

Date: 1<sup>st</sup> July, 2020

To,  
The Manager,  
Department of Corporate Services,  
BSE Limited  
P. J. Towers, Dalal Street,  
Fort, Mumbai - 400 001

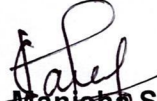
Dear Sir/Madam,

**Sub: Submission of Annual Report of the Company for the financial year ended 31<sup>st</sup> March, 2020**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of the Annual Report of the Company for the financial year ended 31<sup>st</sup> March, 2020.

We request you to kindly take the same on record.

Thanking you,  
Yours faithfully,  
**For Paushak Limited**



**Manisha Saraf**  
**Company Secretary**

Encl.: A/a.

**Paushak Limited**

CIN : L51909GJ1972PLC044638, PAN : AAACD5006G  
Panelav, Taluka Halol, Dist. Panchmahal, Gujarat, (INDIA) - 389 350.  
Phone: +91-2676-664403 / 664412

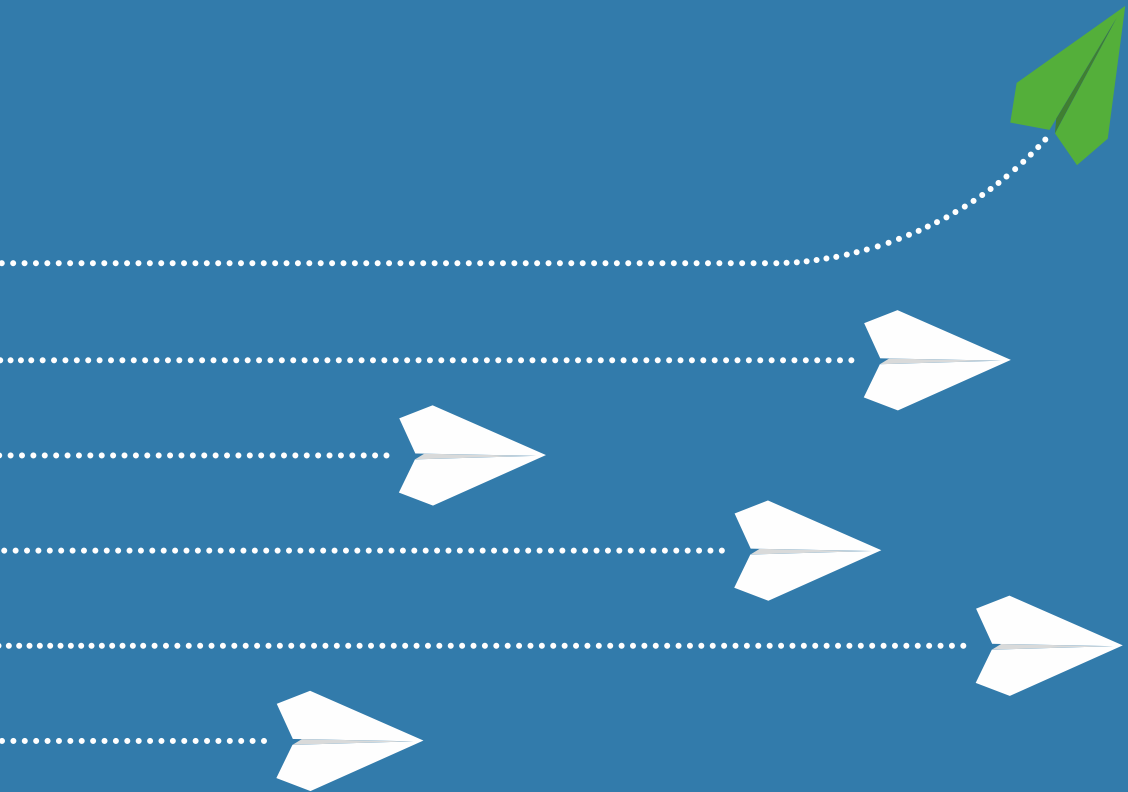
Regd. Office : Alembic Road, Vadodara, Gujarat, (INDIA) - 390 003.  
Phone: +91-265-2280550 / 2280880 / 3007300  
www.paushak.com • paushak@paushak.com



# PAUSHAK

Your Strategic Source For Phosgene Derivatives

47<sup>TH</sup> ANNUAL REPORT 2019-20



**Responsible Care<sup>®</sup>**  
OUR COMMITMENT TO SUSTAINABILITY

## PAUSHAK LIMITED

### Board of Directors

Mr. Chirayu Amin - Chairman  
Mr. Udit Amin  
Mr. Amit Goradia  
Mr. Vijay Gandhi  
Mr. Atul Patel  
Dr. Shamita Amin  
Mr. Abhijit Joshi - Whole-time Director & CEO

### Dy. CFO

Mr. Kaushik Shah (upto 19<sup>th</sup> May, 2020)

### CFO

Ms. Kirti Shah (w.e.f. 12<sup>th</sup> November, 2019)

### Company Secretary

Ms. Manisha Saraf

### Statutory Auditors

Maloo Bhatt & Co.  
Chartered Accountants  
204-207, Parshwa Complex,  
Nr. Cash & Carry, Ellora Park,  
Vadodara - 390 023.

### Manufacturing Facility

Panelav, Tal. Halol,  
Dist. Panchmahal - 389 350. Gujarat.

