the brand name 'Unico' and the wall paint range launched in the previous year, Sirca Paints has taken a crucial first step

“WE ARE STEADFAST ON OUR AIM TO INCREASE OUR GEOGRAPHICAL FOOTPRINT BY LEAPS AND BOUNDS.”

towards expanding its product portfolio. Along with a more comprehensive product portfolio, parallelly, the company has been expanding its geographical footprint & distribution network outside its current stronghold in Northern-India. We grew our dealer network multifold in FY2020, with more than 1600+ nodes in our distribution network compared to 550+ in the previous year. We are establishing a presence in the Southern & Western markets of the country, with good responses from Kerala, Karnataka, Andhra Pradesh, Gujarat, and even other parts of the country, like Madhya Pradesh, Bihar, Jharkhand, Odisha. We are steadfast on our aim to increase our geographical footprint by leaps and bounds, for which we are deploying various approaches & strategies including expanded product portfolio, regional advertisements & marketing, automatic tintometrical system - Colour Passion, among others.

Recent product launches

In response to the Novel Coronavirus pandemic and the growing

consciousness towards sanitisation and cleanliness, the company launched products such as - Hand Cleanser and Surface Disinfectants to principally cater to the demand of these products in our distribution network. The company also launched a high-end range of anti-bacterial & sanitising range of additives for wood coating products - HygienePlus. HygienePlus contains sanitising microparticles, active in reducing up to 99.9% of the bacterial contamination on surfaces. HygienePlus is tested and certified by the CATAS laboratory, as per ISO 22196:2011 standards.

Impact of COVID-19

It is quite difficult to evaluate the extent of impact for a crisis that is still unfolding. As far as direct effects are concerned, operations came to a standstill for nearly 40 days during the early phases of national lockdown. The company had to shut-down all its offices, manufacturing facilities, branches, and depots. All the ongoing projects were halted entirely. After the phased opening-

up of markets, the company partially resumed its operations wherever possible. Greenshoots of demands were visible in the rural , tier-2 & tier-3 markets, along with faster recovery in the Northern-India, but still, many challenges remain. On the OEM front, issues such as production at limited capacity and availability of labour persist.

In this entire crisis, the safety and well-being of our people was a key area of focus. Sirca Paints has been completely compliant and pro-WFH to the extent possible. I would also like to add that the company did not undertake any lay-offs. Additionally, pay-cut measures were taken only for one month, that too, for a select set of high-paying jobs.

Going forward

The effects of Novel Coronavirus on demand for paints and coatings products will be visible across the financial year 2020-21. Business in the post-pandemic life will be full of new challenges and opportunities. While we are constantly assessing the requirements and the demand patterns of our markets, to come out with the most appropriate steps in response to this crisis, our long term focus remains on positioning 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 would like 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 wisdom of our board of directors, and the loyalty of our customers that motivates us to deliver more.

Yours sincerely,  
**Sanjay Agarwal**  
Chairman and Managing Director



Board of Directors



**Mr. Sanjay Agarwal**  
Chairman and Managing Director



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 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



Mr. Agarwal has holds a bachelor's degree from Delhi University and a masters 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 BEB 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. Gurjit Singh Bains**  
Non-Executive Director



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



**Mr. Ugo Pelosin**  
Non-Executive Director

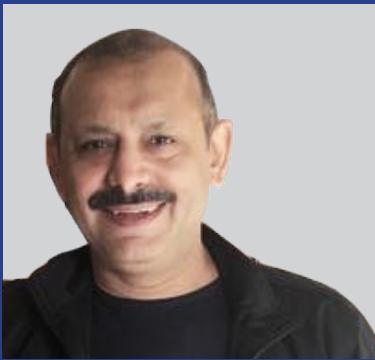
Mr. Pelosin has more than two decades of experience in exporting wood coatings globally. Apart from being the Non-Executive Director of Sirca Paints India, he is also the Export Director of Sirca S.p.A (Italy). He was appointed as the Non-Executive Director of the company in 2018, nominated by Sirca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



**Mrs. Archana Agarwal**  
Non-Executive and Independent Director



Mrs. Agarwal is an Architect by profession, having more than 24 years of experience in this field. She was appointed on the Board of the company in 2018.



**Mr. Sanjay Kapoor**  
Non-Executive and Independent Director



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. He was appointed on the Board of the company in 2017.



**Mrs. Anu Chauhan**  
Non-Executive and Independent Director

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 area of expertise includes - business strategy and financial planning, international operations, acquisitions, corporate governance controllership and taxation, business unit restructuring & integration systems.

- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Sexual Harassment Committee (Internal Control Committee)
- Audit Committee
- Stakeholders Relationship Committee



## Management Discussion and Analysis

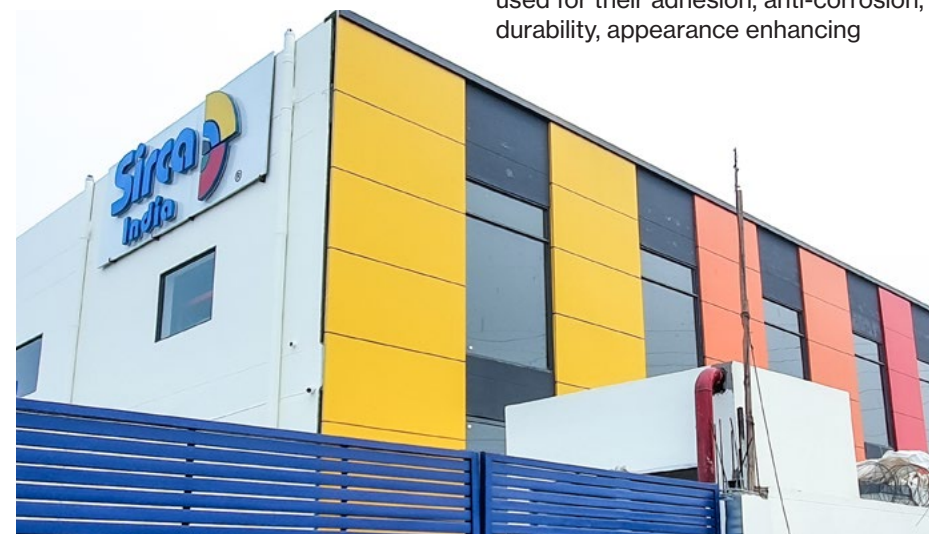
### INDIAN PAINTS & COATINGS MARKET

#### Industry Overview

Indian Paints industry is estimated to be a 50,000 crore market annually. The paints industry is principally divided 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, the industrial paints and coatings consist of automotive paints, protective coatings, marine coatings, powder coatings, GI paints, and others.

The decorative segment is the relatively faster-growing segment of the paints industry. It had maintained a growth CAGR of ~12% between FY09-19, this was led by strong demand from the rural and tier-II, tier-III cities, and reduced repainting cycle from the consumers. The Indian paint industry has witnessed a steady 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 of the Indian paint industry.

In between the organized and unorganized incumbents, the former holds the majority of 2/3rd share in the India paint industry, while the rest lies with unorganized incumbents.



#### Outlook, Trends, and Scenario

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, a slowdown in demand from the automotive sector, stress in the real-estate sector across the country, and the deteriorating state of the economy & consumer demand. To add to this was the unexpected and abrupt spread of infectious COVID-19 disease throughout the globe, a health care crisis escalating into an economic crisis for the entire world. In India, a series of lockdowns to contain the spread of COVID-19, beginning from the last week of March causing a nearly-complete shutdown in economic activity across the country.

In the short run, the paints industry will depend on the impacts of COVID-19, monsoon, recovery in the automotive sector, and pick-up of construction and housing demand. In the longer run, the paints industry is expected to grow on account of an increase in disposable income, rising urbanization, rural economy, increasing trend of nuclear families, and reduction in average repainting cycle on account of improvement in disposable income and improving lifestyles. The correlation between India's GDP growth and the paints industry growth is expected to remain unaffected in the longer term.

#### 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 enhancing



& aesthetics features on wooden furniture. In the last decade, India has shaped up to be 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, respectively. Barring momentary challenges the long term prospects of the furniture industry remain intact. Additionally, ongoing trade tensions between the USA and China have also resulted in introduction of trade tariffs, to the extent of 25%, on many goods, including furniture. This poses well for India furniture manufacturing and demand for wood coatings products.

#### Market Trends in Wood Coatings & Finishes

Wood coatings product category, in itself, is facing a shift in consumer preferences from toxic and environmentally harmful products to eco-friendly and non-toxic products. These 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 harmful products like 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 harm-full effects of these degrading wood-coatings,

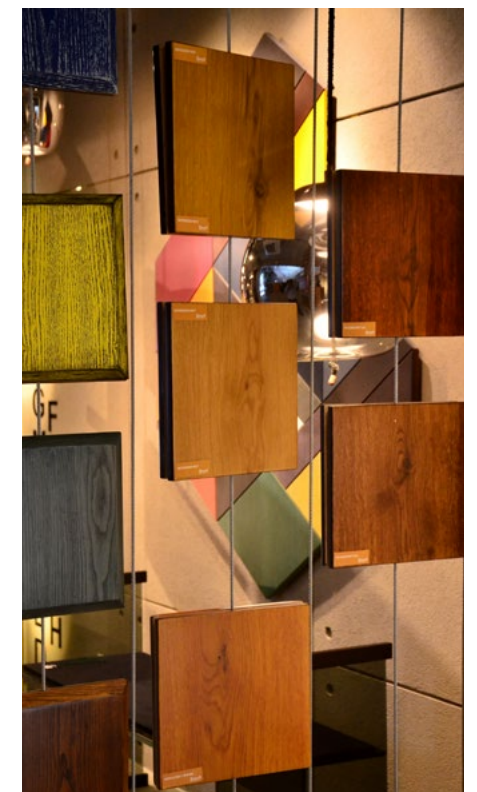
- Growing awareness about environment-friendly products,
- Greater artistic and aesthetic value,
- Other factors include - lower emission of odour, increased durability and resistance which make these products more preferable.

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

Founded and promoted by Mr. Sanjay Agarwal and Mr. Gurjeet Singh Bains in 2006, Sirca Paints India Limited is a leading high-end wood coatings company in the country, engaged in the manufacturing, sales and exports of wood coatings and other decorative paints under the brand 'Sirca'. The company has an exclusive tie-up with Sirca SpA, Italy for manufacturing and sales of Sirca products in India, Nepal, Bangladesh and Sri Lanka.



*The correlation between India's GDP growth and the paints industry growth is expected to remain unaffected in the longer term.*



Performance Review

Given the context of adverse circumstances and a challenging business environment in FY 2019-20, the company recorded an above-average performance, compared to the paints industry. The growth momentum was strong until Q3 FY 2019-20 with superior volume growth across all product segments, which got disrupted in Q4 due to the onset of COVID-19 and lockdowns. The company recorded a flat Q4 with a marginal 0.4% increase in revenue from operations on a y-o-y basis. For the full FY 2019-20, the company recorded a 16.3% growth in revenue from operations on a y-o-y basis, with a ~36.30% growth in volumes, respectively.

The growth in terms of volume superseded value, principally due to a change in product mix. Wall paints category launched in the first half of FY 2019-20 received an exceptional response in its maiden year, which led to stronger growth in volumes, due to a lower realization per liter in the wall paints category. Sirca's wall paint portfolio remains focused on a limited dozen products, with only premium category products.

The company continues to work towards making its product portfolio more holistic and comprehensive. The first phase of this strategy was completed in FY 2019-20, with the launch of wall paints and lower price-point, mass-market wood coating products such as Nitrocellulose (NC) & Melamine coatings and thinners. In technical-collaboration with the robust R&D suite of Sirca S.p.A (Italy) the company was able to develop and offer good-quality value propositions at varied price-points, thus making its target-market more inclusive. Not to mention, that the company expanded its geographical footprint and distribution network multifold on the back of its expanded product portfolio. Our new product offerings are now more suited to cater to the regional preferences of various categories of wood coatings. The company is confident of winning over consumers in its newly-tapped territories while competing with local brands.

Impact of COVID-19

All operations were completely disrupted since the second-fortnight of March 2020 due to the national lockdown from March 24, 2020, and local curfews before it. In line with the authorities' instructions, the company had to completely shut down its corporate headquarters, branch offices & depots, and manufacturing facilities. Almost all establishments remained closed through March 24 to May 5, resulting in a complete loss of business in between. After certain relaxations in the lockdown and obtaining the necessary permissions, the company resumed operations at its manufacturing facilities with a quarter of workforce & production. The company also partially resumed operations at offices, depots wherever possible.

After the partial opening-up of the markets, the company first witnessed a pickup in demand from Tier-II & Tier-III

cities and smaller towns. Primarily due to relaxed restrictions in movements in the aforementioned markets. Geographically, demand pickup has been relatively slower in Western & Southern India as compared to Northern India.

Additionally, the company has also observed demand inelasticity as far as the high-budget projects are concerned. In many cases, clients are eager to complete the 'under-construction' projects as soon as possible. Naturally, the company is witnessing a good pickup in demand for its luxury wood coatings category, compared to other products. In the OEM product category, there have been issues on multiple fronts, including subdued demand and labour shortage at the OEM's manufacturing facilities.

BUSINESS & CUSTOMER SEGMENTS

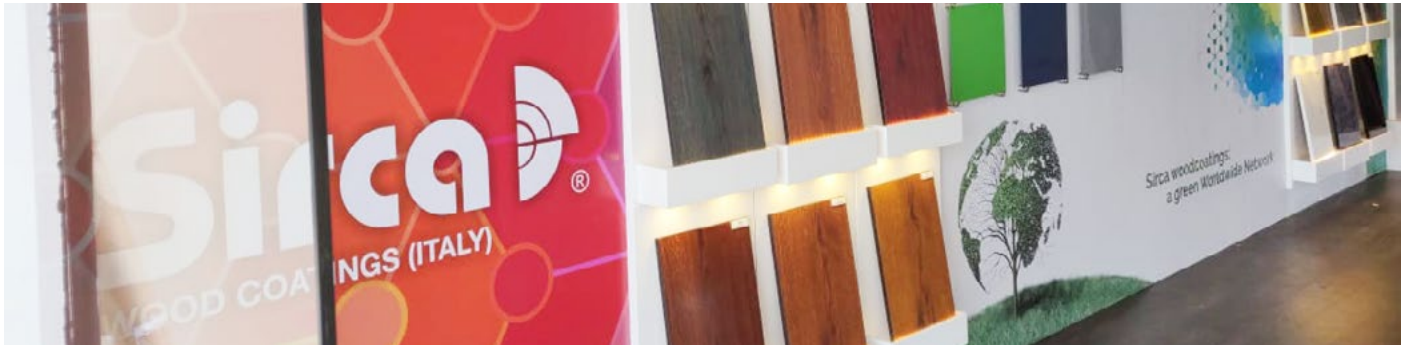
We primarily serve to two customer segments -

1. OEMs

ORIGINAL EQUIPMENT MANUFACTURERS

Sirca has been working in collaboration with OEM of furniture and fixtures from the inception of the company. The development of Sirca products traces back to numerous collaborations and having a deep understanding of the requirements of OEM's. In India as well, OEM's 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 our strong technical and after-sales support to OEM's, we have been able to ensure the utmost satisfaction and consequently garner strong customer relationships with our clients.

As a constant trend, almost 30% of our business comes from the OEM segment. We work with a well-diversified clientele of approximately 300 OEM's. Some of them are Godrej & Boyce, Jindal Stainless, Indoline, Space Wood, Pyramid, MAS Furniture, Alsorg, and Soundarya Decorators. 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 creation of furniture. Through its constant innovation, new product developments and strong technical support Sirca has become indispensable to OEM's and is well-placed to make the most of this opportunity.



2. RETAIL

The retail customer segment is our biggest and contributes to nearly 70% of the business. The company caters to retail customers through its strong & growing distribution network of more than 1600+ sales points; these include branches & depots, distributors, and dealers. The company is also increasing its geographical footprint and expanding its dealer network outside of Northern-India in Southern, Western & Central India.

To achieve a greater 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 movie theaters. To strengthen Sirca's outdoor presence, the company is installing shop boards at its dealer network. At present a total of ~600 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 11 such studios are operational. The objective of these studios is not to generate direct sales, but to act as a platform through which customers & influencers such as architects, contractors can have a better customer experience and understanding of our products.

FINANCIAL PERFORMANCE

In FY 2019-20, revenue from operations on a consolidated basis increased from 116.17 crores in FY19 to 135.05 crores, registering a growth of 16.3%. The EBITDA (excluding other income & exceptional items) for the year was 31.78 crores against 31.86 crores in the previous year – a decrease of 0.2%. The Profit After Tax (PAT) for the year was 25.15 crores against 25.89 crores in the previous year – a decrease of 2.9%. The financial statements for FY 2019-20 and FY 2018-19 have been reconciled as per Ind-AS.

Financial Ratios

Financial Ratio	FY20	FY19	% Change	Remarks
Debtors Turnover	3.17	3.17	0%	Not Applicable
Inventory Turnover	3.25	1.81	-44%	The inventory turnover ratio decreased by 44%, primarily on account of substantially higher inventories level in the H2FY20. This was due to higher procurement for of inventories on account of a) newly commissioned manufacturing facility in November 2019 and b) spread of COVID-19 in Italy in January-February.
Interest Coverage Ratio	266	330	24%	Not Applicable
Current Current Ratio	6.17	6.86	11%	Not Applicable
Debt to Equity Ratio	0.00	0.00	0%	Not Applicable
Operating Profit Margin (%)	27.40%	23.50%	-14%	Not Applicable
Net Profit Margin (%)	21.16%	17.88%	-16%	Not Applicable



# What's to come

## OUTLOOK

The company has created and continues to create a sustainable platform for growing the footprint, recall, and sales of the Sirca brand 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.

## 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 on 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 on March 31st 2020, there were 327 employees on the payrolls of the company

# 327

NUMBER OF EMPLOYEES ON PAYROLLS AS ON MARCH 31, 2020

## 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. 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 human resources; it is crucial to recruit, retain, and train employees. The company constantly endeavours to maintain a satisfied, competent, and well-trained workforce.

## 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 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 include 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

structure, trade environment, fiscal and monetary policies, scarcity of credit, etc.

## 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 FIFTEENTH 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, SEPTEMBER 18TH, 2020 AT 12.30 P.M. IST THROUGH VIDEO CONFERENCING ('VC') / OTHER AUDIOVISUAL MEANS ('OAVM') FACILITY, TO TRANSACT THE FOLLOWING BUSINESS:-

## ORDINARY BUSINESS:

1. To Receive, Consider and Adopt the Audited Financial Statements of the Company for the Financial year ended March 31, 2020 together with the reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the Audited Financial Statement of the Company for the financial year ended March 31, 2020 together with reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To Appoint Mr. Gurjit Singh Bains (DIN:01977032), who retire by rotation as a director and being eligible, offers himself for re-appointment as a director and in this regard, pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of **Section 152 and other applicable provisions of the Companies Act**, the approval of the Members of the Company, be and is hereby accorded to the re-appointment of **Mr. Gurjit Singh Bains (DIN: 01977032)** as a

"Director", to the extent that he is required to retire by rotation"

## SPECIAL BUSINESS:

3. To approve the remuneration of Cost Auditor for the financial year ending 31st March, 2021 and in this regard, pass the following resolution as an **Ordinary Resolution**:-

**"RESOLVED THAT** pursuant to **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 Rs. 60,000/- (Rupees Sixty Thousand Only) plus taxes and reimbursement of out of pocket expenses at actual, if any, incurred in connection with the audit to **M/s. Govind Singh Bisht & Co., Cost Accountants (Firm Registration Number 002410)**, who were appointed by the Board of Directors as Cost Auditors of the Company, based on recommendations of Audit Committee, to conduct cost audits relating to cost records of the Company under the **Companies (Cost Records and Audit) Rules, 2015** (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) for the financial year ending 31st March, 2021.