### Registrar and Transfer Agent

Link Intime India Pvt. Ltd.  
B-102 & 103 Shangrila Complex,  
1<sup>st</sup> Floor, Opp. HDFC Bank,  
Nr. Radhakrishna Char Rasta,  
Akota, Vadodara - 390 020.  
Tel : +91 265 2356573 / 6136000  
Fax : +91 265 2356791  
Email ID : vadodara@linkintime.co.in

### Stock Exchange

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.  
Code : 532742 / PAUSHAK LTD

### Registered Office

Alembic Road, Vadodara - 390 003.  
Tel : +91 265 2280550  
Fax : +91 265 2282506  
Email ID : investors@paushak.com  
Website : www.paushak.com  
CIN : L51909GJ1972PLC044638

**NOTICE**

NOTICE is hereby given that the **Forty Seventh Annual General Meeting** of the Members of **Paushak Limited** will be held on **Tuesday, the 4<sup>th</sup> August, 2020 at 12:30 p.m. IST** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") 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 31<sup>st</sup> March, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2020.
3. To appoint a Director in place of Mr. Udit Amin (DIN: 00244235) who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

**Appointment of Statutory Auditors of the Company.**

"**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Maloo Bhatt & Co., Chartered Accountants having Firm Registration No. 129572W be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for their second term of 5 (five) years from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting for the financial year 2024-25 on such remuneration and terms and conditions as set out in the explanatory statement to this Notice."

**SPECIAL BUSINESS**

5. To consider and if thought fit, to pass, the following Resolution as a Special Resolution:

**Payment of commission to Mr. Udit Amin, Non-Executive Director of the Company.**

"**RESOLVED THAT** pursuant to Regulation 17(6)(ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 with rules made thereunder ('the Act'), and subject to the maximum remuneration approved by the members at the 45<sup>th</sup> Annual General Meeting held on 6<sup>th</sup> August, 2018, approval of the members of the Company be and is hereby accorded for payment of commission of ₹ 125 Lacs amounting to 2.86% of the net profits of the Company, computed in accordance with the mechanism provided under Section 198 of the Act to Mr. Udit Amin for the financial year ending on 31<sup>st</sup> March, 2020, in addition to the sitting fees being paid by the Company for participating in the Board/Committee Meetings of the Company.

**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution."

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

**Ratification of Remuneration to the Cost Auditor for the F.Y. 2020-21.**

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 ('the Act'), the remuneration payable to M/s. Santosh Jejurkar & Associates, Cost Accountants having Firm Registration No.102697 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2020-21 amounting to ₹ 0.36 Lacs plus applicable taxes, traveling and other out-of-pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed."

**NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020 and General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") and MCA Circulars, the AGM of the Company will be held through VC / OAVM.
2. Since this AGM is being held through VC / OAVM, pursuant to MCA Circulars, 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. Hence, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.**

3. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website [www.paushak.com](http://www.paushak.com), website of stock exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of National Securities Depository Limited at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The details of Mr. Udit Amin, Director seeking re-appointment, pursuant to Regulation 36(3) of the SEBI Listing Regulations, 2015 and other applicable provisions are annexed herewith as Annexure - A.
6. As per the provisions of Section 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended ("IEPF Rules, 2016"), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund (IEPF), a fund constituted by the Government of India under Section 125 of the Act.

Further, in accordance with the provisions of Section 124(6) of the Act and IEPF Rules, 2016, shares on which dividend has not been paid or claimed for seven consecutive years or more, are liable to be transferred to IEPF Suspense Account.

Members who have not claimed dividend for previous year(s) are requested to claim the same by approaching the Company or the Registrar & Transfer Agent of the Company.

The due dates for transfer of unclaimed / unpaid dividend to IEPF are as under:

<b>Date of Declaration of Dividend</b>	<b>Dividend for Financial Year</b>	<b>Proposed Month and Year of Transfer to IEPF</b>
8 <sup>th</sup> August, 2013	2012-13	September, 2020
7 <sup>th</sup> August, 2014	2013-14	September, 2021
13 <sup>th</sup> August, 2015	2014-15	September, 2022
11 <sup>th</sup> August, 2016	2015-16	September, 2023
2 <sup>nd</sup> August, 2017	2016-17	September, 2024
6 <sup>th</sup> August, 2018	2017-18	September, 2025
7 <sup>th</sup> August, 2019	2018-19	September, 2026

7. All the work related to share registry in terms of both physical and electronic are being conducted by Company's Registrar & Transfer Agent, Link Intime India Private Limited, B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020 Tel: +91 265 6136000 | 2356573, Email ID: [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in). The Shareholders are requested to send their communication to the aforesaid address.
8. The Company has designated an exclusive Email ID: [investors@paushak.com](mailto:investors@paushak.com) for redressal of Shareholders'/ Investors' complaints/ grievances. In case you have any queries, complaints or grievances, then please write to us at the above mentioned e-mail address.
9. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on any working day except Saturdays and holidays upto the date of Annual General Meeting.
10. The Register of Members of the Company will remain closed from Tuesday, 28<sup>th</sup> July, 2020 to Tuesday, 4<sup>th</sup> August, 2020 (both days inclusive), for the purpose of payment of dividend.
11. The dividend when sanctioned will be made payable on or before 7<sup>th</sup> August, 2020, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses once the postal facility is available. To avoid delay in receiving the dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.
12. Process for registration of Email ID for obtaining **Annual Report, User ID and password for e-voting and updation of bank account mandate for receipt of dividend:**
  - i. In case shares are held in physical mode, members are requested to visit the website of Company's Registrar & Transfer Agent, Link Intime India Private Limited at [https://linkintime.co.in/EmailReg/Email\\_Register.html](https://linkintime.co.in/EmailReg/Email_Register.html) and upload the documents required therein.

- ii. In case shares are held in demat mode, members are requested to update Email ID and bank account details with their respective Depository Participants.
13. Finance Act, 2020, has shifted incidence of tax on dividend declared, distributed and paid by the Company to the shareholders. From 1<sup>st</sup> April, 2020 onwards dividend would be taxable in the hands of the shareholders and the Company will have to deduct tax at source from such dividend declared, distributed and paid at applicable rates:
- The Company will be liable to deduct tax at source ('TDS') @ 10% (7.5% w.e.f. 14<sup>th</sup> May, 2020 up to 31<sup>st</sup> March, 2021) in case of resident shareholders. TDS will have to be deducted at a higher rate of @ 20% in case Permanent Account Number ('PAN') is not available. No TDS will be deducted in case of resident individual shareholder if -
    - Dividend distributed or paid or likely to be distributed or paid does not exceeds or is not likely to exceed ₹ 5000/- during the financial year.
  - In case of non-resident shareholders, TDS will have to be deducted @ 20% (plus applicable surcharge and cess) of the dividend amount. However, the non-residents (other than Foreign Institutional Investor) will be able to claim beneficial rate under tax treaty of respective countries on submitting prescribed documents (Tax Residency Certificate, Form 10F, No Permanent Establishment Declaration, Declaration of fulfillment of relevant provisions of Multi-Lateral Instrument (MLI) including Principal Purpose Test, if applicable) to the Company, by following the procedure given at point f) below.
  - The Company will issue TDS certificate(s) to the shareholders.
  - Shareholders holding shares in demat account are requested to update their PAN details with their respective Depository Participants.
  - Shareholders holding shares in physical form are requested to update their PAN details with the Company by following the procedure given at point f) below.
  - The weblink for uploading the relevant documents with the Company through its Registrar & Transfer Agent, Link Intime India Private Limited is <https://www.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>.

14. **Voting through Electronic Means and Declaration of Results:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility of casting votes using an electronic voting system ('remote e-voting') through the e-voting services provided by NSDL on all the resolutions set forth in this Notice.

Mr. Chirayu Amin, Chairman of the Company and in his absence Mr. Udit Amin, Director or Mr. Abhijit Joshi, Whole-time Director & CEO of the Company, will declare the voting results based on the scrutinizer's report received on e-voting and voting during the meeting. The voting results along with scrutinizer's report will be displayed on the:

- Notice Board of the Company at its Registered Office;
- Company's website [www.paushak.com](http://www.paushak.com);
- NSDL' website [www.evoting.nsdl.com](http://www.evoting.nsdl.com); and
- Stock exchange' website [www.bseindia.com](http://www.bseindia.com).

**The instructions for casting your vote electronically are as under:**

- The remote e-voting period begins on 1<sup>st</sup> August, 2020 (9:00 a.m. IST) and ends on 3<sup>rd</sup> August, 2020 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as at the cut-off date of 28<sup>th</sup> July, 2020 may cast their vote electronically. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of this Notice and holding shares as on 28<sup>th</sup> July, 2020, may obtain the login ID and password by sending request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). The e-voting module shall be disabled by NSDL for voting after 3<sup>rd</sup> August, 2020 (5.00 p.m. IST).
- The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- Those Members, who will be present in the AGM through VC / OAVM and have not casted their vote through remote e-voting and are otherwise not barred from doing this, shall be eligible to vote through e-voting system during the AGM.
- M/s. Samdani Shah & Kabra, Practising Company Secretaries, Vadodara has been appointed as the Scrutinizer to scrutinize the remote e-voting process and the e-voting during the AGM in a fair and transparent manner.
- The details of process and manner for remote e-voting and e-voting during the AGM are as under:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if EVEN is 101456 and folio number is 001*** then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in this Notice.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on **“Forgot User Details/Password?”** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote, which for this AGM is 113025.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- i. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, through its registered Email ID to the Scrutinizer at [cssamdani@gmail.com](mailto:cssamdani@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

Grievances connected with e-voting may be referred to:

Ms. Pallavi Mhatre, Manager, NSDL,  
4th Floor, 'A' Wing, Trade World,  
Kamala Mills Compound, Senapati Bapat Marg,  
Lower Parel, Mumbai 400 013.  
Email Id: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in)  
Tel: +91 22 24994545 / 1800 222 990

**15. Instructions for Members for attending the AGM through VC / OAVM:**

- i. Members will be able to attend the AGM through VC / OAVM provided by NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

Members who do not have the 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 in this Notice. Further, Members can also use OTP based login for logging into the e-Voting system of NSDL.

Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of its Board Resolution / Authority letter etc. authorizing its representative to attend the AGM through VC / OAVM on its behalf. The said Resolution / Authority letter shall be send through its registered Email ID to the Scrutinizer at [cssamdani@gmail.com](mailto:cssamdani@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- ii. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
- iii. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered Email ID mentioning their name, DP ID and Client ID / Folio No., PAN, Mobile No. to the Company at [investors@paushak.com](mailto:investors@paushak.com) from 22<sup>nd</sup> July, 2020 to 29<sup>th</sup> July, 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.



- iv. Members who need assistance before or during the AGM, can contact on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager, NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) / +91 22 24994360 / +91 9920264780 or Mr. Sagar Ghosalkar, Assistant Manager, NSDL at [sagar.ghosalkar@nsdl.co.in](mailto:sagar.ghosalkar@nsdl.co.in) / +91 22 24994553 / +91 9326781467.

**16. Recommendation to the Members:**

It is recommended to join the AGM through laptop for better experience. You are requested to use internet with a good speed to avoid any disturbance during the meeting. Members connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio / video loss due to fluctuation in their data network. It is therefore recommended to use stable wi-fi or wired connection to mitigate any kind of aforesaid glitches.