**RESOLVED FURTHER THAT** the Board of Directors and/ or the Company Secretary be and are hereby severally authorized to take all such steps, as may be necessary, proper or expedient, to give effect to this resolution and to do all such acts, deeds, matters and things as may be incidental thereto."

4. To Appointment of **Mr. Shyam Lal Goyal (DIN: 08815530)** as an Independent Non Executive Director and in this regard, pass the following resolution as an **Ordinary Resolution**:-

**"RESOLVED THAT** pursuant to the provisions of **Section 149, 150 and 152** read with **schedule IV** and read with **Companies (Appointment and Qualification of Directors) Rules, 2014**, and other applicable provisions, sections, rules of the **Companies Act, 2013** (including any statutory modifications or re-enactment thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement), 2015 (hereinafter known as "Listing Regulations") (including any statutory modifications or re-enactment thereof for the time being in force), consent of the Members be and is hereby accorded for the of **Mr. Shyam Lal Goyal (DIN: 08815530)** as a Non Executive Independent Director of the Company who shall hold office for a period of five years from the date of appointment in Annual General Meeting and whose office shall not, henceforth, be liable to retire by rotation.

**RESOLVED FURTHER THAT** to give effect to this resolution the Board of Directors and/or key managerial personnel be and are hereby authorized to do all the acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

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: 20<sup>th</sup> August, 2020  
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. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of business to be transacted at the Annual General Meeting (AGM), as set out under **Item no.2, 3, and 4** above as required by Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and as required under Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India, are annexed hereto.
2. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, 11th September, 2020 to Friday, 18th September, 2020** (both days inclusive).
3. In view of the ongoing COVID-19 pandemic, the MCA has vide its General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI Listing Regulations and MCA Circulars, the AGM of the Company is being held through VC/OAVM only. In accordance with the MCA Circulars, special business mentioned at **Item Nos. 3, 4 and 5** of the Notice are considered as unavoidable in nature by the Board of Directors 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 **15th AGM** along with the Annual Report for Financial Year 2019-20 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 2019-20 is uploaded on the **Company's website** [www.sircapaints.com](http://www.sircapaints.com) websites of the Stock Exchanges **The National Stock Exchange of India Limited** at [www.nseindia.com](http://www.nseindia.com) respectively and on the website of KFin Technologies Private Limited ('KFin'), the Registrar and Transfer Agents of the Company ('RTA') at [www.evoting.karvy.com](http://www.evoting.karvy.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 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).
8. Nomination facility for shares is available for Members. The prescribed format, in this regard, can be obtained from KFin (RTA).
9. 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](http://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. Members are requested to note that KFin has launched a mobile application 'KPRISM' and website <https://kprism.kfintech.com> for online service to shareholders.

Members can download the mobile application, register themselves (onetime) for availing host of services viz., consolidated portfolio view serviced by KFin, dividend status and send requests for change of Address, change/update Bank Mandate. Through the Mobile app, members can download Annual Reports, standard forms and keep track of upcoming General Meetings and dividend disbursements.

14. 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.

15. 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](mailto: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, September 11<sup>th</sup>, 2020**, i.e. the 'cut-off' date for e-voting.

16. Procedure for registering the email address and obtaining the Annual Report, AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case of shareholders holding shares in physical form) :

- i. Those Members who have not yet registered their email

addresses are requested to get their email addresses registered by following the procedure given below:

- a. Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.
- b. Members holding shares in physical form may register their email address and mobile number with KFin by sending email to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with signed scanned copy of the request letter providing the email address, mobile number, self-attested PAN copy and copy of share certificate for receiving the Annual report, Notice of the AGM and the e-voting instructions or register their e-mail address with KFin by clicking on [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/)
- ii. Further, those members who have not registered their email addresses and mobile nos. and in consequence could not be served the Annual Report and Notice of AGM, may temporarily get themselves registered with KFin, by clicking the link : [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/) for sending the same. Members are requested to support our commitment to environmental protection by choosing to receive the Company's communication through email going forward.
- iii. With a view to help us serve better, Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company/RTA to consolidate their holdings in one folio.
- iv. Members who have registered their e-mail address, mobile nos., postal address and bank account details are requested to validate/update their registered details by contacting the Depository Participant in case of shares held in

electronic form or by contacting KFin, in case the shares are held in physical form.

## A. GENERAL INSTRUCTION

- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), members of the Company holding either in physical form or in dematerialized form may exercise his/her right to vote by electronic means (e-voting) for participation in the AGM through VC/OAVM facility and e-voting during the 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 11<sup>th</sup> September, 2020 (Friday).
- iii. The facility for voting through electronic voting system will be made available at the AGM and Members attending the Meeting who have not already cast their vote by remote e-voting shall be eligible to vote at the Meeting.
- iv. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- v. The Board of Directors has appointed Mr. Sidharth Sharma (M/s. Sidharth Sharma & Associates, Practicing Company Secretaries) as the Scrutinizers, for conducting the voting/poll and remote e-voting process in a fair and transparent manner.
- vi. 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

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

## **B. THE PROCEDURE AND INSTRUCTIONS FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on 14th September, 2020 at 09:00 A.M and ends on 17th September, 2020 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday 11th September, 2020 may cast their vote electronically.
- (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) 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.
- (x) 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).

## **C. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. 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.

2. 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 B above.
3. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
4. 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.
5. 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.

## **D. 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 14th September, 2020 (9.00 a.m.) upto September 17th, 2020 (5.00 p.m.).
2. Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM.
3. 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](mailto:emeetings@kfintech.com) or Helpline: 1800 345 4001.

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

**Registered Office:**  
**Plot No.50, Phase-2,**  
**Badli Industrial Area, Delhi-110042**  
Tel.: +91 11-42083083  
Website: [www.sircapaints.com](http://www.sircapaints.com)  
Email: [cs@sircapaints.com](mailto:cs@sircapaints.com)  
CIN: L24219DL2006PLC145092

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

**Date: 20<sup>th</sup> August, 2020**  
**Place: New Delhi**



# Explanatory Statement

*pursuant to section 102(1) of the companies act, 2013.*

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):

## I . BRIEF RESUME AND OTHER DETAILS FOR ITEM NO. 2

Name of Director	Mr. Gurjit Singh Bains
Date of Birth	28/05/1967
Expertise in specific functional areas	Experience of more than 20 years in wood coatings and Italian Furniture Industry.
Date of appointment	19.01.2006
No. of Equity Share held in the Company	38,66,197
Qualification	masters in economics from University of Venice
List of Directorship of other Boards	Sirca Industries Limited BGB Italia S.r.L
Chairman/Member of the Committee of the Board of Directors of the Company	Member of Nomination and Remuneration committee Member of Stakeholder Committee
Chairman/Member of the Committee of the Board of Directors of other Companies	NIL

## II . BRIEF FOR ITEM NO. 3

The Board of Directors at its meeting held on 20/08/2020 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, 2021, at a remuneration upto Rs. 60,000/- (Rupees Sixty 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, 2021 has to be approved 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. 3 of the Notice for approval by the Members.

## III . BRIEF FOR ITEM NO. 4

The Nomination and Remuneration Committee and the Board of Directors, had recommended appointment of Mr. Shyam Lal Goyal as the “Non- Executive Independent Director” of the Company, subject to the approval of the Members, for a term of 5 (Five) consecutive years.

The Company has received the consent to act as Director from Mr. Shyam Lal Goyal and also his declaration confirming that he is not disqualified from being appointed as a Director in

terms of Section 164 of the Companies Act, 2013 and meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

Mr. Shyam Lal Goyal is independent of the management of the Company and in the opinion of the Board of Directors of the Company, he fulfils the conditions specified in the Companies Act, 2013 and the Rules framed thereunder for appointment as an Independent Director 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 Resume and other details as mentioned below in table**

<b>Name of Director</b>	<b>Shyam Lal Goyal</b>
<b>Date of Birth</b>	01/07/1959
<b>Expertise in specific functional areas</b>	Mr. Shyam Lal Goyal was Audit and Finance Advisor at Ghazanfar Bank. He leads each firm's lines of business -Banking Sector and FMCG industries in expeditious manner. He is a Graduate from University of Rajasthan and is a respected member of Institute of Chartered Accountants of India. He holds experience of over 30 years and has held various senior position in India and abroad. He is strong, focused and have keen eye for strategic development. He holds keen understanding and significant experience in managing the professional duties & responsibilities to the entire satisfaction of the top management. His experience in global financial operations, Corporate Governance, Enterprise wide systems and Financing is a proven asset. He is proficient in streamlining the working procedures, Accounting and internal control systems for enhancing the operations, working environment and have In depth knowledge of the International Accounting Standard (IAS), International Financial Reporting standards (IFRS), Fund Management, Developing Business Plans in the Government and private sector, Accounting frame work in compliance with GAAP within the stipulated time schedules.
<b>Date of appointment</b>	18.09.2020
<b>No. of Equity Share held in the Company</b>	-
<b>Qualification</b>	1. Bachelor of Commerce - University – Rajasthan; 2.Degree of The Insitute of Chartered Accountants of India
<b>List of outside Directorship held in Public Company</b>	N.A.
<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	N.A.
<b>Chairman/Member of the Committee of the Board of Directors of other Companies</b>	N.A.

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

**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

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

**Date: 20<sup>th</sup> August, 2020**  
**Place: New Delhi**



# Directors' Report

## Dear Members,

The Board of Directors is pleased to present the fifteenth Annual Report of the Company for the financial year ended 31st March, 2020.

## COMPANY OVERVIEW

### FIFTEEN (15) YEARS OF ESTABLISHMENT

The Company has grown a great deal over the years evolving a holistic, technology, service and a knowledge driven approach to develop and pioneer a variety of coating solutions for Indian consumers to touch everyday lives from homes, automobiles, white goods and infrastructure projects.

To add to current product offerings, company has recently ventured into setting up an in-house manufacturing unit for melamine, Thinner, NC products and Economical PU, which came to operations on by end of September 2019.

The company has entered the wall paints segment in June, 2019 with the objective of strengthening its position in premium segment of Indian Paints & Wood Coatings Industry, with a wider and self-sufficient product portfolio.

The company also migrated from NSE SME platform to NSE Main Board on July, 2019.

### IMPACT OF COVID-19

The country witnessed lockdown being implemented in India in the Second fortnight of March 2020. There were also restrictions of varying extent across larger part of the world, due

to COVID – 19 pandemic. All domestic operations were disrupted due to the national lockdown from March 24, 2020. The company had shut down its corporate headquarters, sales & branch offices and manufacturing facilities since March 24, 2020. On May 5, 2020, after relaxations in the lockdown & obtaining necessary permissions from the local authorities the company resumed operations at its manufacturing facilities with 25% workforce and 25% production, as compared to the pre- COVID levels.

The company also partially resumed offices, depots and warehouses wherever the lockdown restrictions were eased. After the partial opening of the market, the company is witnessing a pick-up in the demand from Tier - 2 & 3 cities & smaller towns due to relaxed restrictions and partial opening up of the markets.

Geographically, demand uptick for the company's products has been relatively slower in Western & Southern India as compared to Northern India.

Additionally, the company has observed demand inelasticity as far as the high-budget projects are concerned. In many cases, clients are eager to get the 'under-construction' projects completed as soon as the market opens up. Hence, at present, we are witnessing good volumes in our Italian PU segment as compared to the mass market products i.e. NC, Melamine, PU & Thinner. After a considerably disrupted Q1FY21; the company is confident of achieving sales at par with the pre-COVID levels in Q2FY21, and growth thereafter,

provided there isn't a major second-wave of lockdown and restriction of movements across the country due to COVID-19.

By staying true to its purpose and its values, the top – most priority for the Company was to ensure the safety of its employees. The Company has taken several measures to ensure their well – being including leveraging the power of technology to enable them to work from home. For those employees who are working in sales offices and manufacturing locations, their safety is being ensured by stringent use of protective gear, abiding by social distancing norms and taking all safety precautions.

Standing by its core commitment, the company is navigating through these unprecedented times by building stronger and deeper relationships with consumers and its partners. The company is supporting various Government initiatives and helping communities around to fight the pandemic.

## FINANCIAL RESULT

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 Audited standalone Financial Statements of the Company for the financial year 2019-20, together with the Auditors' Report form part of this Annual Report.

The company's financial performance for the year ending as on March 31, 2020 is outlined as follow:

Particulars	Year Ended 31.03.2020 (In lakh)	Year Ended 31.03.2019 (In lakh)
Revenue from operations	13,505.25	11,617.15
Other Income	561.34	617.87
Earnings Before Interest, taxes, depreciation and amortization	3667.42	3803.88
Less: Finance Cost	8.90	11.64
Less : Depreciation and Amortization Expense	239.95	93.47
Profit before tax	3,418.49	3698.77

Less: Tax Expenses	902.74	1108.91
Profit for the period from continuing operations	2517.45	2591.11
Profit for the period of discontinuing operations	-	-
Profit for the period	2517.45	2591.11

## COMPANY'S PERFORMANCE REVIEW

### During the Financial Year 2019-20:

- During the financial year 2019-20, revenue from operations on standalone basis increased to **Rs. 135,05,25,474** as against **Rs. 116,17,14.752** in the previous year- a growth of 16.25%;
- Other income decreased to **Rs. 5,61,33,853** as against **Rs. 6,17,87,066** in the previous year- a decrease of 9.15%;
- Profit after tax for the current year is **Rs. 25,15,74,735.00** against **Rs. 25,89,86,470.00** in the previous year a decrease of 2.86%

## 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 has not recommended any final dividend for the year 2019-20. The Interim Dividends @ **Rs. 1.50** per share

declared in 28th February, 2020 already paid to the shareholders during the Financial Year 2019-20 be treated as Final Dividend.

During the financial year under the review, company also announced the dividend @ **Rs 1** per share for the financial year 2018 – 19.

## RESERVES

During the year the Company does not propose to transfer/carry any amount to the General Reserve.

## SHARE CAPITAL

During the Financial Year 2019-20, company with approval of Shareholders Vide Postal Ballot dated 02nd July, 2020 has Increased the Authorized Share Capital from existing **20,00,00,000/- (Rupees Twenty Crore only)** divided into **2,00,00,000 (Rupees Two Crore Only) Equity Shares of Rs. 10/- (Rupees Ten) each** to **32,00,00,000 (Rupees Thirty Two Crore only)** divided into **3,20,00,000 (Three Crore Twenty Lakh) Equity Shares of Rs. 10/- (Rupees Ten)** and consequently, the existing Clause V of the Memorandum of Association of the Company be and is hereby altered and substituted by the following as new Clause V:

**V. The Authorised Share Capital of the Company is Rs. 32,00,00,000 (Rupees Thirty Two Crore only) divided into 3,20,00,000 (Three Crore Twenty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each.**

Further on 12th July, 2019 company increased Paid-up capital from 1,82,69,600 to 2,74,04,400 by issued Bonus Equity Shares of **91,34,800 (Ninty one Lakh Thirty Four Thousand Eight Hundred) new equity shares of Face Value of Rs. 10/- (Ten) each**, in the proportion of 1:2

The Company Received the **Trading Approval** on **July 22nd, 2019** from National Stock Exchange to Trade the Shares on **Main Board of National Stock Exchange**.

### 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 2019-20, 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.

- In the beginning of financial year 2020-21, the Company has expanded its area by adding health and hygiene segment to their working and launched Hand



Cleanser product under the brand name "SIRCA".

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

- Appointment of Mr. Anil Kumar Mehrotra (05338446) as the Non – Executive Independent Director of the Company:**

The board of Directors in their meetings held as on 04th Day of July, 2019 appointed Mr. Anil Kumar Mehrotra (05338446) as the additional Non – Executive Independent Director of the Company for the period of five financial year.

In terms of sub – section (4) of Section 161 of the Companies Act, 2013, Mr. Anil Kumar Mehrotra hold his office upto the date of the Annual General Meeting 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. Anil Kumar Mehrotra as a Non – Executive Independent Director of the Company in the Annual General Meeting of the Company duly convened on 06th Day of September, 2019. Shareholders extended their consent for the appointment.

- Appointment of Mrs. Anu Chauhan (08500056) as the Non – Executive Independent Director of the Company:**

The board of Directors in their meetings held as on 04th Day of July, 2019 appointed Mrs. Anu Chauhan (08500056) as the additional Non – Executive Independent Director of the Company for the period of five financial year.

In terms of sub – section (4) of Section 161 of the Companies Act, 2013, Mrs. Anu Chauhan hold her office upto the date of the Annual General Meeting 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 Mrs. Anu Chauhan as a Non – Executive Independent Director of the Company in the Annual General Meeting of the Company duly convened on 06th Day of September, 2019. Shareholders extended their consent for appointment.

## 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.

## CHANGE IN KEY MANAGERIAL PERSON

### Resignation of Mr. Bharat Bhushan Arora as the Chief Financial Officer of the Company

Mr. Bharat Bushan Arora resigned from the services of Chief Financial officer the Company w.e.f 01st Day of October, 2019.

The Board places on record its appreciation of the contribution of Mr. Bharat Bhushan Arora during his association with the Company.

### Appointment of Ms. Shallu as the Chief Financial Officer of the Company

Ms. Shallu was appointed as the Chief Financial Officer of the Company w.e.f 01st Day of October, 2019.

## 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 Section 178 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 2019 – 20. The details of the meetings of the Board of Directors of the Company convened during the financial year 2019-2020 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, 2019, 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, 2019 and of profit and Loss of the Company for the financial year ended 31st March, 2019;
- (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

During the year under the review, in the meeting of board of directors of the company held as on 13th November, 2019 and upon further approval received from Ministry of Corporate Affairs of India on 03rd Day of January, 2020, your company Incorporated a **Wholly owned Subsidiary** with the Name and style of **Sirca Industries Limited (CIN: U24290DL2020PLC359767) with 100% (Hundred Percent share) Share holding.**

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.

Wholly owned subsidiary of the Company was dully incorporated on



03rd Day of January, 2020. Since the wholly owned subsidiary was incorporated in the month of January, pursuant to the definition of “Financial year” as defined in the Section 2(41) of the Companies Act, 2013, the financial year of the subsidiary company shall end on 31st Day of March, 2021.

It is thus hereby informed that the Company will provide the Consolidated Financial statement of the Company and the subsidiary company from the next financial year.

## AUDITORS AND AUDITOR'S REPORT

### Secretarial Auditors

The Board of Directors of the Company has appointed **Mr. Karan Khurana, Practicing Company Secretary**, bearing **Membership Number 39746** as the Secretarial Auditor to conduct an audit of secretarial records for the financial year 2019-20.

The Secretarial Audit Report for the financial year ended 31st Day of March, 2020 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 **Membership Number 39746**, as Secretarial Auditors of the Company for FY 2020 – 21. 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, 2021.

### 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, 2020. The Auditors' Report for the financial year ended 31st March, 2020 on the financial statements of the Company is a part of this Annual Report.

### Cost Auditor

The Company has maintained cost records for certain products as specified by the Central Government under sub-section (1) of Section 148 of the Act. **M/s. S S Chug & Co., Cost Accountants (Firm Registration Number 101595)** carried out the cost audit for applicable businesses during the financial year 2019 - 20.

Further, The Board of Directors of the Company, on the recommendations made by the Audit Committee, have appointed **M/s. Govind Singh Bisht & Co., Cost Accountants (Firm Registration Number 002410)** as the Cost Auditor of the Company to conduct the audit of cost records of certain products for the financial year 2020 - 21. **M/s. Govind Singh Bisht & Co.** being eligible, have consented to act as the Cost Auditors of the Company for the FY 2020 - 21.