By Order of the Board,

Sd/-

**Manisha Saraf**  
Company Secretary

**Registered Office:** Alembic Road, Vadodara – 390 003

CIN: L51909GJ1972PLC044638

Tel: +91 265 2280550 Fax: +91 265 2282506

Website: [www.paushak.com](http://www.paushak.com)

Email ID: [investors@paushak.com](mailto:investors@paushak.com)

Date: 19<sup>th</sup> May, 2020

Place: Vadodara

## **Explanatory Statement as required under Section 102 of the Companies Act, 2013**

### **Item No. 4**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the first term of five years of M/s. Maloo Bhatt & Co., as Statutory Auditors of the Company will get over upon the conclusion of this Annual General Meeting ('AGM').

The Board of Directors at its meeting held on 19<sup>th</sup> May, 2020, on the recommendation of the Audit Committee, approved the appointment of M/s. Maloo Bhatt & Co., Chartered Accountants, as the Statutory Auditors of the Company to hold office for their second term of 5 (five) years from the conclusion of this AGM till the conclusion of the AGM for the financial year 2024-25.

Proposed Fee: Fixed Remuneration for Statutory Audit (including limited review) shall be ₹ 2.25 Lacs plus applicable taxes, travelling and other out-of-pocket expenses incurred by them in connection with the statutory audit of the Company for the financial year 2020-21. The proposed fee is based on knowledge, expertise, industry experience, time and efforts put in by M/s. Maloo Bhatt & Co. during their association with the Company. The proposed fee is also in line with the industry benchmarks. The fees any other professional work including certifications will be in addition to the audit fee as mentioned above and will be decided by the management in consultation with the Auditors. The Board of Director are authorised to fix the remuneration for the remaining tenure of their appointment in consultation with the Audit Committee.

### **Credentials**

M/s. Maloo Bhatt & Co., Chartered Accountants was originally formed as a proprietorship in the name of CA. Yash Bhatt in 2009, and was converted in a partnership firm in 2011, as M/s. Yash Bhatt & Co. The firm was renamed as M/s. Maloo Bhatt & Co. in the year 2012. The firm has its branch offices in Vadodara, Rajkot and Bharuch. The firm is regularly Peer Reviewed and holds a valid Peer Review Certificate issued by the Institute of Chartered Accountants of India.

The firm has vast experience of conducting statutory audits to serve a business landscape as that of the Company. M/s. Maloo Bhatt & Co., has a robust audit process, specialised team for assurance and maintains highest standards of integrity and independence.

The Board of Directors recommends the resolution at Item No. 4 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof has any concern or interest, financial or otherwise in the resolution at Item No. 4 of this Notice.

**Item No. 5**

The Company had obtained approval from its members by way of a Special Resolution at the 45<sup>th</sup> Annual General Meeting held on 6<sup>th</sup> August, 2018 enabling the Board of Directors to pay commission of upto 3% of the net profits of the Company, computed in accordance with the mechanism provided under Section 198 of the Companies Act, 2013 to Mr. Udit Amin, non-executive director for a period of 5 years w.e.f. the financial year ending 31<sup>st</sup> March, 2018.

Pursuant to Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018, the Company is also required to obtain approval of shareholders by way of a special resolution, for approving the payment of the above referred remuneration.

Mr. Udit Amin's strategic direction with his expertise and experience across a wide spectrum of functional areas has contributed to the growth of the Company. In view of the above, it is necessary that adequate remuneration should be given to Mr. Udit Amin, Non-Executive Director of the Company for his time, attention and efforts.

The Board of Directors recommends the resolution at Item No. 5 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof other than Mr. Chirayu Amin and Mr. Udit Amin and their relatives, have any concern or interest, financial or otherwise, in the resolution at Item No. 5 of this Notice.

**Item No. 6**

In accordance with the provisions of Companies (Cost Records and Audit) Rules, 2014, the Company is required to get its cost records audited from qualified Cost Accountants. The Board of Directors at its meeting held on 19<sup>th</sup> May, 2020, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Santosh Jejurkar & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2020-21.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor is to be ratified by the Members of the Company.

Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year 2020-21 as set out in the resolution for aforesaid services to be rendered by them.

The Board of Directors recommends the resolution as set out at Item No. 6 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof has any concern, interest, financial or otherwise in the resolution at Item No. 6 of the Notice.

By Order of the Board,

Sd/-

**Manisha Saraf**  
Company Secretary

**Registered Office:** Alembic Road, Vadodara – 390 003  
CIN: L51909GJ1972PLC044638  
Tel: +91 265 2280550 Fax: +91 265 2282506  
Website: www.paushak.com  
Email ID: investors@paushak.com

Date: 19<sup>th</sup> May, 2020

Place: Vadodara

Details of the Director seeking re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are as under:

<b>Name of the Director</b>	<b>Mr. Udit Amin</b>
Age	40 years
Qualification	Graduate in Economics
Experience	17 years
Terms and Conditions of re-appointment along with details of remuneration sought to be paid	N.A.
Remuneration last drawn (2019-20)	Refer Note 1
Nature of expertise in specific functional areas	Management & Leadership
Date of first appointment on to the Board	18 <sup>th</sup> August, 2006
No. of Shares held in the Company as on 31 <sup>st</sup> March, 2020	26,997 Equity shares
Relationship with other Directors, Manager and other Key Managerial Personnel	Mr. Udit Amin is the son of Mr. Chirayu Amin.
No. of Meetings of the Board attended during the year	4
Directorship in other companies as on 31 <sup>st</sup> March, 2020	1. Alembic Limited 2. Shreno Limited
Chairmanship / Membership of Committees of other Board	<b>Alembic Limited</b> Member of Stakeholder Relationship Committee

Note 1: Commission of ₹ 125 Lacs to Mr. Udit Amin is subject to approval of shareholders at the Annual General Meeting.

## BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting their 47<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March, 2020.

**1. Operations and State of Affairs of the Company:**

(₹ in Lacs)

Particulars	Year ended on 31 <sup>st</sup> March, 2020	Year ended on 31 <sup>st</sup> March, 2019
Revenue from Operations	13,790.50	13,950.69
Other Income	459.95	264.61
Profit for the year before Interest, Depreciation & Amortization and Tax	4,741.31	4,284.09
Less:		
Interest (net)	7.67	13.64
Depreciation & Amortization Expense	438.21	386.51
<b>Profit before Exceptional Items and Tax</b>	<b>4,295.42</b>	<b>3,883.94</b>
Add:		
Exceptional Items	241.89	1,015.04
<b>Profit before Tax</b>	<b>4,537.32</b>	<b>4,898.98</b>
Less:		
Tax Expenses	1,046.11	1,003.24
<b>Profit after Tax</b>	<b>3,491.21</b>	<b>3,895.74</b>
Other Comprehensive Income	1,662.18	4,784.34
<b>Total Comprehensive Income</b>	<b>5,153.39</b>	<b>8,680.08</b>

The Company has prepared the Standalone Financial Statements in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013.

**2. Transfer to Reserve:**

The Company has transferred an amount of ₹ 1,000 Lacs from the net profits of the Company to General Reserve for the financial year under review.

**3. Dividend:**

Your Directors recommend Dividend at ₹ 6.00 per equity share (i.e. 60%) of face value ₹ 10/- per share for the financial year ended on 31<sup>st</sup> March, 2020 as against ₹ 5.00 per equity share (i.e. 50%) for the financial year ended 31<sup>st</sup> March, 2019.

**4. Management Discussion and Analysis Report:**

As per the provision of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report has been included and is annexed herewith as Annexure A. Certain Statements in the said report may be forward-looking. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

**5. Corporate Governance:**

The Report on Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

The requisite certificate from M/s. Samdani Shah & Kabra, Practising Company Secretaries confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Schedule V is enclosed to the Report on Corporate Governance.

**6. Directors:**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Udit Amin, Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

### 7. Key Managerial Personnel:

Mr. Abhijit Joshi, Whole-time Director & CEO, Ms. Kirti Shah, CFO and Ms. Manisha Saraf, Company Secretary are Key Managerial Personnel of the Company.

During the year, Ms. Kirti Shah was appointed as CFO of the Company w.e.f. 12<sup>th</sup> November, 2019. Mr. Kaushik Shah was re-designated as a Non-Key Managerial Personnel w.e.f. 19<sup>th</sup> May, 2020 (after close of business hours).

### 8. Meetings of the Board:

Four (4) Board Meetings were held during the financial year ended 31<sup>st</sup> March, 2020. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report.

### 9. Independent Directors:

The Company has received declarations / confirmations from all the Independent Directors of the Company as required under Section 149(7) of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 10. Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board and of the Committees of the Board, by way of individual and collective feedback from Directors.

The following were the Evaluation Criteria:

#### (a) For Independent Directors:

- Knowledge and Skills
- Professional Conduct
- Duties, Role and Functions
- Fulfillment of the Independence Criteria and their independence from the management

#### (b) For Non- Executive Directors:

- Knowledge and Skills
- Professional conduct
- Duties, Role and Functions

#### (c) For Executive Directors:

- Performance as Team Leader/ Member
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Set Key Goals and Achievements
- Professional Conduct and Integrity
- Sharing of Information with the Board

The Directors expressed their satisfaction with the evaluation process.

### 11. Audit Committee:

The Audit Committee consists of Independent Directors with Mr. Amit Goradia as Chairman, Mr. Atul Patel and Mr. Vijay Gandhi as members. The Committee inter alia reviews the Internal Control System, Scope of Internal Audit, Reports of Internal Auditors, Key Audit Matters presented by the Statutory Auditors and Compliance of various regulations. The Committee also reviews the financial statements before they are placed before the Board.

### 12. Vigil Mechanism:

In compliance with requirements of Section 177(9) & (10) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism or Whistle Blower Policy for directors, employees

and other stakeholders to report genuine concerns has been established. The same is uploaded on the website of the Company and the web-link as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

<https://www.paushak.com/pdf/Whistle-Blower-Policy.pdf>

**13. Internal Control Systems:**

The Company's internal control procedure which includes internal financial controls, ensure compliance with various policies, practices and statutes and in keeping in view with the organization's pace of growth and increasing complexity of operations. The internal auditors team carries out extensive audits throughout the year across all functional areas and submits its reports to the Audit Committee.

**14. Corporate Social Responsibility:**

Alembic Group has been proactively carrying out CSR activities since more than fifty years. Alembic Group has established, nurtured and promoted various Non-Profit Organisations focusing on three major areas – Education, Healthcare and Rural Development.

In compliance with requirements of Section 135 of the Companies Act, 2013, the Company has laid down a CSR Policy. The composition of the Committee, contents of CSR Policy and report on CSR activities carried out during the financial year ended 31<sup>st</sup> March, 2020 in the format prescribed under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure B.

**15. Policy on Nomination and Remuneration:**

In compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has laid down a Nomination and Remuneration Policy which has been uploaded on the Company's website.

The web-link as required under the Companies Act, 2013 is as under:

<http://www.paushak.com/pdf/NR-Policy.pdf>

The salient features of the NRC Policy are as under:

- 1) Setting out the objectives of the Policy.
- 2) Definitions for the purposes of the Policy.
- 3) Policy for appointment and removal of Director, KMP and Senior Management
- 4) Policy relating to the Remuneration for the Managerial Personnel, KMP, Senior Management Personnel & other employees.
- 5) Remuneration to Non- Executive / Independent Director.

**16. Related Party Transactions:**

Related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company.