The remuneration proposed to be paid to the Cost Auditor, subject to ratification by the members of the Company at the ensuing 15th AGM, would not exceed Rs. 60,000 Thousand (Rupees Fifty Thousand only) plus taxes and reimbursement of out of pocket expenses at actual, if any, incurred in connection with the 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 2020- 21.

## 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 “**FCS Foundation, Registered Society, R/o. Plot No. 83, NSEZ, Noida Dadri Road, Phase II, Noida – 201305**”, 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](http://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 2019 -20.

## OTHER STATUTORY DISCLOSURES

### Extract of Annual Return

In terms of provisions of **Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014**, the extracts of Annual Return of the Company in form **MGT-9** is annexed

herewith as **Annexure F** to this report and in terms of the provisions of Section 134(3)(a) of the Act, the same is also available on the website of the Company i.e. [www.sircapaints.com](http://www.sircapaints.com)

### 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](http://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:-

As already informed, your company incorporated a wholly owned subsidiary on 03rd Day of January, 2020. However, pursuant to amended provisions of Companies Act, 2013 (Section 10A), your company didn't transfer the subscription money for the shares subscribed, immediately.

Therefore, no effect of same is

provided in the financials of the company.

#### • 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-G** 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. 40** 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-H** 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](http://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:

#### • A. 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.

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 Plant which was commissioned during the financial year 2019-20. Rooftop solar projects were Installation during the financial year 2019-20. The total installed solar energy capacity in our plants will now be 145 Kw.

##### • **Technology Absorption**

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.

You company has entered into a Technical Knowhow agreement dated **16<sup>th</sup> February, 2018** with SIRCA S.P.A. It will take time for us implementing the same. This agreement was signed for providing even better products to the end user. Your company will only able to provide the detailed disclosure on the said agreement on and after the proper implementation of this agreement.

Since this being a continuous process, continuous up gradation does take place from time to time depending upon products/ process. Any fixed line of action other than above has not been envisaged.

##### • **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 2019-20, 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  
**Sirca Paints India Limited**  
(Formerly Known as Sircolor Wood Coatings Pvt. Ltd.)

Place: New Delhi  
Date: 20<sup>th</sup> August, 2020

**SANJAY AGARWAL**  
DIN: 01302479  
Chairman cum Managing Director

**APOORV AGARWAL**  
DIN: 01302537  
Joint Managing Director

# Annexure B Report on Corporate Governance

## SIRCA PHILOSOPHY ON CORPORATE GOVERNANCE

The end of the year under review saw challenging times for the Company as well as for the world at large due to the impending COVID-19 pandemic. The situation continues to be exceptional and dynamic. The regulators including Ministry of Corporate Affairs (MCA) and the Securities Exchange Board of India (SEBI) promptly announced many relaxations with respect to the compliance requirements for India Inc. to facilitate companies to conduct smooth operations and cope with the challenging times. The Company appreciates and acknowledges the relaxations and dispensations granted by the MCA and SEBI, inter alia, for conduct of Annual General Meeting through electronic mode and dispatch of Annual Report electronically to shareholders who have registered their email addresses. These relaxations are noteworthy and were need of the hour.

Sirca Paints has always adopted a robust governance framework which played a critical role in ensuring that we remain true to our culture and values. The highest standards of corporate governance is the cornerstone of our long term and continued success. It reflects in our business functions and manner with which we support the journey of our stakeholders.

Our undeterred adherence to the ideals of trust, respect, integrity and openness is what holds us steady amid challenging business contexts and landscapes. Our value system made up of integrity, customer passion and creative zeal is the platform that enables ours as well as our stakeholders' successes. The sound governance system and partnerships while and unwavering focus on sustainability and safety is what makes us a truly responsible enterprise.

Sirca Paints not only adheres to the prescribed corporate Governance

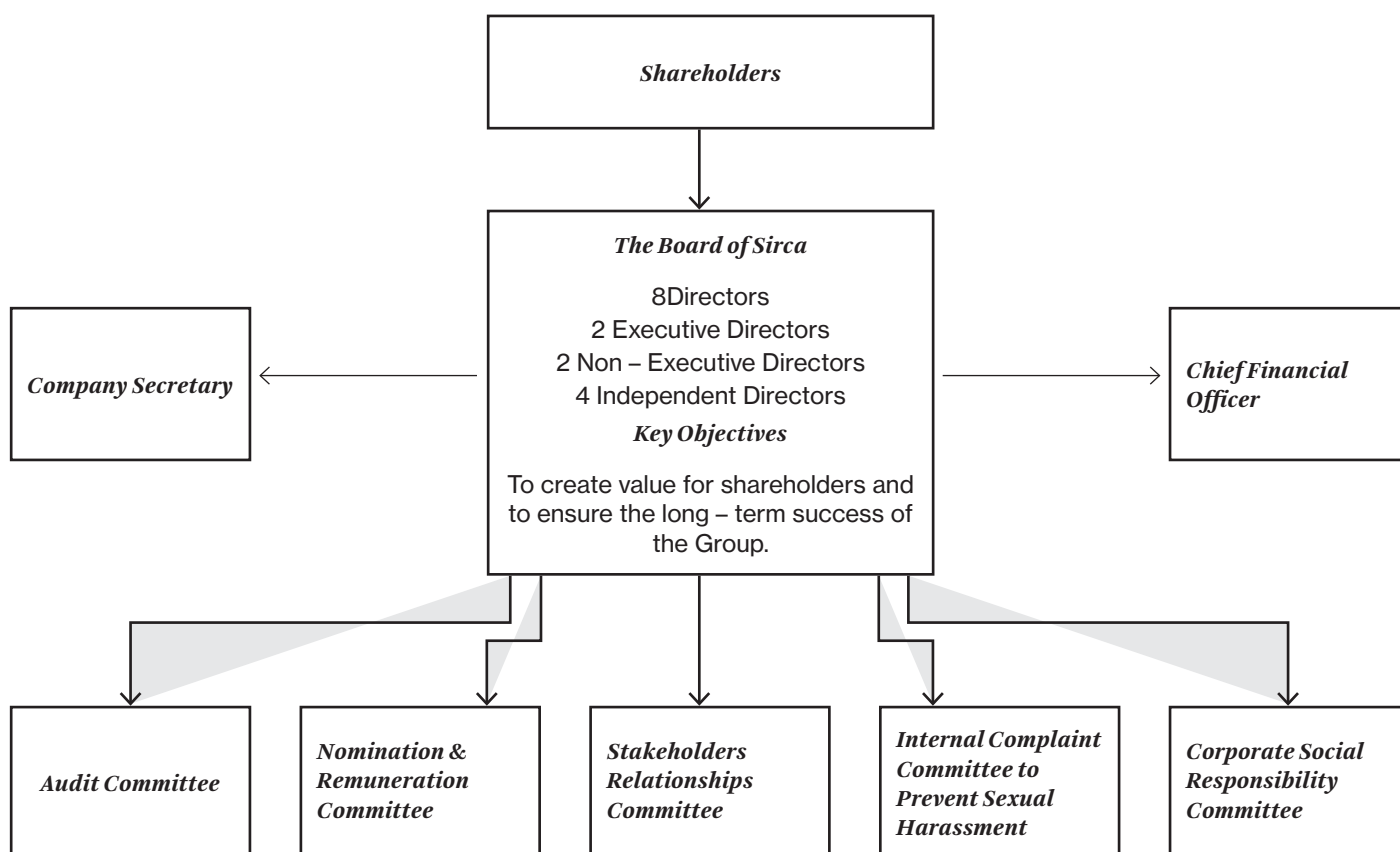
practices as per the Listing Regulations but is also committed to sound corporate governance principles and practices. It constantly strives to adopt emerging best practices being followed worldwide.

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, 4 (Four) are Independent Directors and remaining 1 (One) are non – executive 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 31.03.2020)	Total No. of Committee positions in Mandatory Committees (As on 31.03.2020)		
					Chairman	Member	Total
1.	Mr. Sanjay Agarwal DIN:01302479	Promoter, Executive Director	19/01/2006	1	1	-	2
2.	Mr.Gurjit Singh Bains DIN: 01977032	Promoter, Non Executive Director	19/01/2006	2	-	2	4
3.	Mr. Apoorv Agarwal DIN:01302537	Promoter, Executive Director	19/01/2006	1	-	2	3
4.	Mr. Sanjay Kapoor DIN:06875087	Independent Director	14/12/2017	-	1	2	3
5.	Mrs.Archana Agarwal DIN:08038188	Independent Director	03/01/2018	-	2	2	4
6.	Mr.UgoPelosin 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	-	-	-	-

The attendance of each Director at all meetings of Board of Directors and at the last Annual General Meeting held during the FY 2019 -20:

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
25.05.2019	👤	👤	👤	👤	👤	👤	👤	👤
04.07.2019	👤	👤	👤	👤	👤	👤	👤	👤
12.07.2019	👤	👤	👤	👤	👤	👤	👤	👤
03.08.2019	👤	👤	👤	👤	👤	👤	👤	👤
01.10.2019	👤	👤	👤	👤	👤	👤	👤	👤
13.11.2019	👤	👤	👤	👤	👤	👤	👤	👤
31.01.2020	👤	👤	👤	👤	👤	👤	👤	👤
28.02.2020	👤	👤	👤	👤	👤	👤	👤	👤

Date of Board Meetings	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
25.05.2019	👤	👤	👤	👤	👤	👤	👤	👤

#### Notes

*\* Mr.Anil Kumar Mehrotra and Mrs. Anu Chauhan was appointed as Additional Independent Director of the Company as on 04th Day of July, 2019 and there term of appointment is approved by shareholders on 06th day of September, 2019;*

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	Mrs.Archana Agarwal	-
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 - 1 a 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.

During the financial year 2019-20, a separate meeting of the Independent Directors was held on 17th Day of March, 2020.

The independent directors, inter 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/policies-programs-code>.

### 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	
Statutory Committee					
Audit Committee	<ul style="list-style-type: none"><li>• Appoints the independent auditor and oversees the auditing process;</li><li>• Ensures legal and regulatory compliances including the effective implementation of the code of conduct;</li><li>• Ensures the integrity, accuracy and adequacy of accounting records;</li><li>• Reviews the business contingency planning process within the group.</li></ul>	Name	Category	<ul style="list-style-type: none"><li>• 5 Meeting Held during Financial Year 2019-20 on the following dates:<ul style="list-style-type: none"><li>✓ 29.04.2019;</li><li>✓ 04.07.2019;</li><li>✓ 01.10.2019;</li><li>✓ 04.11.2019,.</li><li>✓ 27.01.2020.</li></ul></li><li>• All the directors were present in all the meetings.</li></ul>	
		Mr. Sanjay Kapoor	Chairman		
		Mrs.Archana Agarwal	Member		
		Mr. Apoorv Agarwal	Member		
Nomination and Remuneration Committee	<ul style="list-style-type: none"><li>• Prepares and recommends governance principles applicable to the group;</li><li>• Keeps abreast of best corporate practices;</li><li>• Evaluate the effectiveness and qualifications of the Board and its committees;</li><li>• Responsible for Director’s succession planning;</li><li>• Develops and recommends to the Board criteria for the selection of Directors and senior management.</li><li>• Details of policy of Nomination and Remuneration committee are given below.</li></ul>	Name	Category	<ul style="list-style-type: none"><li>• 3 Meeting Held during Financial Year 2019-20 on the following dates:<ul style="list-style-type: none"><li>✓ 29.04.2019;</li><li>✓ 04.07.2019;</li><li>✓ 01.10.2019;</li></ul></li><li>• All the directors were present in all the meetings. Except Gurjit Singh Bains took the Leave of Absence on 29.04.2019 Meeting</li></ul>	
		Mrs.Archana Agarwal	Chairman		
		Mr. Sanjay Kapoor	Member		
		Mr.Gurjit Singh Bains	Member		



Name of Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance
Statutory Committee				
Stakeholders Relationship Committee	<ul style="list-style-type: none"><li>Consider and resolve the grievances of security holders.</li><li>Consider and approve issue of share certificates, transfer and transmission of securities, etc.</li><li>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.</li><li>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.</li></ul>	Name	Category	<ul style="list-style-type: none"><li>1 Meeting Held during Financial Year 2019-20 on the following dates: ✓ 12.09.2019;  All the directors were present in the meeting. Except Gurjit Singh Bains took the Leave of Absence on Meeting</li><li>Mr.Chahat Mahajan is the company Secretary and compliance officer of the company.</li><li>No Complaint were received or remained pending against the company, during the financial year 2019-20.</li></ul>
		Mrs.Archana Agarwal	Chairman	
		Mr. Sanjay Kapoor	Member	
		Mr.Gurjit Singh Bains	Members	
Corporate Social Responsibility Committee	<ul style="list-style-type: none"><li>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.</li><li>Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.</li><li>Monitor the CSR Policy.</li><li>Review all other matters as applicable under any provisions, laws, rules and regulations of the Companies Act, 2013.</li></ul>	Name	Category	<ul style="list-style-type: none"><li>02 (Two) Held during Financial Year 2019-20 on the following dates: ✓ 29.04.2019; ✓ 04.07.2019;  No leave of absence was sorted in the meeting.</li></ul>
		Mr. Sanjay Agarwal	Chairman	
		Mr. Apoorv Agarwal	Member	
		Mrs.Archana Agarwal	Member	

Name of Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance	
Statutory Committee					
Sexual Harassment Committee (Internal Control Committee)	<ul style="list-style-type: none"><li>During the Financial Year 2019 – 20, your company formulated the Internal Control Committee (ICC) for prevention of Sexual Harassment at work place;</li></ul>	Name	Category	<ul style="list-style-type: none"><li>During the Financial Year 2019 – 20, the Committee hold one meeting on 03.03.2020;</li><li>No leave of absence was sorted in the meeting.</li><li>No Complaint filed and pending during the Financial year 2019-2020.</li></ul>	
		Seema Aggarwal	Chairman		
		Ayushi Agarwal	Member		
		Chahat Mahajan	Member		
		SapnaVaish	Member (From External Organization)		
	<ul style="list-style-type: none"><li>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”);</li><li>ICC develop a policy against sexual harassment of women in the Company;</li><li>It evolve a permanent mechanism for the prevention and redressal of sexual harassment cases and other acts of gender based violence;</li><li>It ensure implementation of the policy in letter and spirit through proper reporting of the complaints and their follow-up procedures;</li><li>It creates a secure physical and social environment to deter any act of sexual harassment.</li></ul>				



## Remuneration of Directors:

The details of remuneration paid to the Executive and Non-Executive Directors during the financial year 2019-20 are given below:-

					Amount in Rs.
Name of Director	Salary	Allowances & Perquisites	Contribution to PF	Sitting Fee	Total
<b>Category A: Executive Directors</b>					
Mr. Sanjay Agarwal	39,00,000	54,50,000	-	-	93,50,000
Mr. Apoorv Agarwal	18,00,000	22,75,000	-	-	40,75,000
<b>Category B: Non-Executive Independent Directors/ Non-Executive Directors</b>					
Mr. Gurjit Singh Bains	-	-	-	30,000	-
Mr. Sanjay Kapoor	-	-	-	40,000	-
Mrs. Archana Agarwal	-	-	-	35,000	-
Mr. UgoPelosin	-	-	-	5,000	-
Mrs. Anu Chauhan	-	-	-	25,000	-
Mr. Anil Kumar Mehrotra	-	-	-	30,000	-

### 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
26th September, 2017	504, NDM-II, NETAJI SUBHASH PLACE, WAZIRPUR, P] TAMPURA, NCW DCIhi-110034	11:00 A.M	NIL
27thSeptember, 2018	DISTRICT CENTRE, CROSSING OPPOSITE GALAXY TOYOTA, OUTER RING RD, HAIDERPUR, SHALIMAR BAGH, DELHI -110088	11:00 A.M	NIL
06thSeptember, 2019	DISTRICT CENTRE, CROSSING OPPOSITE GALAXY TOYOTA, OUTER RING RD, HAIDERPUR, SHALIMAR BAGH, DELHI -110088	11:00 A.M	NIL

### Extra ordinary General Meeting:

During the financial year 2019–20, no Extra Ordinary General Meeting was held by your company.

### Postal Ballot:

**Proposal to pass special resolution through Postal Ballot:** During the year 2019-20, Board of Directors of the company had proposed to pass the following special resolution through postal ballot, at their duly convened meeting held on May 25th, 2019

Sr. No	Proposed Resolution
1.	Migration of listing / trading of equity shares of the company from nse sme platfrom i.e. emerge to main board of NSE India limited

The Postal Ballot Notice, along with other relevant documents, was sent to all the shareholders on 28thMay, 2019 whose names appear in the register of members/ beneficial owners received from the National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) on **Friday 24<sup>th</sup> May, 2019** (“Cut off date”), seeking their approval as set out in the Postal Ballot Notice.

The Company had engaged the services of **Karvy Fintech Private Limited** for the purpose of providing e-voting facility to all its members.

**The voting through postal ballot and through e-voting was commence during the following period;**

Commencement of remote e-voting	From 9:00 a.m. on Friday, May 31st, 2019
End of remote e-voting	Upto 5:00 p.m. on Monday, July 1st, 2019



The results of the postal ballot was announced on **Tuesday, July 2nd, 2019.**

Mr. Anand Kumar Singh, Practicing Company Secretary (C.P. No. 9404), Partners of M/s Anand Nimesh & Associates, Delhi, who has been appointed as Scrutinizer for conducting the Postal Ballot and e-voting process in a fair & transparent manner.