There are no material related party transactions which are not in ordinary course of business or which are not on arm's length basis and hence there is no information to be provided as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website. The web-link as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

<http://www.paushak.com/pdf/RPT-Policy.pdf>

**17. Loans, Guarantees or Investments:**

The Company has neither granted any Loans nor given any Guarantees covered under provisions of Section 186 of the Companies Act, 2013, during the year. The details of Investments made during the year under review are given in Note No. 4 of Notes to Financial Statements.

The Company has also made investments in schemes of various mutual funds aggregating to ₹ 6,477.82 Lacs (Gross).

### 18. Listing of Shares:

The equity shares of the Company are listed on BSE Limited with security ID / symbol of PAUSHAKLTD. The Company confirms that the annual listing fees to BSE Limited for the financial year 2020-21 has been paid.

### 19. Auditors:

#### (a) Statutory Auditors:

M/s. Maloo Bhatt & Co., Chartered Accountants, Vadodara, Statutory Auditors of the Company will be retiring at the conclusion of the ensuing Annual General Meeting.

The Auditor's Report for financial year 2019-20 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the financial statements in this Annual Report.

The Audit Committee and Board of Directors of the Company respectively at their meeting held on 19<sup>th</sup> May, 2020, subject to approval of the shareholders, recommended the appointment of M/s. Maloo Bhatt & Co., Chartered Accountants having Firm Registration No. 129572W as Statutory Auditors of the Company to hold office for their second term of 5 (five) years i.e. from the conclusion of ensuing AGM till the conclusion of AGM for the financial year 2024-25.

#### (b) Secretarial Auditors:

The Board of Directors of the Company appointed M/s. Samdani Shah & Kabra, Practising Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2020-21.

The Secretarial Audit Report of M/s. Samdani Shah & Kabra, Practising Company Secretaries for the financial year 2019-20 is annexed herewith as Annexure C. The Secretarial Auditor's Report does not contain any qualification, reservation or adverse remark.

During the year under review, the Company has complied with all the applicable provisions of the Secretarial Standards.

#### (c) Cost Auditors:

M/s. Santosh Jejurkar & Associates, Cost Accountant, has been appointed as Cost Auditor of the Company for conducting audit of the cost records maintained by the Company relating to organic and inorganic chemicals for the financial year 2020-21.

The Company has made and maintained the cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

#### (d) Internal Auditors:

The Board of Directors has appointed M/s. Sharp & Tannan Associates, Chartered Accountants as Internal Auditors of the Company for the financial year 2020-21.

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

### 20. Particulars of employees and related disclosures:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as Annexure D.

A statement showing the names and other particulars of the employees falling within the preview of Rules 5(2) and 5(3) of the aforesaid rules are provided in the Annual Report. The Annual Report is being sent to the members of the Company excluding the aforesaid information. The said information is available for inspection at the Registered Office of the Company during working hours and the same will be furnished on request in writing to the members.

### 21. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as Annexure E.

**22. Extract of Annual Return:**

The extract of Annual Return required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is annexed herewith as Annexure F and has been uploaded on the Company's website. The web-link as required under the Companies Act, 2013 is as under:

<https://www.paushak.com/notice.aspx>

**23. Material Changes:**

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31<sup>st</sup> March, 2020. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

**24. Details of Unclaimed Suspense Account:**

Disclosure pertaining to Unclaimed Suspense Account as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith as Annexure G. The voting rights on the equity shares which are transferred to Unclaimed Suspense Account shall remain frozen till the rightful owner of such equity shares claims the shares.

**25. Other Disclosures:**

- a) In the opinion of the Board, the Independent Director re-appointed during the year is a person of integrity and possess expertise, experience and proficiency.
- b) The Auditors of the Company have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.
- c) The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- d) The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment.
- e) The Company has not invited/accepted any deposits from public.
- f) There are no significant and material orders passed the Regulators or Courts or Tribunal impacting the going concern status of the Company and its operations in future.

**26. Directors' Responsibility Statement:**

In terms of the provisions of Companies Act, 2013, the Directors state that:

- a) in preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies as listed in Note 1 to the financial statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year as on 31<sup>st</sup> March, 2020 and of the profit of the Company for that period;
- c) the directors had taken proper and sufficient care for 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 fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and



- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

On behalf of the Board of Directors,

Sd/-

**Chirayu Amin**  
Chairman  
DIN: 00242549

**Registered Office:** Alembic Road, Vadodara – 390 003

CIN: L51909GJ1972PLC044638

Tel: +91 265 2280550 Fax: +91 265 2282506

Website: [www.paushak.com](http://www.paushak.com)

Email ID: [investors@paushak.com](mailto:investors@paushak.com)

Date: 19<sup>th</sup> May, 2020

Place: Vadodara

## MANAGEMENT DISCUSSION AND ANALYSIS

The Company's management provides its own perspective on the operating and financial performance of the Company during financial year 2019-20 and an outlook of the business performance in the coming years as follows:

### (A) Industry Structure and Development & Business, Opportunities, Threats & Risks

Paushak continues to be India's largest phosgene based specialty chemicals manufacturer while maintaining domestic market leadership in majority of its product portfolio. It has developed many new products in last few years and improving the yield, norms and consistency resulting in optimisation of the cost. Despite price softening happening in second half of the year due to improved availability from China, with internal improvements and aided by lower raw material cost to us, we have been able to sustain our gross margins.

Continuing our journey to build a sustainable business while benchmarking ourselves to global standards, we are pleased to share that your Company has become 56<sup>th</sup> company in India to receive permission to use “**Responsible Care**” logo (RC) from Indian Chemical Council (ICC), the nodal agency in India. You would be proud to know that your Company has achieved this milestone within one year after committing to ICC and going through an extensive audit from ICC which also required us to undertake substantial improvements at the site including automation & improved infrastructure. Your Company is among one of the smallest companies (in terms of turnover) to receive the same where majority of the companies having permission to use the RC logo in India are big players/MNCs. This has further enhanced and substantiated our capabilities of running sustainable operations while handling hazardous chemicals and generating greater value for our businesses.

Your Company is also actively exploring various opportunities, including contract manufacturing, with global customers and pleased to share that your Company has been able to initiate business with one of the global agro majors and expect to develop the relation further while increasing the product & service offerings. We believe that “Make in India” presents a great opportunity for us along with “India alternative” to global customers.

Your Company has been putting substantial efforts to improve the technology while enhancing capabilities and capacities to achieve its vision of becoming “**Technology driven Global Specialty Chemical Company**”. Your Company has developed indigenous technology for its one of the key product portfolio last year and is in process of building a new plant, with full automation and as per global standards, which will not only result in majority of import substitution in India but will also help your Company to tap export markets.

Your Company has also applied for expansion of its Phosgene capacity and is going through regulatory process & expect to have approval within FY 2020-21. This will help your Company to accelerate the growth in near future where opportunities have already been identified and we are working to scale up.

With the sudden uncertainties brought by COVID-19 and unexpected lockdown, your Company's sales also got impacted at the end of year and may have continued impact next year as well. We have experienced competition and pricing pressure from Chinese suppliers and expect the same to increase. It is also expected that competition will increase both, locally and internationally. Fluctuating crude prices along with exchange rate do pose a significant business risk as well.

### (B) Outlook:

Despite of uncertainties prevailing, Paushak will continue its journey to invest & expand its capabilities & capacities to accelerate the growth of business in domestic as well international market. Our long term strategy and plans remains intact and are confident that there may be delays, but we will emerge successful. We will continue our efforts to develop relationship with global customers while setting up new plants, improving our ability to handle complex reactions while generating higher value addition.

### (C) Financial Performance:

The gross revenue of the Company is ₹ 14,250.45 Lacs for the year under review as compared to ₹ 14,215.30 Lacs for the previous year. The Company registered a Net Profit of ₹ 3,491.21 Lacs for the year under review as compared to Net Profit of ₹ 3,895.74 Lacs for the previous year.

**(D) Key Financial Ratios:**

The Company had modest growth of operating profit during the year under review which reflects in the key financial ratio. A summary of the same is as under:

<b>Particulars</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Operating Profit Margin	30.14%	27.32%
Net Profit Margin	24.50%	27.41%
Return on Net Worth	23.39%	33.46%
Earnings Per Share	113.27	125.64
Debt Equity Ratio	-	-
Receivables days	59	73
Inventory days	60	63
Current Ratio	2.82	3.65

Note: Operating Profit margin and Net Profit margin are calculated on the Total Income of the Company.

For the previous year, the Net Profit margin and Return on Net worth was higher on account of Exceptional Income of ₹ 1,015.04 Lacs. During the year, the Company has made changes in its Policy for receivables, payables and other components of working capital which resulted in change in working capital ratios. Since the Company had no debt at the end of the year, interest coverage ratio has not been provided.

**(E) Internal Control Systems and Adequacy:**

The Company believes that Internal Control is a necessary concomitant of the principle of Governance. It remains committed to ensuring an effective Internal Control environment that provides assurance to the Board of Directors, Audit Committee and the management that there is a structured system for close and active supervision by the Audit Committee while ensuring reliability of financial and operational reporting and legal and regulatory compliance.

Interrelated control systems, covering all financial and operating functions, assure fulfilment of these objectives. The Company uses Enterprise Resource Planning (ERP) supported by in-built controls that ensures reliable and timely financial reporting.

**(F) Human Resource - Developing Human Capital:**

Paushak has continued its efforts to build capabilities by training, upgrading and adding resources while offering better operating environment. This has also helped us to challenge and win "Responsible Care" logo in the shortest possible time. Your Company takes higher expense as an investment for building future and will continuing to add more resources in technical and R&D.

On behalf of the Board of Directors,

Place: Vadodara  
Date: 19<sup>th</sup> May, 2020

Sd/-  
**Chirayu Amin**  
Chairman  
DIN: 00242549

### Annual Report on CSR Activities to be included in the Board's Report

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:**

The Company's CSR Policy is in adherence to the provisions of Section 135 of the Companies Act, 2013 read with rules framed thereunder and provides for carrying out CSR activities in the area of Education, Healthcare including Preventive Healthcare and Rural Development, Sanitation, etc. through various 'Non-Profit Organisation', viz Alembic CSR Foundation, Bhailal Amin General Hospital, Rural Development Society, Uday Education Society and others.

The CSR spend may be carried out by way of donation to the corpus of the above 'Non-Profit Organisations' or contribution towards some specific project being undertaken by any of the organisations or to Central / State Government Relief Funds or directly by the Company.

The web-link for the CSR Policy of the Company is as under: <http://www.paushak.com/pdf/CSR-Policy.pdf>

2. **The Composition of CSR Committee:**

Mr. Amit Goradia	-	Chairman
Mr. Udit Amin	-	Member
Mr. Atul Patel	-	Member

3. **Average Net Profit of the Company for the last three financial years:** ₹ 2,484.92 Lacs.

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** ₹. 49.70 Lacs.

5. **Details of CSR Spent during the financial year:**

(a) Total amount to be spent for the financial year: ₹. 49.70 Lacs.