## 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., Pioneer, Jansatta, Business Standard, 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

<b>Corporate Identity Number (CIN)</b>	L24219DL2006PLC145092
<b>Registered Office</b>	Plot No. 50, Phase-2, Badli, Industrial Area, Delhi – 110042,
<b>Website/Email</b>	<b>Website:</b> <a href="http://www.sircapaints.com">www.sircapaints.com</a> <b>Email:</b> <a href="mailto:info@sircapaints.com">info@sircapaints.com</a>
<b>Date, time and venue of Annual General Meeting</b>	The ensuing AGM of the Company will be held on Friday, 18th September, 2020 at 12:30 P.M through video conferencing or other audio visual means. Notice of the ensuing AGM is separately provided alongwith the Annual Report.
<b>Financial Calendar</b>	April – March
<b>Financial reporting for the quarter ending 30th June, 2020</b>	July-August, 2020
<b>Financial reporting for the quarter ending 30th September, 2020</b>	October-November, 2020
<b>Financial reporting for the quarter ending 31st December, 2020</b>	January-February, 2021
<b>Financial reporting for the year ending 31st March, 2021</b>	April-May, 2021
<b>Annual Result of 2020-21</b>	End May, 2021
<b>Dividend Payment Date</b>	The Board has not recommended any final dividend for the year 2019-20. The Interim Dividends @ Rs. 1.50 per share declared in 28th February, 2020 already paid to the shareholders during the Financial Year 2019-20 be treated as Final Dividend.
<b>Date of Book Closing</b>	Friday, 11th September, 2020 to Friday, 18th September, 2020

<b>Depositories</b>	<b>NSDL</b> <b>Address:</b> Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013 <b>CDSL</b> <b>Address:</b> Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013
<b>International Securities Identification Number (ISIN)</b>	<b>INE792Z01011</b>
<b>Name and address of Stock Exchanges at which the Company's securities are listed:</b>	<p>On 30th May, 2018, company's shares got listed on NSE SME platform and further on 22nd July 2019 migrated on main Board of NSE, :</p> <p>National Stock Exchange of India Ltd.</p> <p>Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051.</p> <p>Tel No: (022) 26598100 – 8114.</p> <p>The Company has paid the requisite Annual Listing Fees to the Stock Exchanges for the financial year 2019-2020.</p>
<b>Stock Codes:</b>	<b>NSE: SIRCA</b> <b>KFin Technologies Pvt. Ltd</b> <b>(Formerly Known as Karvy Fintech Private Limited )</b>
<b>Registrar &amp; Share Transfer Agents (RTA):</b>	<b>Reg: Selenium Building, Tower- B, Plot No. 31 &amp; 32, Financial District, Nanakramguda, serilingampally, Hyderabad, Rangareddy, Telangana, India-500032. Ph: 40-23312454</b>

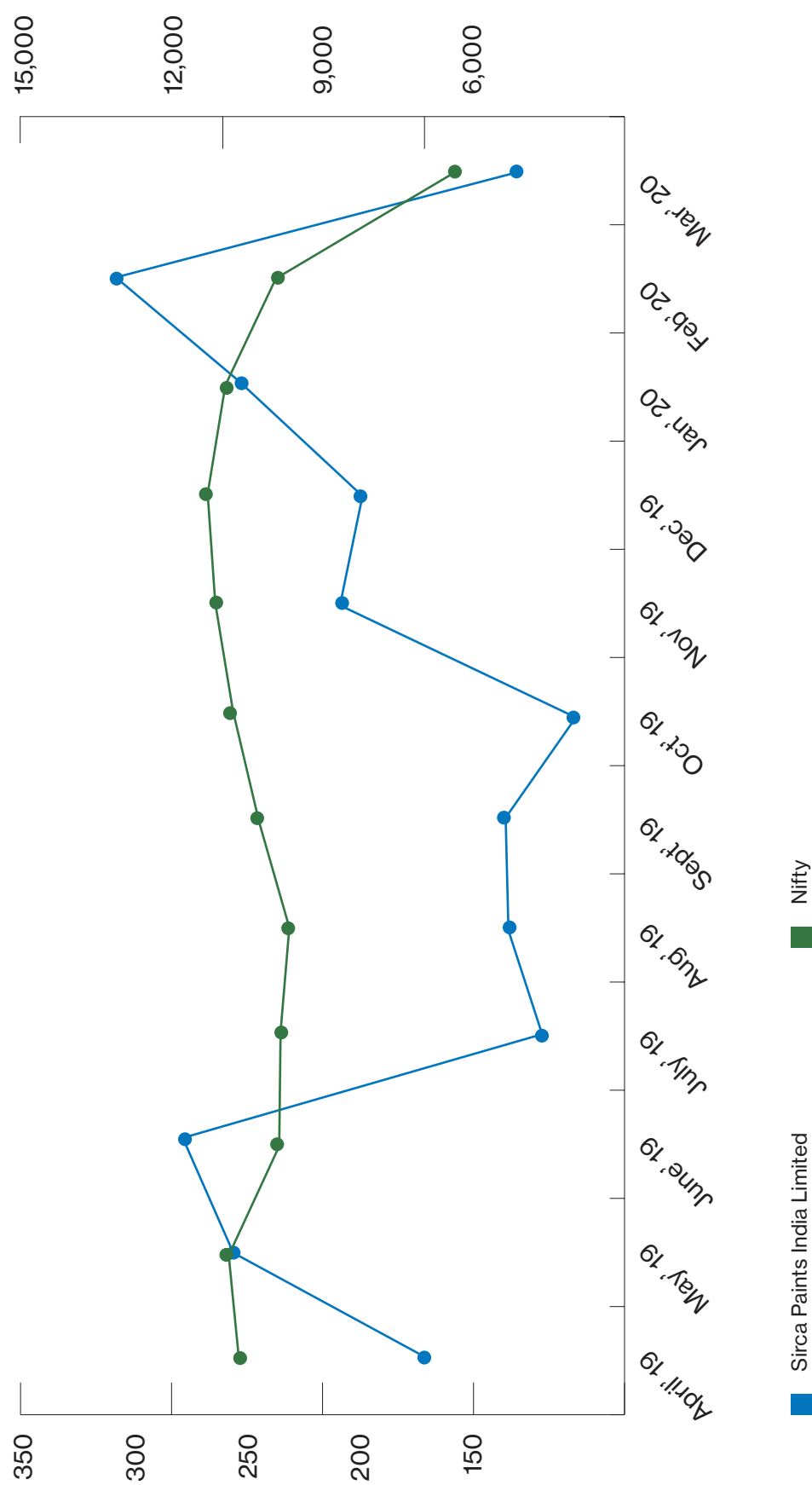
**Market Price Data: Month wise High, Low of the Company's Equity Shares during the financial year 2019-2020 at NSE are given below:**

Month	High	Low
April	250.00	205.00
May	282.30	218.00
June	309.90	270.10
July	307.00	160.95
August	208.85	162.00
September	212.00	182.00
October	196.9	160.15
November	255.00	158.5
December	255.00	227.9
January	299.95	224.05
February	346.00	263.9
March	333.05	157.4

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, 2020:

Range of Share holding Nominal Value	No. of Shareholders	Percentage of Shareholders	Total No. of Shares Held	Total percentage of Shareholding
Up to 5000	1478	70.08	1,29,000	0.47
5001 – 10000	123	5.83	95,272	0.35
10001 – 20000	266	12.61	3,44,428	1.26
20001 – 30000	64	3.03	1,54,920	0.56
30001 – 40000	36	1.71	1,28,038	0.46
40001 – 50000	19	0.90	89,092	0.33
50001 – 100000	52	2.47	3,66,273	1.34
100001 & above	71	3.37	2,60,97,377	95.23
<b>Total</b>	<b>2109</b>	<b>100.00</b>	<b>2,74,04,400</b>	<b>100.00</b>

### Dematerialization of shares and liquidity:

As on 31st March, 2020 Company 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.

### Dividend:

#### Dividend Details

1<sup>st</sup> Final dividend for FY 2018 –19 of Rs.1 Per equity share declared on 06th September, 2019

1<sup>st</sup> Interim Dividend for FY 2019 - 20 of Rs.1.50 Per Equity share declared on 28th February, 2020

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.

Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend 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.



## 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 2019-20:
 

There was no instance during the financial year 2019-20, 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:
 

Fees for audit and related services paid to M/s <b>Rajesh Kukreja &amp; Associates</b>	4,00,000
Other Services	1,90,000
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 2019-20: **Nil**
  - b. Number of complaints disposed of during the financial year 2019-20: **Nil**
  - c. Number of complaints pending as on end of the financial year 2019-20: **Nil**

Particulars	Regulations	Details	Website
Related Party Transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Companies Act, 2013.	<ul style="list-style-type: none"> <li>No material significant transactions that may have potential conflict with the interests of the Company have occurred during the financial year 2019-20.</li> <li>The policy and materiality of related party transactions placed on the website of the Company.</li> </ul>	<a href="https://www.sircapaints.com/policies-programs-code">https://www.sircapaints.com/policies-programs-code</a>
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.	<p>The Company has adopted a Vigil Mechanism and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior.</p> <p>The said policy has been uploaded on the website of the Company.</p>	<a href="https://www.sircapaints.com/policies-programs-code">https://www.sircapaints.com/policies-programs-code</a>
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.	<a href="https://www.sircapaints.com/policies-programs-code">https://www.sircapaints.com/policies-programs-code</a>
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.	<a href="https://www.sircapaints.com/policies-programs-code">https://www.sircapaints.com/policies-programs-code</a>
Accounting Treatment and Compliance with Accounting Standards	Companies (Indian Accounting Standards (IND AS) Rules, 2015 and Indian GAAP under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014	<ul style="list-style-type: none"> <li>The Company has followed and prepared the Financial Statements in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed in India.</li> <li>The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.</li> </ul>	
MD & CFO Certification	Part B of Schedule II of SEBI Listing Regulations	<ul style="list-style-type: none"> <li>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, 2019.</li> <li>The Said Certificate is enclosed with the Annual report and annexed as Annexure-I to the Corporate Governance Report.</li> </ul>	-



Particulars	Regulations	Details	Website
Code of Conduct	Para D of Schedule V of SEBI (LODR) Regulations, 2015.	<ul style="list-style-type: none"> <li>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.</li> <li>o The Code is applicable to the members of Board, the executive officers and all employees of the Company.</li> <li>o Declaration of code of conduct is given as below Table</li> </ul>	<a href="https://www.sircapaints.com/policies-programs-code">https://www.sircapaints.com/policies-programs-code</a>
*Prevention of Insider Trading	SEBI (Prohibition of insider trading) Regulations, 2015.	<ul style="list-style-type: none"> <li>o The board has laid down Code of Conduct for insider trading in Compliance with regulation;</li> <li>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.</li> </ul>	<a href="https://sircapaints.com/wp-content/uploads/2019/05/CODE-OF-PRACTICES-PROCEDURES-FOR-FAIR-DISCLOSURE-OF-UPSI.pdf">https://sircapaints.com/wp-content/uploads/2019/05/CODE-OF-PRACTICES-PROCEDURES-FOR-FAIR-DISCLOSURE-OF-UPSI.pdf</a>

*It is informed to the shareholders that some of these policies, programmes & code are non mandatory for the company however as your company is imminent believer of adhering the compliance and is a law abiding one, we adopted these polices for betterment of the company.*

**Note:**

*\* Vide amendment dated 21st Day of January 2019, SEBI amended Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. With the amended regulation, listed companies were required to update and change their policy on Prevention of Insider Trading and create code for practices and procedure for fair disclosure of Unpublished Price Sensitive Information.*

## 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.

Date: 20th August, 2020  
Place: New Delhi

(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, 2020 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: 29th June, 2020

(Sanjay Agarwal)  
DIN: 01302479  
Chairman cum Managing Director

(Shallu Arora)  
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 on the behalf of **Karan Khurana & Associates**  
*Company Secretaries*

Place: New Delhi  
Date: 20.08.2020

**Karan Khurana**  
(Company Secretary in Practice)  
UDIN: A039746B000586864  
ACS No. 39746  
CP. No. 15397

# Annexure C

## FORM AOC-1

(Pursuant to first proviso 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 Rs.)

1. CIN: U24290DL2020PLC359767
2. Name of the subsidiary: Sirca Industries Limited
3. The date since when subsidiary was acquired: 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: INR
6. Share capital: Rs.10,00,000
7. Reserves and surplus: NIL
8. Total assets: NIL
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

			Rs. In Lakhs
Particulars	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)			
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			

NOT APPLICABLE

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

**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  
**Sirca Paints India Limited**  
(Formerly Known as Sircolor Wood Coatings Pvt. Ltd.)

Place: New Delhi  
Date: 20<sup>th</sup> August, 2020

**SANJAY AGARWAL**  
DIN: 01302479  
Chairman cum Managing Director

**APOORV AGARWAL**  
DIN: 01302537  
Joint Managing Director



# Annexure D

## Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2020

[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

I 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 my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the instant secretarial audit, I hereby report that in my opinion and to the best of my understanding, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2020**, complied with the Secretarial compliance of the statutory provisions listed hereunder and I also of the opinion that the Company has adequate Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31<sup>st</sup> March, 2020 and as shown to me during audit, 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

I 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.

**I 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.

**I 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 in 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.

I 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.

**I further report that**, during the audit period:

- a. The company has migrated from National Stock Exchange (NSE), SME platform to Main Board of NSE on 22.07.2019.
- b. The Company has issued and allotted 91,34,800 bonus equity shares of Rs 10 each on 12.07.2019.
- c. The Company has increased its authorised share capital from 20 crore to 32 crore on 02.07.2019
- d. Two Independent directors have been appointed in the board on 04.07.2019
- e. CFO resignation and appointment on 01.10.2019
- f. The Company has incorporated a wholly owned subsidiary with name of Sicra Industries Limited on 03.01.2020.
- g. 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.

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 on the behalf of **Karan Khurana & Associates**  
*Company Secretaries*

Place: New Delhi  
Date: 20.08.2020

**Karan Khurana**  
(Company Secretary in Practice)  
UDIN: A039746B000586842  
ACS No. 39746  
CP. No. 15397

# Annexure – A

*(To the Secretarial Audit Report of M/s. SIRCA Paints India Limited  
For the Financial Year ended 31.03.2020)*

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

My Secretarial Audit Report for the financial year ended 31.03.2020 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. I 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. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I 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, I 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, I 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 on the behalf of **Karan Khurana & Associates**  
*Company Secretaries*

Place: New Delhi  
Date: 20.08.2020

**Karan Khurana**  
(Company Secretary in Practice)  
UDIN: A039746B000586842  
ACS No. 39746  
CP. 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](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2020** 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.	Archana Agarwal	08038188	03.01.2018
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 on the behalf of **Karan Khurana & Associates**  
*Company Secretaries*

Place: New Delhi  
Date: 20.08.2020

**Karan Khurana**  
(Company Secretary in Practice)  
UDIN: A039746B000586842  
ACS No. 39746  
CP. No. 15397

## Annexure E

# Annual Report on Corporate Social Responsibility (CSR) Activities for the financial year 2019-20

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 Weblink	:	Given separately as a part of this Report.  <a href="http://www.sircapaints.com">www.sircapaints.com</a>
2.	Composition of the CSR Committee	:	1. Mr. Sanjay Agarwal (Chairman) 2. Mr. Apoorv Agarwal (Member) 3. Mrs. Archana Agarwal (Member)
3.	Average net profit of the Company for the three immediately preceding financial years	:	Rs. 27,69,09,955.32 (Rupees Twenty Seven Crores Sixty Nine Lakh Nine Thousand Nine Hundred and Fifty Five only)
4.	Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above)	:	Rs.55,38,199 (Rupees Fifty five lakh Thirty Eight thousand one hundred and ninety nine)
5.	Details of CSR expenditure during the year	:	
	1. Total amount to be spent for the Financial Year	:	Rs.55,38,199 Rs. 97,00,000
	2. Total amount actually spent in Financial year	:	a. For the Financial year 2019 – 20: Rs. 55,50,000 b. Amount remained unspent during the Financial Year 2018-19:Rs. 41,50,000/-
	3. Amount unspent, if any	:	NIL
	4. Manner in which amount spend during the financial year	:	Given separately as a part of this Report.
	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	:	
6.		:	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.

Date: 20th August, 2020

Place: Delhi

**Mr. 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 Swachh 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 socio economic 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.



## 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
	Projects or Programme	
(3)	(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)	<b>Rs.55,50,000 (Rupees Fifty Five Lakhs Fifty Thousand Only)</b>
	Total Amount spent on the project or Programme	
(5)	Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	<b>Rs.55,50,000 (Rupees Fifty Five Lakhs Fifty Thousand Only)</b>
(6)	Total Cumulative expenditure up to the reporting period	During the previous Financial year 2018 – 19, the amount of Rs. 41,49,183, couldn't be spend by the company due to some unforeseen and uncontrollable reasons. However, with the approval of corporate Social Responsibility committee; Company Spent Rs. 41,50,000 for the financial year 2018 – 19 on 25th Day of May, 2019. Further, company during the financial year also spend Rs.55,50,000/- for the CSR Activities.  Total cumulative amount spend during the financial year 2019-20 is Rs. 97,00,000/- (Rupees Ninety Seven Lakh)
(7)	Amount Spent direct or through implementing agency	Through Implementing agency, <b>FCS Foundation, Registered Society, R/o. Plot No. 83, NSEZ, Noida Dadri Road, Phase II, Noida – 201305</b>

# Annexure-F

## FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 read with Rule 12(1) of the Company (Management & Administration) Rules, 2014

#### I. REGISTRATION & OTHER DETAILS:

1.	CIN	L24219DL2006PLC145092
2.	Registration Date	19th January,2006
3.	Name of the Company	SIRCA PAINTS INDIA LIMITED
4.	Category/Sub-Category of the Company	Public (Listed) Company, Company Limited by Shares, Indian Non-Government Company <i>Plot No. 50, Phase-2, Badli, Industrial Area, Delhi - 110042.</i>
5.	Address of the Registered office & Contact Details	Ph: +91 11 42083083 Email: info@sircapaints.com Website: www.sircapaints.com
6.	Whether listed company (Yes/No)	YES
7.	Name, Address & Contact details of Registrar & Transfer Agent, if any	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. Email: einward.ris@kfintech.com, Tel: +91-40-67162222

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company stated as prescribed:

S. No.	Name and Description of main products/services	NIC Code of the product /service	%to total turnover of the company
1	Import & Trading of Paints products	46634	83
2	Manufacturing of Paints	20221	17

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
	SIRCA INDUSTRIES LIMITED				
1.	PLOT NO.50, PHASE-2, BADLI INDUSTRIAL AREA, DELHI North West-110042	U24290DL2020PLC359767	Subsidiary	100	2(87)

#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	62,85,546	-	62,85,546	34.40	94,90,330	-	94,90,330	34.63	0.23
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1) :-</b>	<b>62,85,546</b>	<b>-</b>	<b>62,85,546</b>	<b>34.40</b>	<b>94,90,330</b>	<b>-</b>	<b>94,90,330</b>	<b>34.63</b>	<b>0.23</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	25,77,465	-	25,77,465	14.11	38,66,197	-	38,66,197	14.11	0.00
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	34,36,989	-	34,36,989	18.81	51,55,483	0	51,55,483	18.81	0.00
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(2) :-</b>	<b>60,14,454</b>	<b>-</b>	<b>60,14,454</b>	<b>32.92</b>	<b>90,21,680</b>	<b>-</b>	<b>90,21,680</b>	<b>32.92</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>12300000</b>	<b>0</b>	<b>12300000</b>	<b>67.32</b>	<b>18512010</b>	<b>0</b>	<b>18512010</b>	<b>67.55</b>	<b>0.23</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Alternate Investment Funds	9,72,800	0	9,72,800	5.32	14,41,742	0	14,41,742	5.26	-0.06
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Foreign Portfolio Investors	1,41,600	0	1,41,600	0.78	2,79,059	0	2,79,059	1.02	0.24
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>1114400</b>	<b>0</b>	<b>1114400</b>	<b>6.10</b>	<b>1720801</b>	<b>0</b>	<b>1720801</b>	<b>6.28</b>	<b>0.18</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	8,80,111	0	8,80,111	4.82	6,84,251	0	6,84,251	2.50	-2.32
ii) Overseas	0	7,00,000	7,00,000	3.83	0	10,50,000	10,50,000	3.83	0.00
b) Individuals	-	-	-	-	-	-	-	-	-



## A) Category-wise Share Holding (Contd..)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	8,01,489	0	8,01,489	4.39	11,62,569	2	11,62,571	4.24	-0.14
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	23,16,800	0	23,16,800	12.68	41,52,933	0	41,52,933	15.15	2.47
c) Others-	-	-	-	-	-	-	-	-	-
Clearing Members	800	0	800	0.00	41,563	0	41,563	0.15	0.15
Non Resident Indians	68,800	0	68,800	0.38	59,784	0	59,784	0.22	-0.16
Non Resident Indians (Non Repatriation)	87,200	0	87,200	0.48	20,487	0	20,487	0.07	-0.40
<b>Sub-total (B)(2):-</b>	<b>41,55,200</b>	<b>7,00,000</b>	<b>48,55,200</b>	<b>26.58</b>	<b>61,21,587</b>	<b>10,50,002</b>	<b>71,71,589</b>	<b>26.17</b>	<b>-0.41</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>52,69,600</b>	<b>7,00,000</b>	<b>59,69,600</b>	<b>32.68</b>	<b>78,42,388</b>	<b>10,50,002</b>	<b>88,92,390</b>	<b>32.45</b>	<b>-0.23</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>17569600</b>	<b>700000</b>	<b>18269600</b>	<b>100.00</b>	<b>26354398</b>	<b>1050002</b>	<b>27404400</b>	<b>100.00</b>	<b>0.00</b>

## B) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Sanjay Agarwal	58,79,646	32.18		88,80,480	32.41		0.23
2	Mr. Apoorv Agarwal	3,69,000	2.02		5,53,500	2.02		-
3	Mr. Gurjit Singh Bains	25,77,465	14.11		38,66,197	14.11		-
4	M/S BGB Italia, S.r.L	34,36,989	18.81		51,55,483	18.81		-
5	Mrs. Anita Agarwal	12,300	0.07		18,450	0.07		-
6	Mrs. Ayushi Agarwal	12,300	0.07		19,450	0.07		-
7	Mrs. Srishti Agarwal	12,300	0.07		18,450	0.07		-
<b>Total</b>		<b>1,23,00,000</b>	<b>67.32</b>		<b>1,85,12,010</b>	<b>67.55</b>		<b>0.23</b>

*Note: \* Change in No of Shares of the company as Company Issued Bonus shares during the Year 19-20*

### C) Change in Promoters' Shareholding

Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
Opening Balance	SANJAY AGARWAL	5879646	32.18	30/03/2019			5879,646	32.18
Purchase				26/07/2019	29,39,823	Bonus Shares	88,19,469	32.18
Purchase				27/03/2020	61,011	Buy	88,80,480	32.41
Closing Balance				31/03/2020			88,80,480	32.41
Opening Balance	BGB ITALIA S R L	34,36,989	18.81	30/03/2019			34,36,989	18.81
Purchase				26/07/2019	17,18,494	Bonus Shares	51,55,483	18.81
Closing Balance				31/03/2020			51,55,483	18.81
Opening Balance	GURJIT SINGH BAINS	25,77,465	14.11	30/03/2019			25,77,465	14.11
Purchase				26/07/2019	12,88,732	Bonus Shares	38,66,197	14.11
Closing Balance				31/03/2020			38,66,197	14.11
Opening Balance	APOORV AGARWAL	3,69,000	2.02	30/03/2019			3,69,000	2.02
Purchase				26/07/2019	1,84,500	Bonus Shares	5,53,500	2.02
Closing Balance				31/03/2020			5,53,500	2.02
Opening Balance	SRISHTI AGARWAL	12,300	0.07	30/03/2019			12,300	0.07
Purchase				26/07/2019	6,150	Bonus Shares	18,450	0.07
Closing Balance				31/03/2020			18,450	0.07
Opening Balance	AYUSHI AGARWAL	12,300	0.07	30/03/2019			12,300	0.07
Purchase				26/07/2019	6,150	Bonus Shares	18,450	0.07
Purchase				31/03/2020	1,000	Buy	19,450	0.07
Closing Balance				31/03/2020			19,450	0.07
Opening Balance	ANITA AGARWAL	12,300	0.07	30/03/2019			12,300	0.07
Purchase				26/07/2019	6150	Bonus Shares	18,450	0.07
Closing Balance				31/03/2020			18,450	0.07

*Note: During the Year Company issue and Allot 9134800 Bonus Equity Shares.*

**D) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Type	Name of the Share Holder	Shareholding at the beginning of the Year			Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company	Date			No. of Shares	% of total shares of the company
1.	Opening Balance	MAURYAN FIRST	629600	3.45	30/03/2019		629600	3.45
	Purchase			26/07/2019	314800	Transfer	944400	3.45
	Sale			14/02/2020	-12150	Transfer	932250	3.40
	Sale			21/02/2020	-5308	Transfer	926942	3.38
	Closing Balance			31/03/2020			926942	3.38
2.	Opening Balance	ASHA MUKUL AGRAWAL	566400	3.10	30/03/2019		566400	3.10
	Purchase			26/07/2019	283200	Transfer	849600	3.10
	Closing Balance			31/03/2020			849600	3.10
3.	Opening Balance	GITA KIRTI AMBANI	483200	2.64	30/03/2019		483200	2.64
	Purchase			19/07/2019	7174	Transfer	490374	2.68
	Purchase			26/07/2019	245226	Transfer	735600	2.68
	Purchase			06/12/2019	1350	Transfer	736950	2.69
	Purchase			13/12/2019	9650	Transfer	746600	2.72
	Closing Balance			31/03/2020			746600	2.72
4.	Opening Balance	BHAJEE PORTFOLIO LIMITED	350400	1.92	30/03/2019		350400	1.92
	Purchase			12/04/2019	1600	Transfer	352000	1.93
	Sale			19/04/2019	-800	Transfer	351200	1.92
	Purchase			26/04/2019	4000	Transfer	355200	1.94
	Purchase			03/05/2019	23200	Transfer	378400	2.07
	Sale			03/05/2019	-800	Transfer	377600	2.07
	Sale			10/05/2019	-1600	Transfer	376000	2.06
	Purchase			17/05/2019	800	Transfer	376800	2.06
	Sale			31/05/2019	-9600	Transfer	367200	2.01
	Sale			07/06/2019	-3200	Transfer	364000	1.99
	Sale			14/06/2019	-1600	Transfer	362400	1.98
	Sale			21/06/2019	-8800	Transfer	353600	1.94
	Sale			28/06/2019	-12800	Transfer	340800	1.87
	Sale			05/07/2019	-6400	Transfer	334400	1.83
	Purchase			12/07/2019	800	Transfer	335200	1.83
	Sale			12/07/2019	-800	Transfer	334400	1.83
	Purchase			26/07/2019	167200	Transfer	501600	1.83
	Sale			30/09/2019	-94800	Transfer	406800	1.48
	Sale			29/11/2019	-20010	Transfer	386790	1.41
	Sale			06/12/2019	-1202	Transfer	385588	1.41



**D) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (Contd.)**

Type	Name of the Share Holder	Shareholding at the beginning of the Year			Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company	Date			No. of Shares	% of total shares of the company
Sale				13/12/2019	-4837	Transfer	380751	1.39
Sale				20/12/2019	-12874	Transfer	367877	1.34
Sale				27/12/2019	-10	Transfer	367867	1.34
Sale				10/01/2020	-1118	Transfer	366749	1.34
Sale				17/01/2020	-53	Transfer	366696	1.34
Sale				24/01/2020	-163	Transfer	366533	1.34
Sale				31/01/2020	-53369	Transfer	313164	1.14
Sale				07/02/2020	-21054	Transfer	292110	1.07
Sale				14/02/2020	-26635	Transfer	265475	0.97
Sale				21/02/2020	-2691	Transfer	262784	0.96
Sale				28/02/2020	-1444	Transfer	261340	0.95
Purchase				06/03/2020	1039	Transfer	262379	0.96
Purchase				13/03/2020	676	Transfer	263055	0.96
<b>Closing Balance</b>				<b>31/03/2020</b>			<b>263055</b>	<b>0.96</b>
5. Opening Balance	RELIANCE EQUITY OPPORTUNITIES AIF SCHEME 1	343200	1.88	30/03/2019			343200	1.88
Purchase				26/07/2019	171600	Transfer	514800	1.88
<b>Closing Balance</b>				<b>31/03/2020</b>			<b>514800</b>	<b>1.88</b>
6. Opening Balance	SANJAY KATKAR	199200	1.09	30/03/2019			199200	1.09
Purchase				26/07/2019	99600	Transfer	298800	1.09
Purchase				23/08/2019	167306	Transfer	466106	1.70
<b>Closing Balance</b>				<b>31/03/2020</b>			<b>466106</b>	<b>1.70</b>
7. Opening Balance	NEGEN CAPITAL SERVICES PVT LTD	0	0.00	30/03/2019			0	0.00
Purchase				29/11/2019	139890	Transfer	139890	0.51
<b>Closing Balance</b>				<b>31/03/2020</b>			<b>139890</b>	<b>0.51</b>
8. Opening Balance	ANGEL BROKING LIMITED	132000	0.72	30/03/2019			132000	0.72
Purchase				05/04/2019	800	Transfer	132800	0.73
Purchase				12/04/2019	800	Transfer	133600	0.73
Purchase				31/05/2019	800	Transfer	134400	0.74
Sale				31/05/2019	-800	Transfer	133600	0.73
Sale				07/06/2019	-800	Transfer	132800	0.73
Sale				14/06/2019	-3200	Transfer	129600	0.71
Purchase				21/06/2019	1600	Transfer	131200	0.72

**D) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (Contd..)**

Type	Name of the Share Holder	Shareholding at the beginning of the Year			Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company	Date			No. of Shares	% of total shares of the company
Sale				21/06/2019	-800	Transfer	130400	0.71
Sale				28/06/2019	-1600	Transfer	128800	0.70
Sale				05/07/2019	-5600	Transfer	123200	0.67
Purchase				12/07/2019	800	Transfer	124000	0.68
Sale				19/07/2019	-2400	Transfer	121600	0.67
Purchase				26/07/2019	60976	Transfer	182576	0.67
Purchase				02/08/2019	99	Transfer	182675	0.67
Sale				02/08/2019	-175	Transfer	182500	0.67
Sale				09/08/2019	-8294	Transfer	174206	0.64
Purchase				16/08/2019	300	Transfer	174506	0.64
Purchase				23/08/2019	130	Transfer	174636	0.64
Sale				23/08/2019	-320	Transfer	174316	0.64
Sale				30/08/2019	-4873	Transfer	169443	0.62
Purchase				06/09/2019	3083	Transfer	172526	0.63
Sale				06/09/2019	-3100	Transfer	169426	0.62
Sale				13/09/2019	-3087	Transfer	166339	0.61
Purchase				20/09/2019	6140	Transfer	172479	0.63
Sale				20/09/2019	-5919	Transfer	166560	0.61
Purchase				27/09/2019	155677	Transfer	322237	1.18
Sale				27/09/2019	-166560	Transfer	155677	0.57
Sale				30/09/2019	-4017	Transfer	151660	0.55
Purchase				04/10/2019	885	Transfer	152545	0.56
Sale				04/10/2019	-480	Transfer	152065	0.55
Purchase				11/10/2019	1485	Transfer	153550	0.56
Sale				11/10/2019	-3560	Transfer	149990	0.55
Purchase				18/10/2019	1875	Transfer	151865	0.55
Sale				18/10/2019	-5162	Transfer	146703	0.54
Sale				25/10/2019	-2275	Transfer	144428	0.53
Purchase				01/11/2019	131	Transfer	144559	0.53
Purchase				08/11/2019	49	Transfer	144608	0.53
Sale				08/11/2019	-415	Transfer	144193	0.53
Purchase				15/11/2019	3042	Transfer	147235	0.54
Sale				15/11/2019	-2016	Transfer	145219	0.53
Purchase				22/11/2019	27	Transfer	145246	0.53
Sale				22/11/2019	-4313	Transfer	140933	0.51
Sale				29/11/2019	-52	Transfer	140881	0.51
Sale				06/12/2019	-500	Transfer	140381	0.51
Purchase				13/12/2019	105	Transfer	140486	0.51
Sale				20/12/2019	-105	Transfer	140381	0.51

**D) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (Contd..)**

Type	Name of the Share Holder	Shareholding at the beginning of the Year			Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company	Date			No. of Shares	% of total shares of the company
Purchase				27/12/2019	100	Transfer	140481	0.51
Purchase				31/12/2019	5	Transfer	140486	0.51
Purchase				03/01/2020	140	Transfer	140626	0.51
Sale				03/01/2020	-5	Transfer	140621	0.51
Purchase				10/01/2020	26	Transfer	140647	0.51
Sale				10/01/2020	-140	Transfer	140507	0.51
Sale				17/01/2020	-126	Transfer	140381	0.51
Purchase				24/01/2020	3171	Transfer	143552	0.52
Sale				31/01/2020	-3539	Transfer	140013	0.51
Sale				07/02/2020	-191	Transfer	139822	0.51
Purchase				14/02/2020	162	Transfer	139984	0.51
Sale				14/02/2020	-8000	Transfer	131984	0.48
Purchase				21/02/2020	271	Transfer	132255	0.48
Sale				21/02/2020	-92	Transfer	132163	0.48
Purchase				28/02/2020	2470	Transfer	134633	0.49
Sale				28/02/2020	-3195	Transfer	131438	0.48
Purchase				06/03/2020	14	Transfer	131452	0.48
Sale				06/03/2020	-2535	Transfer	128917	0.47
Purchase				13/03/2020	22	Transfer	128939	0.47
Sale				13/03/2020	-20	Transfer	128919	0.47
Purchase				20/03/2020	119	Transfer	129038	0.47
Sale				20/03/2020	-11	Transfer	129027	0.47
Purchase				27/03/2020	1864	Transfer	130891	0.48
Purchase				31/03/2020	108	Transfer	130999	0.48
Sale				31/03/2020	-1803	Transfer	129196	0.47
<b>Closing Balance</b>				<b>31/03/2020</b>			<b>129196</b>	<b>0.47</b>
9. <b>Opening Balance</b>	<b>KAILASH SAHEBRAO KATKAR</b>	<b>120800</b>	<b>0.66</b>	<b>30/03/2019</b>			<b>120800</b>	<b>0.66</b>
Purchase				17/05/2019	24800	Transfer	145600	0.80
Purchase				26/07/2019	72800	Transfer	218400	0.80
<b>Closing Balance</b>				<b>31/03/2020</b>			<b>218400</b>	<b>0.80</b>
10. <b>Opening Balance</b>	<b>PREMIER INVESTMENT FUND LIMITED</b>	<b>117600</b>	<b>0.64</b>	<b>30/03/2019</b>			<b>117600</b>	<b>0.64</b>
Purchase				26/07/2019	58800	Transfer	176400	0.64
<b>Closing Balance</b>				<b>31/03/2020</b>			<b>176400</b>	<b>0.64</b>



## E) Shareholding of Directors and Key Managerial Personnel:

S.No	Name	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
Director(s)								
1.	Mr. Sanjay Agarwal	58,79,646	32.18	30/03/2019				5879,646
				26/07/2019	29,39,823	Bonus Shares		88,19,469
				27/03/2020	61,011	Buy		88,80,480
				31/03/2020				88,80,480
2.	Mr. Apoorv Agarwal	3,69,000	2.02	30/03/2019				3,69,000
				26/07/2019	1,84,500	Bonus Shares		5,53,500
				31/03/2020				5,53,500
3.	Mr. Gurjit Singh Bains	25,77,465	14.11	30/03/2019				25,77,465
				26/07/2019	12,88,732	Bonus Shares		38,66,197
				31/03/2020				38,66,197
4.	Mrs. Archana Agarwal	-	-	-	-	-		-
	-	-	-	-	-	-		-
		-	-	-	-	-		-
5.	Mr. Sanjay Kapoor	-	-	-	-	-		-
		-	-	-	-	-		-
		-	-	-	-	-		-
6.	Mr. Ugo Pelosin	-	-	-	-	-		-
		-	-	-	-	-		-
		-	-	-	-	-		-
7.	Mr. Anil Kumar Mehrotra	-	-	-	-	-		-
		-	-	-	-	-		-
		-	-	-	-	-		-
8.	Mrs. Anu Chauhan	-	-	-	-	-		-
		-	-	-	-	-		-
Key Managerial Personnel(s)								
1.	Mr. Chahat Mahajan	-	-	-	-	-		-
		-	-	-	-	-		-
		-	-	-	-	-		-
2.	Mr. Bharat Bhushan Arora	-	-	-				-
		-	-	-				-
		-	-	-				-
3.	Ms. Shallu Arora							-
		-	-					-

**Note:** Mr. Bharat Bhushan Arora, resigned from post of the CFO of the company w.e.f. 01st October, 2019 and Ms. Shallu Arora was appointed as CFO of the Company w.e.f. 01st October, 2019

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	21,61,352	-	-	21,61,352
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>21,61,352</b>	<b>-</b>	<b>-</b>	<b>21,61,352</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition				
• Reduction	13,37,506.6	-	-	13,37,506.6
<b>Net Change</b>	<b>13,37,506.6</b>	<b>-</b>	<b>-</b>	<b>13,37,506.6</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	8,23,845.4	-	-	8,23,845.4
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>8,23,845.4</b>	<b>-</b>	<b>-</b>	<b>8,23,845.4</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL FOR FY 2019-20.

### A. Remuneration to Managing Directors, Whole-time Director and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTM/ Manager		Total Amount
		Mr. Sanjay Agarwal	Mr. Apoorv Agarwal	
1	Gross salary	90,00,000	39,00,000	1,29,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	39,00,000	18,00,000	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	51,00,000	21,00,000	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
	Commission			
4	- as % of profit			
	- others, specify...			
5	Others, please specify	3,50,000	1,75,000	5,25,000
	<b>Total (A)</b>	<b>93,50,000</b>	<b>40,75,000</b>	<b>1,34,25,000</b>
	<b>Ceiling as per the Act</b>	<b>Rs. 1,34,25,000 (being 10% of the net profits of the Company for the year ended March 31, 2020 computed as per Section 198 of the Companies Act, 2013.)</b>		

## B. Remuneration to other directors (Including Independent and Non Executive Directors)

S. No.	Particulars of Remuneration	Shareholding at the beginning of the year						Total Amount
		Mr. Gurjit Singh Bains	Mr. Ugo Pelosin	Mrs. Archana Agarwal	Mr. Sanjay Kapoor	Mrs. Anu Chauhan	Mr. Anil Kumar Mehrotra	
1	Non Executive Directors	Non-Executive Director	Non-Executive Director	Independent Director	Independent Director	Independent Director	Independent Director	
	Fee for attending board committee meetings	30,000	5,000	35,000	40,000	25,000	30,000	1,65,000
	Commission							
	Others, please specify							
	Total (B)	30,000	5,000	35,000	40,000	25,000	30,000	1,65,000

## C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTd

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CFO	CFO	CS	
1	Non Executive Directors	Bharat Bhushan Arora (1) (Resigned W.e.f 01.10.2019)	Shallu Arora (2) (Appointed W.e.f 01.10.2019)	Chahat Mahajan (3)	
1	Gross salary:	4,68,000	6,00,000	5,70,000	16,38,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify		10,000	19,000	29,000
	Total	4,68,000	6,10,000	5,89,000	16,67,000

- Ceiling limits and remuneration for above point VI (A) (B) & (C) are for the year 2019-20 and on gross basis of remuneration, not on received basis.



## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES [DURING FY 2019-20]:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			NONE		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NONE		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NONE		
Compounding					

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

Place: New Delhi  
 Date: 20<sup>th</sup> August, 2020

**SANJAY AGARWAL**  
 DIN: 01302479  
 Chairman cum Managing Director

**APOORV AGARWAL**  
 DIN: 01302537  
 Joint Managing Director

# Annexure -G

## 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	25 - May - 2019	N.A
2.	Mr. Chirag Goel (Relative of KMP)	Office Place of Profit (Salary)	12 Months	As per the Agreement	25 - May - 2019	N.A.
3.	Mr. Sanjay Agarwal (Key Managerial Personnel)	Payment of Rent	12 Months	As per the agreement	25 - May - 2019	N.A.
4.	Mr. Gurjit Singh Bains (Key Managerial personnel)	Payment of Rent	12 Months	As per the agreement	25 - May - 2019	N.A.

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

Place: New Delhi  
 Date: 29<sup>th</sup> June, 2020

**SANJAY AGARWAL**  
 DIN: 01302479  
 Chairman cum Managing Director

**APOORV AGARWAL**  
 DIN: 01302537  
 Joint Managing Director

# Annexure-H

## 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 2019-20. The percentage increase in remuneration of Managing Directors, Chief Financial Officer and Company Secretary during the financial year 2019-20 are 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 2019-20
Sanjay Agarwal	Managing Director	31.25	25
Apoorv Agarwal	Joint Managing Director	13.54	30
*Shallu	Chief Financial Officer	Not Applicable	Not Applicable
Chahat Mahajan	Company Secretary	Not Applicable	42.86

**\*Note: Ms. Shallu was appointed over the post of Chief Financial Officer of the Company in the meeting of Board of Directors of the Company duly held as on 01.10.2019.**

- (ii) The median remuneration of employees of the Company during the financial year 2019-20 was **24,000** on the basis of monthly remuneration of all employees except the executive directors of the company and there was a decrease of **-20%** in the median remuneration of the total Employees.

**(iii) The number of permanent employees on the rolls of the company during the financial year 2019-20: 327**

**(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 71.90% other than the managerial personnel. Increase in the Managerial remuneration for the year was 28.27%.

**(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:

- Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rs. 102,00,000/-; **Not Applicable.**
- 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 Rs. 8,50,000/-; **Not Applicable.**
- 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	24,00,000	On Roll	MBA	10/01/2014	TSI Yatra	NA	
2.	Harpreet Bagga	21,60,000	On Roll	M.Com	01/04/2016	-	NA	
3.	Partasarathy K V	21,00,000	On Roll	Graduate	02/01/2019	Woodover	NA	
4.	Chirag Goel	17,40,000	On Roll	Graduate	01/05/2018	-	NA	Son in law of Mr Sanjay Agarwal (Promoter)
5.	Deepak Ahuja	13,20,000	On Roll	Senior Secondary	02/04/2012	Kapci Coatings India Pvt Ltd	NA	
6.	Dharamvir Tuli	13,20,000	On Roll	Graduate	13/09/2018	Asian Paints Ltd	NA	
7.	Subhash Chand	12,65,000	On Roll	Graduate	02/05/2019	Glaxci Paints Pvt Ltd	NA	
8.	Inder Pal Khurana	9,60,000	On Roll	Senior Secondary	01/05/2017	ICA Pidilite	NA	
9.	Rishi Puri	6,42,338	On Roll	Graduate	10/07/2019	Asian Paints	NA	
10.	Sunny Bhardwaj	2,26,200	On Roll	Graduate	18/02/2020	Icrotone Pvt Ltd	NA	

*Note: Above mentioned particulars of Employees are on the basis of their last drawn monthly gross remuneration of FY 2019-20 for easy and fair calculations.*

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

Place: New Delhi  
 Date: 20<sup>th</sup> August, 2020

**SANJAY AGARWAL**  
 DIN: 01302479  
 Chairman cum Managing Director

**APOORV AGARWAL**  
 DIN: 01302537  
 Joint Managing Director

# Business Responsibility Report (BRR)

## INTRODUCTION

Sirca Paint is committed to manage its operations including deployment of resources using principles of sustainable development of resources using principles of sustainable development to minimize impact on environment and protect health & safety of its employees, service providers, neighbouring communities and customers.

The Company's approach to sustainable development is incorporated into its business strategy. An integral part of that 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	<a href="https://sircapaints.com/">https://sircapaints.com/</a>
5	E-mail ID	cs@sircapaints.com
6	Financial Year Reported	01st April, 2019 to 31st Day of March, 2020

### 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 (as in balance sheet): Paints

Please refer to Company's website (<https://sircapaints.com/>) for complete list of products.

### 9. Total number of locations where business activity is undertaken by the Company:

- I. Number of International Locations: Nil (on a standalone basis);
- II. Number of national locations-

Paint Manufacturing Facilities	2
Research & Technology Centre and Test sites	1
Depot/Branch offices:	15
Distribution/ CSA centres	16

### 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	13505.25
3.	Total profit after taxes	2515.75
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 2019 – 20 is Rs.55,38,199	
	(Rupees Fifty five lakh Thirty Eight thousand one hundred and ninety nine) Crores which is 2.20 % of PAT	

### 5. Some of the areas for which expenditure in 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, 2020 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 Directors of the Company

##### b. Details of BR Head:

- Name: Apoorv Agarwal
- Designation: Joint Managing Director
- Tel. No: 011-42083083
- E-mail ID: Apoorv@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



2. Principle-wise [as per National Voluntary Guidelines (NVGs)] BR Policy/Policies (Reply in Y/N) (Contd..)

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	
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 formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from 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 authorises 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.

2. Principle-wise [as per National Voluntary Guidelines (NVGs)] BR Policy/Policies (Reply in Y/N) (Contd..)

Principles	Applicable Policies	Link for policies
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Code of Conduct	<a href="https://sircapaints.com/policies/">https://sircapaints.com/policies/</a>
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Environment, Health and Safety Policy.	<a href="https://sircapaints.com/policies/">https://sircapaints.com/policies/</a>
Principle 3: Businesses should promote the well-being of all employees	Code of Conduct & Internal HR Policies for Employees	<a href="https://sircapaints.com/policies/">https://sircapaints.com/policies/</a>
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.	<a href="https://sircapaints.com/policies/">https://sircapaints.com/policies/</a>
Principle 5: Businesses should respect and promote human rights	Code of Conduct.	<a href="https://sircapaints.com/policies/">https://sircapaints.com/policies/</a>
Principle 6: Businesses should respect, protect, and make efforts to restore the environment	Environment, Health and Safety Policy.	<a href="https://sircapaints.com/policies/">https://sircapaints.com/policies/</a>
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	<a href="https://sircapaints.com/policies/">https://sircapaints.com/policies/</a>
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner	Customer Policy	<a href="https://sircapaints.com/policies/">https://sircapaints.com/policies/</a>

2a. If answer to Sr. No. 1 against any principle is 'No', please explain why:

Sr. No	Question(s)	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/programmes/ 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 the first time, 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 committing to adhere to compliance, disclosure, responsible and ethical business conduct. Our sustainability approach is based on the principles of transparency and accountability. Across the organisation, we strive to ensure 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, 2020.

## 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 state-of-the-art 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 adhesives 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 important furniture companies. Standing out for their quality, level of customisation and durability, Sirca paints are manufactured alongside resins for a variety of industries including the fashion segment. Water proofing solution 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.

Thanks to a growing passion for "do-it-yourself" and increasing 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 form any 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

The safety and well-being of the Company's employees is paramount and non-negotiable. The Company follows industry accredited best practices on health & safety across our operations, and conduct all our processes in a responsible manner to safeguard our employees. The Company has a long standing practice of developing talent from within. Much of this can be attributed to living and espousing our values, employee-friendly policies and practices and nurturing a culture of shared vision and commitment.

S. No	Category of Employees	Number of Employee
1	<b>Total no of Employees</b>	327
	Women Employee	19
	Disable employees	0
	Temporary employees	9

The Company's policy prohibits engaging of any child labour 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).

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-joiner 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 programmes 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 labour 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.

## 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 India 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

- **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.
- **Induction Training for Employees:** Induction plays an important role in the employee's life and this training will show the company policies and procedures, current scenario and strategy about the organisation. Adjustment in the new role will be take care by Induction Training.

#### b) COMMENDATIONS PROGRAMS

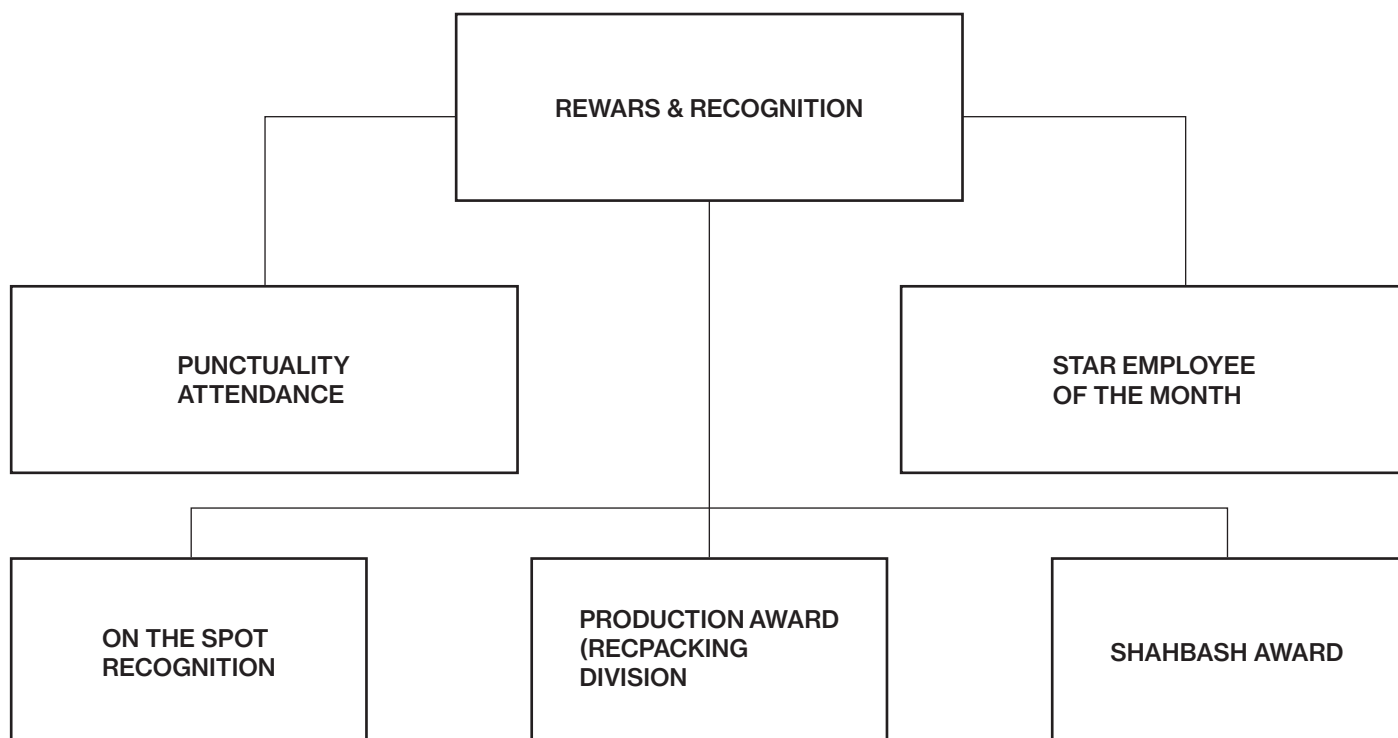
- **Technical Training Programs for Marketing Team:** This program is designed for the overall strategy and objectives of the business. Organisation's Technical Person will guide the new entrant with the Product Technical Specifications.
- **Appreciation Tree Concept for Marketing Team:** This initiative 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 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 to be organised. The best way to resolve the issues or some measure methods to be taken in their location.

#### c) HEALTH & SAFETY PROGRAMS

- **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.
- **Camps for Blue & White Collar Employees:** Health Camps Initiatives helps the employee to stay live longer and healthier life. Regular health exam of employees can find the problem before they start.
- **Fire Safety Programs for Blue Collar:** Fire Safety program is to provide the guidance to employees for the safe work in office/plants/depot. The Program is for the employee who may come in contact with hazardous chemical on the floor. Now this program will have the extended towards the Managerial Staff of the Offices.
- **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) MATERNITY BENEFITS FOR WOMEN EMPLOYEE

- **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.

#### 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.
- **Cultural Activities for Children:** To develop the moral in the Children, the organisation is organising several cultural activities for them because Culture teaches about the beliefs and it also give the chance to develop the life such as confidence, self-discipline, effective communication and ability to work in teams.
- **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 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](mailto: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 upgrade 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”, that is putting environmental respect at the centre of our work. This way of working translates into a careful selection of raw materials, the reduction of energy consumption, the 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 important furniture companies. Standing out for their quality, level of customisation and durability, Sirca paints are manufactured alongside resins for a variety of industries including the fashion segment.

We follow the classical '3R' strategy of Reduce, Reuse and Recycle for 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. Asian 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 paint manufacturer and home improvement service provider to enhance livelihoods of underserved communities through vocational trainings and skill development.

An amount of **Rs.55,50,000** (Rupees Fifty five lakh fifty thousand) was spent towards various CSR projects during the financial year 2019-20.

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 including setting up of Customer Centricity Function, 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 solution 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

designed 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 in more than 60 countries.

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 <https://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, 2020, 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 the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and profit and 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. The liability recognized for such discounts and incentives for the year ending 31st March, 2020 is Rs.1001.30 Lakhs. 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.

c) Capital work-in-progress/Property Plant and Equipment (PPE) - (Refer note 2.6 & note 5 of the Standalone Financial Statements)

The key audit matters	How the matter was addressed in our report
The Company had embarked on the project of setting up manufacturing plants in Nathupur, Haryana. Value of Nathupur plant capitalized during the year is Rs 2413 Lakhs. The projects need to be capitalized and depreciated once the assets are ready for use as intended by the management. Inappropriate timing of capitalization of the project and/or inappropriate classification of categories of items of PPE could result in material misstatement of Capital work-in-progress/ PPE with a consequent impact on depreciation charge and results for the year.	Our audit procedures included testing the design, implementation and operating effectiveness of controls in respect of review of capital work in progress, particularly in respect of timing of the capitalization and recording of additions to items of various categories of PPE with source documentation, substantive testing of appropriateness of the cut-off date considered for project capitalization. We tested the source documentation to determine whether the expenditure is of capital nature and has been appropriately approved and segregated into appropriate categories and classified under appropriate category of PPE. We reviewed operating expenses to determine appropriateness of accounting. Further, through sites visits, we physically verified existence of capital work in progress/PPE.

**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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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.
    - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.
  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  
New Delhi, June 29, 2020  
(Membership No.083496)  
UDIN: 20083496AAAAAT3150



# Annexure A

*TO THE INDEPENDENT AUDITOR'S REPORT on the standalone financial statements of Sirca Paints India Limited for the year ended 31st March, 2020*

(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, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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 2020, 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").

### 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.

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

**Rajesh Kukreja**  
Proprietor  
New Delhi, June 29, 2020  
(Membership No.083496)  
UDIN: 20083496AAAAAT3150

# Annexure B

**TO THE INDEPENDENT AUDITOR'S REPORT on the standalone financial statements of Sirca Paints India Limited for the year ended 31st March, 2020**

(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. According 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 2020 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  
New Delhi, June 29, 2020  
(Membership No.083496)  
UDIN: 20083496AAAAAT3150



# Standalone Balance Sheet

as at year ended March 31, 2020

Rs. In Lakhs

Particulars	Note	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment	3	4,530.18	2,507.35	2,000.12
(b) Intangible assets	4	500.65	10.41	-
(c) Capital work in progress	5	-	378.23	-
(d) Intangible asset under development	6	-	491.85	-
(e) Financial assets				
(i) Loans	7	10.55	6.24	1.93
(ii) Other financial assets	8	-	-	415.00
(f) Other non-current assets	9	147.92	147.92	214.19
(g) Deferred tax asset	10	94.64	132.69	26.07
		<b>5,283.94</b>	<b>3,674.69</b>	<b>2,657.32</b>
<b>(2) Current assets</b>				
(a) Inventories	11	5,144.50	2,677.45	1,485.22
(b) Financial assets				
(i) Trade receivables	12	4,559.10	3,970.92	3,353.50
(ii) Cash and cash equivalents	13	458.56	1,579.68	637.65
(iii) Other bank balances	14	4,526.99	6,574.00	412.49
(iv) Other financial assets	15	155.61	374.34	35.84
(c) Current Tax Assets (net)	16	163.72	-	-
(d) Other current assets	17	405.23	228.34	62.70
		<b>15,413.70</b>	<b>15,404.72</b>	<b>5,987.39</b>
(3) Non Current assets classified as held for sale	18	284.68	-	-
<b>TOTAL ASSETS</b>		<b>20,982.33</b>	<b>19,079.41</b>	<b>8,644.71</b>
<b>EQUITY AND LIABILITIES</b>				
<b>(1) EQUITY</b>				
(a) Share Capital	19	2,740.44	1,826.96	1,340.00
(b) Other equity	20	15,725.10	14,957.76	5,391.41
		<b>18,465.54</b>	<b>16,784.72</b>	<b>6,731.41</b>
<b>(2) LIABILITIES</b>				
<b>(A) Non-current liabilities</b>				
(a) Financial liabilities - Long term borrowings	21	-	8.24	21.61
(b) Long term provision	22	18.04	40.75	41.72
		<b>18.04</b>	<b>48.99</b>	<b>63.33</b>
<b>(B) Current liabilities</b>				
(a) Financial liabilities				
(i) Trade payables	23	2,029.75	1,702.03	693.67
(ii) Short term borrowings	24	-	-	463.37
(iii) Other financial liability	25	300.13	226.27	299.02
(b) Other current liability	26	168.86	204.86	182.52
(c) Current tax liability (Net)	27	-	112.53	211.39
		<b>2,498.75</b>	<b>2,245.70</b>	<b>1,849.97</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,982.33</b>	<b>19,079.41</b>	<b>8,644.71</b>

The accompanying notes are integral part of the Financial Statements as per our report of even date attached

For and on behalf of Board of Directors  
Sirca Paints India Limited

**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 : June 29, 2020

**Shallu**  
Chief Financial Officer  
PAN: DCDPS8801K  
Date : June 29, 2020

**Chahat Mahajan**  
Company Secretary  
PAN: BJDPM4121K

# Standalone Statement of Profit and loss

for the year ended March 31, 2020

Rs. In Lakhs

Particulars	Note	April'19 to March'20	April'18 to March'19
I Revenue from operations	28	13,505.25	11,617.15
II Other Income	29	561.34	617.87
<b>III Total Revenue (I + II)</b>		<b>14,066.59</b>	<b>12,235.02</b>
<b>IV EXPENSES</b>			
(a) Cost of Material Consumed	30	713.30	-
(b) Purchase of traded goods	31	8,466.73	7,960.48
(c) Changes in stock of traded goods	32	(2,099.14)	(1,192.23)
(d) Employee benefit expenses	33	1,385.70	888.68
(e) Finance costs	34	8.90	11.64
(f) Depreciation and amortization expenses	35	239.95	93.47
(g) Impairment of non-current assets	36	72.67	-
(h) Other expenses	37	1,860.00	774.20
<b>Total Expenses (IV)</b>		<b>10,648.10</b>	<b>8,536.24</b>
<b>V Profit before tax (III - IV)</b>		<b>3,418.49</b>	<b>3,698.77</b>
<b>VI Tax Expense</b>	<b>38</b>		
(a) Current tax		901.46	1,082.48
(b) Taxation for earlier years		-	24.87
(c) Deferred tax		1.28	1.56
<b>Total tax expense</b>		<b>902.74</b>	<b>1,108.91</b>
<b>VII Profit after tax (V-VI)</b>		<b>2,515.75</b>	<b>2,589.86</b>
<b>VIII Other Comprehensive Income</b>			
(a) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		1.70	1.25
(b) Items that will be reclassified to profit or loss		-	-
		1.70	1.25
<b>IX Total Comprehensive Income for the year (VII+VIII)</b>		<b>2,517.45</b>	<b>2,591.11</b>
<b>X Earnings per equity share</b>			
Basic / Diluted	39	9.18	9.45

The accompanying notes are integral part of the Financial Statements as per our report of even date attached

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Date : June 29, 2020

**Shallu**  
Chief Financial Officer  
PAN: DCDPS8801K  
Date : June 29, 2020

**Chahat Mahajan**  
Company Secretary  
PAN: BJDPM4121K

# Cash Flow Statement

for the year ended March 31, 2020

Rs. In Lakhs

	April-March 2020	April-March 2019
<b>A. Cash Flow from Operating activities:</b>		
Profit before taxes	3,418.49	3,698.77
Adjustments for:		
Depreciation and amortization expenses	239.95	93.47
Impairment of non-current assets	72.67	-
Gain on fair valuation of forwards contracts	-	(5.33)
Profit on sale of assets	(65.32)	(1.18)
Finance Income	(363.63)	(405.81)
Finance expenses	8.90	11.64
Other non cash items	1.70	1.25
Operating profit before working capital changes	3,312.75	3,392.81
Adjustments for:		
Trade receivables	(588.18)	(617.42)
Financial assets and other current/non-current asset	(207.91)	(128.76)
Inventories	(2,467.06)	(1,192.23)
Trade payables	327.72	1,008.36
Financial liabilities and other current/non-current liabilities	20.29	(49.58)
Cash generated from operations	397.61	2,413.19
Direct tax paid ( net of refunds)	(1,153.91)	(1,179.16)
<b>Net Cash from Operating Activities.....A</b>	<b>(756.30)</b>	<b>1,234.03</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of fixed assets	(2,260.76)	(1,483.26)
Sale of fixed assets	85.78	3.25
Movement in fixed deposits with banks	2,047.01	(5,746.51)
Interest received	609.08	97.72
<b>Net cash used in Investing Activities ..... B</b>	<b>481.12</b>	<b>(7,128.80)</b>
<b>C. Cash Flow from Financing activities:</b>		
Proceeds from issue of equity shares (Net of transaction cost)	-	7,326.97
Net Proceeds/(Repayment) of borrowings	(13.38)	(478.54)
Interest and other finance costs paid	(8.90)	(11.64)
Dividend Paid (Including Dividend distribution tax)	(823.67)	-
<b>Net Cash used in Financing Activities ..... C</b>	<b>(845.94)</b>	<b>6,836.80</b>
<b>Net increase or (decrease) in cash or cash equivalents ( A+B+C)</b>	<b>(1,121.12)</b>	<b>942.03</b>
<b>Cash &amp; Cash equivalents as at 1st April</b>	<b>1,579.68</b>	<b>637.65</b>
<b>Cash &amp; Cash equivalents as at 31st March</b>	<b>458.56</b>	<b>1,579.68</b>

The accompanying notes are integral part of the Financial Statements as per our report of even date attached

For and on behalf of Board of Directors  
Sirca Paints India Limited

**Rajesh Kukreja & Associates**  
Chartered Accountants

**Rajesh Kukreja**  
(Proprietor.)  
Membership No.-083496  
Place:-New Delhi  
Date : June 29, 2020

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Chief Financial Officer  
PAN: DCDPS8801K  
Date : June 29, 2020

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Joint Managing Director  
DIN: 01302537

**Chahat Mahajan**  
Company Secretary  
PAN: BJDPM4121K

# Statement of Change in Equity

for the year ended March 31, 2020

## A EQUITY SHARE CAPITAL

	Rs. In Lakhs
	Amount
Balance as at April 01, 2018	1,340.00
Add: Proceeds from share issued during the year	486.96
<b>Balance as at March 31, 2019</b>	<b>1,826.96</b>
Add: Bonus share issued during the year	913.48
<b>Balance as at March 31, 2020</b>	<b>2,740.44</b>

## B OTHER EQUITY

				Rs. In Lakhs
	Security premium reserve	Retained Earnings	Other Comprehensive Income	Total
Opening balance as at 01.04.2018	1,411.00	3,980.41	-	5,391.41
Add: Equity shares issued during the year	7,304.40	-	-	7,304.40
Add: Profit for the year	-	2,589.86	-	2,589.86
Add: Remeasurement gain/loss	-	-	1.25	1.25
Less: Equity share issue cost (Net of taxes)	(329.16)	-	-	(329.16)
Closing balance as at 31.03.2019	8,386.24	6,570.27	1.25	14,957.76
Add: Profit for the year	-	2,515.75	-	2,515.75
Add: Remeasurement gain/loss	-	-	1.70	1.70
Less: Issue of bonus share	-	(913.48)	-	(913.48)
Less: Dividend paid by the Company	-	(682.82)	-	(682.82)
Less: Dividend distribution tax	-	(140.85)	-	(140.85)
Less: Deferred taxes on Equity share issue cost	(12.97)	-	-	(12.97)
Closing balance as at 31.03.2020	8,373.28	7,348.87	2.95	15,725.10

The accompanying notes are integral part of the Financial Statements as per our report of even date attached

For and on behalf of Board of Directors  
**Sirca Paints India Limited**

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Chief Financial Officer  
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Company Secretary  
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## 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, polyester, Wallpapers, 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, 2020 were approved for issue in accordance with the resolution of the Board of Directors on June 29, 2020.

#### (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.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19): The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of COVID-19. Due to this the operations in many of SIRCA's manufacturing, distribution centres, warehouses and extended supply chain partner locations got temporarily disrupted. As per the guidelines of Home Ministry SIRCA has restarted its sales from 1st week of May, 2020. In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength

of partners, investment profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic condition.

## 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 liability

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.

# Notes to Financial Statement

for the year ended March 31, 2020

## NOTE - 3: PROPERTY, PLANT AND EQUIPMENT

		Gross Block				Accumulated Depreciation and Impairment							Net Block		
S. No	Particulars	Useful Life	Depreciation rate	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			1,759.32	13.52	-	206.63	1,566.21	-	-	-	46.54	46.54	-	1,566.21
	Previous Year			1,527.31	232.01	-	-	1,759.32	-	-	-	-	-	-	1,759.32
2	Building	30	9.50%												
	Current Year			579.88	1,281.14	36.92	170.97	1,653.13	18.06	82.44	17.24	26.13	46.39	163.01	1,490.11
	Previous Year			370.52	209.35	-	-	579.88	86.89	31.17	-	-	-	118.06	461.81
3	Plant & Machinery	15	18.10%												
	Current Year			164.93	964.59	-	-	1,129.52	57.81	64.76	-	-	-	122.57	1,006.95
	Previous Year			117.01	47.92	-	-	164.93	40.46	17.35	-	-	-	57.81	107.12
4	Office Equipments	10	25.89%												
	Current Year			15.61	95.16	0.76	-	110.01	7.99	13.14	-	-	-	21.13	88.89
	Previous Year			10.37	5.24	-	-	15.61	4.94	3.04	-	-	-	7.99	7.62
5	Furniture & Fixture	10	25.89%												
	Current Year			144.68	98.05	-	-	242.72	36.51	36.28	-	-	-	72.80	169.93
	Previous Year			52.65	92.03	-	-	144.68	24.26	12.25	-	-	-	36.51	108.16
6	Electrical Installation	10	25.89%												
	Current Year			14.42	164.18	0.03	-	178.57	5.09	16.01	-	-	-	21.10	157.47
	Previous Year			13.44	0.98	-	-	14.42	2.04	3.05	-	-	-	5.09	9.33
7	Vehicles	8	31.23%												
	Current Year			153.52	3.83	-	-	157.35	104.21	14.02	-	-	-	118.23	39.12
	Previous Year			169.89	7.94	24.31	-	153.52	104.88	21.58	22.24	-	-	104.21	49.31
8	Computer	3	63.16%												
	Current Year			24.60	13.43	-	-	38.03	19.94	6.58	-	-	-	26.53	11.50
	Previous Year			19.03	5.58	-	-	24.60	16.63	3.31	-	-	-	19.94	4.66
	TOTAL (Current 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
	TOTAL (Previous year)			2,280.22	601.05	24.31	-	2,856.97	280.10	91.76	22.24	-	-	349.62	2,507.35

# Notes to financial statement

for the year ended March 31, 2020

## NOTE - 4: INTANGIBLE ASSETS

S. No	Particulars	Gross Block					Accumulated Depreciation and Impairment					Net Block		
		Useful Life	Depreciation rate	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
1	Technical Know How	NA	NA											
	Current Year			-	491.85	-	-	491.85	-	-	-	-	-	491.85
	Previous Year			-	-	-	-	-	-	-	-	-	-	-
2	Software	3	63.16%											
	Current Year			12.13	5.10	-	-	17.22	1.72	6.70	-	-	-	8.80
	Previous Year			-	12.13	-	-	12.13	-	1.72	-	-	-	10.41
	TOTAL (Current year)			12.13	496.95	-	-	509.07	1.72	6.70	-	-	-	500.65
	TOTAL (Previous year)			-	12.13	-	-	12.13	-	1.72	-	-	-	10.41



**NOTE - 5: CAPITAL WORK IN PROGRESS**

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Building in Nathupur	-	378.23	-
<b>Total</b>	<b>-</b>	<b>378.23</b>	<b>-</b>

**NOTE - 6: INTANGIBLE ASSET UNDER DEVELOPMENT**

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Technical Know How	-	491.85	-
<b>Total</b>	<b>-</b>	<b>491.85</b>	<b>-</b>

- (i) Technical Know How has been obtained from SIRCA S.P.A. ITALY and was capitalized during the year ended March 31, 2020.

**NOTE - 7: LOANS**

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Security deposit			
Unsecured, considered good	10.55	6.24	1.93
<b>Total</b>	<b>10.55</b>	<b>6.24</b>	<b>1.93</b>

**NOTE - 8: OTHER FINANCIAL ASSETS**

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Fixed deposits held with bank (Earmarked)	-	-	415.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>415.00</b>

- (i) Fixed deposits held with bank (Earmarked) are the one that are not due for realisation within 12 months from the balance sheet date. These are primarily placed as security with banks for credit facilities.

**NOTE - 9: OTHER NON-CURRENT ASSETS**

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Capital advances			
Unsecured, considered good	147.92	147.92	214.19
<b>Total</b>	<b>147.92</b>	<b>147.92</b>	<b>214.19</b>

**NOTE - 10: DEFERRED TAX ASSET**

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Property, Plant & Equipment and intangible assets	18.60	12.64	10.35
Equity share issuance cost	71.41	108.18	-
Unabsorbed business losses	-	-	3.69
Gratuity Liability	4.62	11.87	12.03
<b>Total</b>	<b>94.64</b>	<b>132.69</b>	<b>26.07</b>

## NOTE - 10: DEFERRED TAX ASSET (CONTD..)

Reconciliation of movement in deferred tax balances with the amount recognized in Statement of Profit and Loss and Other Equity

Rs. In Lakhs		
Particulars	April'19 to March'20	April'18 to March'19
Opening Balance	132.69	26.07
Closing Balance	94.64	132.69
<b>Net movement in deferred tax balances</b>	<b>38.05</b>	<b>(106.62)</b>
Recognized in Statement of Profit and Loss	1.28	1.56
Recognized in Other Equity	36.77	(108.18)
	<b>38.05</b>	<b>(106.62)</b>

## NOTE - 11: INVENTORIES

Rs. In Lakhs			
Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
(At cost or net realisable value, which ever is lower)			
Raw Material	367.91	-	-
Finished Goods - Trading	4,776.59	2,677.45	1,485.22
<b>Total</b>	<b>5,144.50</b>	<b>2,677.45</b>	<b>1,485.22</b>

## NOTE - 12: TRADE RECEIVABLES

Rs. In Lakhs			
Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
(a) Unsecured, considered doubtful	-	-	-
(b) Unsecured, considered good	4,573.83	3,971.23	3,353.50
	<b>4,573.83</b>	<b>3,971.23</b>	<b>3,353.50</b>
Less: Allowance for credit losses	14.73	0.32	-
<b>Total</b>	<b>4,559.10</b>	<b>3,970.92</b>	<b>3,353.50</b>

- (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:

Rs. In Lakhs			
Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
0-30 days	945.98	1,525.90	1,194.00
30-60 days	1,064.93	989.86	778.34
60-180 days-6	1,442.66	1,119.54	1,052.97
greater than 180 days	1,105.53	335.62	328.19
	<b>4,559.10</b>	<b>3,970.92</b>	<b>3,353.50</b>

## NOTE - 13: CASH AND CASH EQUIVALENTS

Rs. In Lakhs			
Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
- on Current accounts	447.07	1,571.76	626.97
Cash on hand	11.49	7.92	10.68
<b>Total</b>	<b>458.56</b>	<b>1,579.68</b>	<b>637.65</b>

**NOTE - 14: OTHER BANK BALANCES**

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Fixed Deposits held with banks	4,526.99	6,574.00	412.49
<b>Total</b>	<b>4,526.99</b>	<b>6,574.00</b>	<b>412.49</b>

**NOTE - 15: OTHER FINANCIAL ASSETS**

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Interest accrued on FDR	86.22	331.66	23.57
Advances to Staff	6.56	8.61	8.21
Derivative asset	-	5.33	-
Security deposit	62.83	28.74	4.06
<b>Total</b>	<b>155.61</b>	<b>374.34</b>	<b>35.84</b>

**NOTE - 16: CURRENT TAX ASSETS (NET)**

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Advance tax and TDS	1,041.38	-	-
Less: Provision for taxation	(877.65)	-	-
	<b>163.72</b>	<b>-</b>	<b>-</b>

**NOTE - 17: OTHER CURRENT ASSETS**

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Balance With Revenue Authorities	331.95	56.32	34.97
Prepaid expenses	17.88	5.90	3.94
Advance to suppliers	53.10	166.11	23.78
Other advances	2.30	-	-
<b>Total</b>	<b>405.23</b>	<b>228.34</b>	<b>62.70</b>

**NOTE - 18: NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE**

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Land and Buildings	284.68	-	-
<b>Total</b>	<b>284.68</b>	<b>-</b>	<b>-</b>

- (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 Rs. 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

Particulars	As at 31.03.2020		As at 31.03.2019		As at 31.03.2018	
	No. of shares	Amount Rs. In Lakhs	No. of shares	Amount Rs. In Lakhs	No. of shares	Amount Rs. In Lakhs
<b>Authorised</b>						
3,20,00,000 shares Equity Shares of INR 10 each	3,20,00,000	3,200.00	2,00,00,000	2,000.00	2,00,00,000	2,000.00
	<b>3,20,00,000</b>	<b>3,200.00</b>	<b>2,00,00,000</b>	<b>2,000.00</b>	<b>2,00,00,000</b>	<b>2,000.00</b>
<b>Issues, Subscribed and Paid up</b>						
2,74,04,400 shares Equity Shares of INR 10 each	2,74,04,400	2,740.44	1,82,69,600	1,826.96	1,34,00,000	1,340.00
	<b>2,74,04,400</b>	<b>2,740.44</b>	<b>1,82,69,600</b>	<b>1,826.96</b>	<b>1,34,00,000</b>	<b>1,340.00</b>

- (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

Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of shares	Amount Rs. In Lakhs	No. of shares	Amount Rs. In Lakhs
Balance as at the beginning of the year	1,82,69,600	1,826.96	1,34,00,000	1,340.00
Add: Equity shares issued during the year	91,34,800	913.48	48,69,600	486.96
<b>Balance as at the end of the year</b>	<b>2,74,04,400</b>	<b>2,740.44</b>	<b>1,82,69,600</b>	<b>1,826.96</b>

- (c) Details of Shareholders holding more than 5 % shares in the Company

Particulars	As at 31.03.2020		As at 31.03.2019		As at 31.03.2018	
	No. of shares	Holding %	No. of shares	"Holding %"	No. of shares	"Holding %"
1. SANJAY AGARWAL	88,80,480	32.41%	58,79,646	32.18%	58,79,646	43.88%
2. GURJIT SINGH BAIN	38,66,197	14.11%	25,77,465	14.11%	25,77,465	19.24%
3. BGB ITALIA	51,55,483	18.81%	34,36,989	18.81%	34,36,989	25.65%
4. SIRCA S.P.A. ITALY	10,50,000	3.83%	7,00,000	3.83%	7,00,000	5.22%

## NOTE - 20: OTHER EQUITY

Particulars	Rs. In Lakhs			
	Security premium reserve	Retained Earnings	Other Comprehensive Income	Total
Opening balance as at 01.04.2018	1,411.00	3,980.41	-	5,391.41
Add: Equity shares issued during the year	7,304.40			7,304.40
Add: Profit for the year		2,589.86		2,589.86
Add: Remeasurement gain/loss			1.25	1.25
Less: Equity shares issue cost (net of taxes)	(329.16)			(329.16)
<b>Closing balance as at 31.03.2019</b>	<b>8,386.24</b>	<b>6,570.27</b>	<b>1.25</b>	<b>14,957.76</b>
Add: Profit for the year		2,515.75		2,515.75



**NOTE - 20: OTHER EQUITY (CONTD..)**

Rs. In Lakhs

Particulars	Security premium reserve	Retained Earnings	Other Comprehensive Income	Total
Add: Remeasurement gain/loss			1.70	1.70
Less: Issue of Bonus Shares		(913.48)		(913.48)
Less: Dividend distribution tax		(140.85)		(140.85)
Less: Dividend paid by the company		(682.82)		(682.82)
Less: Deferred taxes on Equity share issue cost	(12.97)			(12.97)
<b>Closing balance as at 31.03.2020</b>	<b>8,373.28</b>	<b>7,348.87</b>	<b>2.95</b>	<b>15,725.10</b>

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**

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
<b>Secured</b>			
Term Loan from Banks (#)	8.24	21.61	36.78
Less: Current maturities of long term borrowings	(8.24)	(13.38)	(15.17)
<b>Total</b>	<b>-</b>	<b>8.24</b>	<b>21.61</b>

# 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**

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
<b>Secured</b>			
Provision for Gratuity	18.04	40.75	41.72
<b>Total</b>	<b>18.04</b>	<b>40.75</b>	<b>41.72</b>

**NOTE - 23: TRADE PAYABLES**

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Creditor for supplies and services	2,029.75	1,702.03	693.67
<b>Total</b>	<b>2,029.75</b>	<b>1,702.03</b>	<b>693.67</b>

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:

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
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	0.67	-	-
iv. The amount of interest accrued during the year and remaining unpaid at the end of the year	1.09	-	-
	<b>66.50</b>	<b>-</b>	<b>-</b>

#### NOTE - 24: SHORT TERM BORROWINGS

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Secured (against FDR)			
Yes Bank- Overdraft	-	-	122.24
Yes Bank- Buyer's Credit	-	-	341.13
	<b>-</b>	<b>-</b>	<b>463.37</b>

Overdraft facility & buyer credit facility from yes bank is secured against the fixed deposits of the Company and carries a interest rate of 11% and 6% respectively

#### NOTE - 25: OTHER FINANCIAL LIABILITY

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Current maturities of long term borrowings	8.24	13.38	15.17
Expenses payable	132.57	157.23	244.55
Security deposit	3.00	-	0.37
Employee dues	96.73	55.67	38.93
Unclaimed dividend	59.60	-	-
<b>Total</b>	<b>300.13</b>	<b>226.27</b>	<b>299.02</b>

#### NOTE - 26: OTHER CURRENT LIABILITY

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Statutory dues	46.82	193.34	169.34
Contract liability	28.77	2.25	6.61
Employer contributions	15.77	9.27	6.57
Advance received against expected sale of assets	77.50	-	-
<b>Total</b>	<b>168.86</b>	<b>204.86</b>	<b>182.52</b>

**NOTE - 27: CURRENT TAX LIABILITY**

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Provision for taxation	-	1,055.43	1,020.11
Less: Advance tax and TDS	-	(942.90)	(808.71)
<b>Total</b>	<b>-</b>	<b>112.53</b>	<b>211.39</b>

**NOTE - 28: REVENUE FROM OPERATIONS**

Rs. In Lakhs

Particulars	April'19 to March'20	April'18 to March'19
(a) Sales of Products	13,505.25	11,617.15
	<b>13,505.25</b>	<b>11,617.15</b>

**NOTE - 29: OTHER INCOME**

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Finance income	363.63	405.81
Miscellaneous income	29.36	48.53
Foreign currency fluctuations	103.03	157.02
Gain on sale of capital assets	65.32	1.18
Gain on fair valuation of forwards contracts	-	5.33
	<b>561.34</b>	<b>617.87</b>

**NOTE - 30: COST OF MATERIAL CONSUMED**

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Opening stock	-	-
Add: Purchase of raw material	1,081.21	-
Less: Closing stock	(367.91)	-
	<b>713.30</b>	<b>-</b>

**NOTE - 31: PURCHASE OF TRADED GOODS**

Rs. In Lakhs

Particulars	April'19 to March'20	April'18 to March'19
Purchase of Paints & Varnish	8,466.73	7,960.48
	<b>8,466.73</b>	<b>7,960.48</b>

31.01 Purchase Include custom duty of Rs. 6,49,61,938/- (Year 2018-19 - 5,28,58,633/-)

**NOTE - 32: CHANGES IN STOCK OF TRADED GOODS**

Rs. In Lakhs

Particulars	April'19 to March'20	April'18 to March'19
<b>Opening Stock</b>		
Finished goods	2,677.45	1,485.22
	<b>2,677.45</b>	<b>1,485.22</b>
<b>Closing Stock</b>		
Finished goods	4,776.59	2,677.45
	4,776.59	2,677.45
	<b>(2,099.14)</b>	<b>(1,192.23)</b>

32.01 Closing Stock Include Stock in transit Rs. 76,01,733/- (Year 2018-19 - Nil/-)

**NOTE - 33: EMPLOYEE BENEFIT EXPENSES**

Rs. In Lakhs

Particulars	April'19 to March'20	April'18 to March'19
Salaries and wages	1,138.32	701.87
Directors Remuneration	129.00	102.00
Gratuity expenses	20.89	13.71
Employer Contribution to provident fund and ESIC	77.47	51.98
Staff welfare expenses	20.01	19.12
	<b>1,385.70</b>	<b>888.68</b>

**NOTE - 34: FINANCE COSTS**

Rs. In Lakhs

Particulars	April'19 to March'20	April'18 to March'19
Interest on bank loans	1.26	3.12
Interest on other loans	0.21	2.73
Other borrowing cost	7.43	5.78
	<b>8.90</b>	<b>11.64</b>

**NOTE - 35: DEPRECIATION AND AMORTIZATION EXPENSES**

Rs. In Lakhs

Particulars	April'19 to March'20	April'18 to March'19
Depreciation on Property, plant & equipment	233.24	91.76
Amortization of intangible assets	6.70	1.72
	<b>239.95</b>	<b>93.47</b>

**NOTE - 36: IMPAIRMENT OF NON-CURRENT ASSETS**

Rs. In Lakhs

Particulars	April'19 to March'20	April'18 to March'19
Impairment of land & building classified as held for sale	72.67	-
(Refer Note 18 for details of assets)		
	<b>72.67</b>	<b>-</b>



**NOTE - 37: OTHER EXPENSES**

Rs. In Lakhs

Particulars	April'19 to March'20	April'18 to March'19
<b>Manufacturing Expenses</b>		
Consumable Stores	36.94	15.07
Freight & Octroi	240.16	125.36
Miscellaneous Expenses	33.05	10.33
Clearing & Forwarding Exp.	80.60	72.97
<b>Selling, Distribution &amp; Administration Expenses</b>		
Legal & Professional Expenses	50.47	18.66
Interest on MSME	1.09	-
CSR Expense <i>(Point (a) below)</i>	97.00	28.25
Preliminary Expense W/Off	-	-
Repair & Maintenance	78.20	64.58
Telephone Expenses	7.58	6.86
Electricity Expenses	39.15	23.37
Insurance	16.68	10.67
Office Expenses	6.86	0.08
Postage & Courier	12.51	6.72
Printing & Stationery	7.89	8.56
Property Tax	0.06	6.23
Rent	139.81	55.12
Security Charges	2.87	3.04
Audit Fees <sup>#</sup>	4.00	4.00
Audit Fees- Internal Audit	1.20	1.00
Advertisement	70.98	19.38
Expected credit loss	17.07	0.32
Commission	73.06	38.92
Discount & Compensation	87.97	-
Exhibition Expenses	34.63	5.57
Sales Promotion Expenses	396.11	81.66
Travelling & Conveyance	282.41	146.95
Foreign Currency Fluctuation	36.34	20.53
Fair valuation of derivative	5.33	-
	1,860.00	774.20

a) The Company has spent Rs. 97.00 Lacs ( 2018-19 Rs. 28.25 Lacs) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. The details are:

- (i) Gross amount required to be spent by the company during the year: Rs. 55.38 Lacs (2018-19: Rs 41.49Lacs).
- (ii) Amount spent during the year on
  - (i) Construction/Acquisition of any asset - NIL
  - (ii) For purposes other than (i) above - 97.00 Lacs

**b) Details of auditor remuneration and out-of-pocket expenses**

Rs. In Lakhs

Particulars	April'19 to March'20	April'18 to March'19
Statutory audit fees	3.50	3.50
Tax audit fees	0.50	0.50
Out of pocket expenses	-	-
	<b>4.00</b>	<b>4.00</b>

**NOTE - 38: INCOME TAX EXPENSES**

**(i) Income tax expense in the statement of profit and loss comprises:**

Rs. In Lakhs

Particulars	April'19 to March'20	April'18 to March'19
Current tax	901.46	1,082.48
Taxation for earlier years	-	24.87
Deferred tax	1.28	1.56
<b>Total</b>	<b>902.74</b>	<b>1,108.91</b>

**(ii) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:**

Rs. In Lakhs

Particulars	April'19 to March'20	April'18 to March'19
Profit before income taxes (A)	3,418.49	3,698.77
Tax Rate (B)	25.63%	29.12%
Tax Expense at Statutory tax rates (A*B)	876.16	1,077.08
<b>Adjustments:</b>		
Add: Taxation for earlier years	-	24.87
Add: Tax effect of permanent differences	12.43	4.11
Add: Other adjustments	14.15	2.84
<b>Income tax expense</b>	<b>902.74</b>	<b>1,108.91</b>
<b>Current Tax expense reported in the Statement of Profit and Loss</b>	<b>902.74</b>	<b>1,108.91</b>

**NOTE - 39: EARNING PER SHARES**

Rs. In Lakhs

Particulars	April'19 to March'20	April'18 to March'19
Profit after tax (Rs. In Lakhs)	2,515.75	2,589.86
Weighted average number of equity shares (For basic and diluted EPS)	2,74,04,400	2,74,04,400
Nominal value of Ordinary Shares	10.00	10.00
Basic and Diluted Earnings per Ordinary Share	9.18	9.45

**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
<b>Key Management Personal (KMP)</b>		
Chairman	Sanjay Agarwal	
Joint Managing Director	Apoorv Agarwal	Son of Managing Director
Chief Financial Officer	Shallu Arora	
<b>Relatives of KMP</b>	Ayushi Agarwal	Daughter of Managing Director
	Chirag Goel	Son-in -Law
<b>Promoter Group (Other than KMP)</b>	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>Company Secretary</b>	Chahat Mahajan	

### (b) Related party transactions

#### Transaction during the year

	Rs. In Lakhs	
Particular	April'19 - March'20	April'18 - March'19
<b>Key Managerial persons</b>		
Remuneration to KMP	145.38	114.60
Remuneration to KMP Relatives	24.00	18.60
Director Sitting Fees	1.65	1.15
Rent to KMP	2.40	3.60
Bonus to KMP	5.54	4.82
Bonus to KMP Relatives	0.71	0.36
Dividend Paid to promoter group	130.27	-
Dividend Paid to KMP	330.98	-

#### Outstanding balances as at end of the year

	Rs. In Lakhs	
Particular	As at 31.03.2020	As at 31.03.2019
Remuneration to KMP	12.25	9.55
Remuneration to KMP Relatives	2.00	1.55
Director Sitting Fees	1.18	0.28
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, 2020, March 31, 2019 and April 1, 2018.

As at 31.03.2020

Rs. In Lakhs

Particular	Amortized Cost	Derivative instrument #	Total carrying and fair value
<b>Financial Assets*</b>			
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
	<b>9,710.80</b>	<b>-</b>	<b>9,710.80</b>
<b>Financial Liability</b>			
Borrowings	-	-	-
Trade payables	2,029.75	-	2,029.75
Other financial liabilities	300.13	-	300.13
	<b>2,329.89</b>	<b>-</b>	<b>2,329.89</b>



As at 31.03.2019

Rs. In Lakhs

Particular	Amortized Cost	Derivative instrument #	Total carrying and fair value
<b>Financial Assets</b>			
Loans	6.24		6.24
Trade receivables	3,970.92		3,970.92
Cash and cash equivalents	1,579.68		1,579.68
Other bank balances	6,574.00		6,574.00
Derivative asset	-	5.33	5.33
Other financial assets	369.01		369.01
	<b>12,499.85</b>	<b>5.33</b>	<b>12,505.18</b>
<b>Financial Liability</b>			
Borrowings	8.24		8.24
Trade payables	1,702.03		1,702.03
Other financial liabilities	226.27		226.27
	<b>1,936.54</b>	<b>-</b>	<b>1,936.54</b>

As at 01.04.2018

Rs. In Lakhs

Particular	Amortized Cost	Derivative instrument #	Total carrying and fair value
<b>Financial Assets</b>			
Loans	1.93	-	1.93
Trade receivables	3,353.50	-	3,353.50
Cash and cash equivalents	637.65	-	637.65
Other bank balances	412.49	-	412.49
Derivative asset	-	-	-
Other financial assets	450.84	-	450.84
	<b>4,856.41</b>	<b>-</b>	<b>4,856.41</b>
<b>Financial Liability</b>			
Borrowings	484.98	-	484.98
Trade payables	693.67	-	693.67
Other financial liabilities	299.02	-	299.02
	<b>1,477.67</b>	<b>-</b>	<b>1,477.67</b>

# Derivative instruments held by Company is in respect to forward exchange contract entered into with scheduled bank. These are carried at fair value arrived at based on valuation provided by the respective bank and does not fulfill the qualifying criteria for hedge accounting as per Ind AS 109 "Financial Instruments".

\* 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.

Rs. In Lakhs

Particular	Level - 2	
	As at 31.03.2020	As at 31.03.2019
<b>Financial instruments at FVTPL</b>		
Foreign currency forward contracts		5.33

## (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.

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
forward exchange contracts - Assets	-	5.33
forward exchange contracts - Liability	-	-
Notional value of above contract	-	684.83

## 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:

Rs. In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
A. Trade Payables - EURO		
INR (In Lakhs)	1,451.33	1,626.90
EURO (In Lakhs)	17.45	20.86
<b>Sensitivity analysis (In Lakhs)</b>		
Strengthen of foreign currency by 5%	-72.57	-81.34
Weakening of foreign currency by 5%	72.57	81.34

**(ii) Credit risk**

The credit risk exposure of the Company primarily arises from Cash and cash equivalents, trade receivables, 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 Rs. Lakhs

**(i) Change in Defined Benefit Obligation (DBO) during the year**

Particulars	31.03.2020	31.03.2019
Present value of DBO at the beginning of the year	55.25	42.71
Service cost	17.73	10.58
Interest cost	4.29	3.20
Actuarial loss arising from changes in financial assumptions	8.44	(1.60)
Actuarial loss arising from changes in experience adjustments	(7.78)	0.98
Benefits paid	(1.80)	(0.63)
<b>Present value of DBO at the end of the year</b>	<b>76.13</b>	<b>55.25</b>

## NOTE 44: EMPLOYEE BENEFIT PLAN (CONTD..)

### (ii) Change in fair value of plant assets during the year

Particulars	31.03.2020	31.03.2019
Fair value of plan assets at the beginning of the year	14.50	0.99
Interest income	3.48	0.70
Employer contributions	41.90	13.43
Benefits paid	(1.80)	(0.63)
<b>Fair value of plan assets at the end of the year</b>	<b>58.08</b>	<b>14.50</b>

### (iii) Actuarial (Gain)/Loss on Plan Asset

Particulars	31.03.2020	31.03.2019
Expected Interest Income	1.13	0.07
Actual Income on Plan Asset	3.48	0.70
<b>Actuarial gain /(loss) on Assets</b>	<b>2.36</b>	<b>0.63</b>

### (iv) Amounts recognised in the Balance Sheet

Particulars	31.03.2020	31.03.2019
Present value of DBO at the end of the year	76.13	55.25
Fair value of plan assets at the end of the year	58.08	14.50
<b>Net Liability recognised in the Balance Sheet</b>	<b>18.04</b>	<b>40.75</b>

### (v) Components of employer expense

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Service cost	17.73	10.58
Net Interest cost	3.17	3.13
<b>Expense recognised in Statement of Profit t and Loss</b>	<b>20.89</b>	<b>13.71</b>

### (vi) Other comprehensive income

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Actuarial gain / (loss) on liabilities	(0.66)	0.62
Actuarial gain / (loss) on assets	2.36	0.63
<b>Remeasurements recognised in other comprehensive income</b>	<b>1.70</b>	<b>1.25</b>

### (vii) Nature and Extent of Investment Details of the plan assets

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
State and Central Securities	0%	0%
Bonds	0%	0%
Special deposits	0%	0%
Insurer managed funds	100%	100%



(viii) Assumptions

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Discount Rate	6.75%	7.77%
Rate of increase in Compensation levels	6.00%	6.00%
Rate of Return on Plan Assets	7.77%	7.50%
Average future service (in Years)	28.98 Years	28.06 Years

(ix) Sensitivity Analysis

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Base Liability	76.13	55.25
Increase Discount Rate by 0.5%	71.76	52.52
Decrease Discount Rate by 0.5%	81.01	58.28
Increase Salary Inflation by 1%	85.50	61.02
Decrease Salary Inflation by 1%	68.47	50.48
Increase Withdrawal Rate by 1%	76.80	56.38
Decrease Withdrawal Rate by 1%	75.20	53.83

(x) Maturity Profile of Defined Benefit Obligation (Valued on undiscounted basis)

Particulars	As at 31.03.20	As at 31.03.19
Year 1	22.73	20.68
Year 2	1.09	0.89
Year 3	2.30	1.06
Year 4	1.57	2.18
Year 5	1.96	1.44
After 5th Year	204.06	157.60
	<b>233.70</b>	<b>183.85</b>

**(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 Rs. 71.38 Lakhs (PY: Rs. 46.45 Lakhs)

**NOTE - 45: ADOPTION OF INDIAN ACCOUNTING STANDARD (IND AS)**

**A Mandatory exceptions to retrospective application**

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 "First Time Adoption of Indian Accounting Standards".

**(i) Estimates**

On assessment of estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates.

## NOTE - 45: ADOPTION OF INDIAN ACCOUNTING STANDARD (IND AS) (CONTD..)

### A Mandatory exceptions to retrospective application (Contd..)

#### (ii) Classification and measurement of financial assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of facts and circumstances that existed on the date of transition to Ind AS.

#### (iii) Derecognition of financial assets and financial liabilities

Derecognition requirement for Ind AS 109 has been applied prospectively

### B Optional exemptions from retrospective application

Ind AS 101 "First time Adoption of Indian Accounting Standards" permits Companies adopting Ind AS for the first time to take certain exemptions from the full retrospective application of Ind AS during the transition. The Company has accordingly on transition to Ind AS availed the following key exemptions:

#### (i) Property, plant and equipment:

The company has elected to take the carrying value of its property, plant & equipment and intangible assets as per previous GAAP ( I GAAP ) as its deemed cost for Ind AS as at 1st April, 2018.

#### (ii) Leases

In accordance with Ind-AS transitional provisions, the company opted to determine whether an arrangement existing at the date of transition contains a lease on the basis of facts and circumstances existing at the date of transition rather than at the inception of the arrangement.

### Reconciliation between Previous GAAP and Ind AS

#### i Equity Reconciliation

Rs. In Lakhs		
Particular	As at 31.03.2019	As at 01.04.2018
Equity as per Previous GAAP (Restated)	16,778.44	6,763.45
<b>Add: Adjustment</b>		
Employee benefits (Net of deferred taxes)	12.31	(16.90)
Financial instruments	5.33	-
Other adjustments	(11.36)	(15.15)
<b>Equity as per Ind AS</b>	<b>16,784.72</b>	<b>6,731.41</b>

#### ii Comprehensive Income Reconciliation

Rs. In Lakhs	
Particular	April'18 - March'19
<b>Net Profit as per Previous GAAP</b>	<b>2,223.63</b>
<b>Add: Adjustment</b>	
Financial instruments	5.33
Employee benefits (Net of taxes)	27.96
Share issue costs (Net of taxes)	329.16
Other adjustments	3.79
<b>Net profit as per Ind AS</b>	<b>2,589.86</b>
Other Comprehensive Income as per Ind AS	1.25
<b>Total Comprehensive Income as per Ind AS</b>	<b>2,591.11</b>

## NOTE - 45: ADOPTION OF INDIAN ACCOUNTING STANDARD (IND AS) (CONTD..)

### A Mandatory exceptions to retrospective application (Contd..)

#### iii Cash flow reconciliation

Particular	Amount as per Previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Net cash generated from/(used in) operating activities	1,234.03	-	1,234.03
Net cash generated from/(used in) investing activities	(7,128.80)	-	(7,128.80)
Net cash generated from/(used in) financing activities	6,836.80	-	6,836.80
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>942.03</b>	<b>-</b>	<b>942.03</b>
<b>Cash and cash equivalents as at April 1</b>	<b>637.65</b>	<b>-</b>	<b>637.65</b>
<b>Cash and cash equivalents as at March 31, 2019</b>	<b>1,579.68</b>	<b>-</b>	<b>1,579.68</b>

Notes to reconciliation of total equity and total comprehensive income:

#### (i) Financial instruments

In accordance with Ind AS 109 "Financial Instruments", all derivative financial instruments are recognised at fair value as at each reporting date through the statement of profit and loss except where designated in a hedging relationship..

#### (ii) Employee benefits

- (a) In accordance with Ind AS 19, "Employee Benefits" re-measurement gains and losses on post employment defined benefit plans are recognised in other comprehensive income as compared to the statement of profit and loss under the Previous GAAP.
- (b) Interest expense/income on the net defined benefit liability/ asset is recognised in the statement of profit and loss using the discount rate used for defined benefit obligation as compared to the expected rate used for recognising income from plan assets under the Previous GAAP.

#### (iii) Share issue costs

These are the transaction cost arising on issuance of equity shares. Company has raised finance through Initial Public Offering (IPO) of equity shares during financial year 2018-19, the expenses incurred by the Company for the issuance of share are charged directly to equity.

#### (iv) Other adjustments

Other adjustments primarily relates to adjustment of preliminary expenses with retained earnings

#### (v) Other comprehensive Income

Under Ind AS, all items of income and expense recognised during the year are included in the profit or loss for the year, unless Ind AS requires or permits otherwise. Items that are not recognised in profit or loss but are shown in the statement of profit and loss and other comprehensive income include re-measurement gains or losses on defined benefit plans.

The concept of other comprehensive Income did not exist under the Previous GAAP.

## NOTE 46 DIVIDEND ON EQUITY SHARE

Particulars	As at 31.03.20	As at 31.03.19
Dividend on equity shares declared and paid during the year		
Final dividend of Rs. 1.00 per share for FY 2018-19 (2017-18: Nil)	274.04	
Dividend distribution tax on final dividend*	56.34	
Interim dividend of Rs. 1.50 per share for FY 2019-20 (2018-19: Nil)	411.07	-
Dividend distribution tax on interim dividend*	84.51	-
	825.96	-
Proposed dividend on equity shares not recognised as liability		
Final dividend for FY 2019-20 (2018-19: Rs. 1 per share)	-	274.04
Dividend distribution tax on final dividend	-	56.34
	-	330.38



## Notes

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**Regd. Office:** Plot no- 50, Phase 2  
Badli Industrial Area, Samaypur  
Delhi, 100422

**Phone:** 011 4208 3083

**Email:** [info@sircapaints.com](mailto:info@sircapaints.com)

**Website:** [www.sircapaints.com](http://www.sircapaints.com)



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