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

(₹ in Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs(1) Local area or other.(2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads 1. Direct Expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
1.	Contribution to Alembic CSR Foundation	CSR activities specified in schedule VII of the Companies Act, 2013	Across Gujarat	Multiple program	Direct-49.70	49.70	Through Implementing Agency-Alembic CSR Foundation
	<b>TOTAL</b>				<b>49.70</b>	<b>49.70</b>	

6. **In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:**

Not applicable.

7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

On behalf of the Board of Directors,

Sd/-

**Chirayu Amin**

Chairman

DIN: 00242549

Date: 19<sup>th</sup> May, 2020

Place: Vadodara

On behalf of the CSR Committee,

Sd/-

**Amit Goradia**

Chairman-CSR Committee

DIN: 00074478

## Secretarial Audit Report

For the Financial Year ended March 31, 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] and Regulation 24A of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015]*

The Members,  
**Paushak Limited**  
Alembic Road,  
Vadodara - 390 003,  
Gujarat.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Paushak Limited (hereinafter referred to as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2020, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

We report that, there were no actions / events in pursuance of the following regulations requiring compliance thereof by the Company during the period of this report:-

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (e) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.
- vi. Other sector specific laws as follows:
    - (a) Chemical Weapon Convention Act, 2000;

- (b) Petroleum Act, 1934;
- (c) Indian Boiler Act, 1923;
- (d) MSIHC (Manufacturing, Storage & Import of Hazardous Chemicals) Rules, 2008;
- (e) Static Mobile Pressure Vessels (Unfired) Rules, 2016
- (f) Hazardous Waste Rules, 2010;
- (g) Gas Cylinder Rules, 2004;
- (h) D G Sets Rules, 2003;
- (i) Water Cess Act, 1977 and rules made thereunder;
- (j) Public Liability Insurance Act, 1991 and rules made thereunder;
- (k) Bio-Medical Waste Management & Handling Rules, 1998;
- (l) Batteries Rules, 2001;
- (m) Chemical Accident (Emergency) Planning Preparedness & Response Rules, 1998.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) The Listing Agreement entered into by the Company with BSE Ltd.

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

**We further report that;**

- A. The Board of directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review;
- B. Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting;
- C. 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;
- D. There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines;
- E. During the audit period, there were no specific instances / actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having major bearing on the Company's affairs.

Sd/-

**S. Samdani**  
Partner

**Samdani Shah & Kabra**  
Company Secretaries  
FCS No. 3677  
CP No. 2863  
UDIN: F003677B000250341

Place: Vadodara  
Date: May 19, 2020

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

## Appendix A

The Members,

**Paushak Limited**

Alembic Road,  
Vadodara – 390 003,  
Gujarat.

Our Secretarial Audit report of even date is to be read along with this letter, that:

- I. Maintenance of Secretarial records and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these secretarial records and compliances based on such verification and audit.
- II. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- III. Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
- IV. 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.

Sd/-

**S. Samdani**

Partner

**Samdani Shah & Kabra**

Company Secretaries  
FCS No. 3677  
CP No. 2863  
UDIN: F003677B000250341

Place: Vadodara

Date: May 19, 2020



**Annexure D**

As per the provisions of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to disclose following information in the Board's Report.

Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	
<b>Name</b>	<b>Ratio to Employees</b>
Mr. Abhijit Joshi – Whole-time Director & CEO	1:0.05652
Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	
<b>Name</b>	<b>% Increase</b>
Mr. Abhijit Joshi – Whole-time Director & CEO	7.00
Mr. Kaushik Shah – Dy. CFO	10.00
Ms. Kirti Shah – CFO (appointed w.e.f. 12 <sup>th</sup> November, 2019)	N.A.
Ms. Manisha Saraf – Company Secretary	18.55
Percentage increase in the median remuneration of employees in the financial year	23.40
Number of permanent employees on the rolls of Company	259
Average percentile increase 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	7.93% (Non- Managerial Personnel) 7.00% (Managerial Personnel)

We affirm that the remuneration paid to the Managerial and Non-Managerial Personnel is as per the Nomination and Remuneration Policy of the Company.

On behalf of the Board of Directors,

Date: 19<sup>th</sup> May, 2020  
Place: Vadodara

Sd/-  
**Chirayu Amin**  
Chairman  
DIN: 00242549

## Annexure E

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

**(A) Conservation of Energy:****(i) Steps taken or impact on conservation of energy:**

- The Company has in its expansion project selected the most efficient utility systems available today.
- The Company has upgraded the old manufacturing plants, especially the utilities network, so as to achieve overall improved energy usage efficiency.
- Optimization of plant operations to save per unit energy in manufacturing.

**(ii) Steps taken for utilizing alternate sources of energy:**

The Company is exploring the use of solar energy in plant applications and expansion projects.

**(iii) Capital Investment on energy conservation equipments:**

The Company has invested in improving its carbon monoxide manufacturing technology, which is more energy efficient.

The Company has invested in certain process automation to convert manual operation to stable and capable automated processes without rework/reprocess to save energy.

**(B) Technology Absorption:****(i) Efforts made towards technology absorption:**

- The Company is in the process of establishing an improved indigenous technology for carbon monoxide manufacturing.
- The Company has established an efficient distillation technology using agitated thin film evaporator (ATFE).
- Adoption of current phosgene technology and converting it to an improved design with increased capacity and automation.

**(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:**

- The Company has continued to commercialize some products which were earlier imported into the Country.
- The Company has improved the quality profile of several products, leading to wider customer base and import substitution.
- Adopted TQM way to resolve prevailing issues in operation and maintenance to improve yield, throughput and reduce break downs.

**(iii) Information regarding technology imported, during the last 3 years: Nil****(iv) Expenditure incurred on Research and Development:**

During the year under review, the Company has incurred expenses of ₹ 161.56 Lacs as compared to ₹ 224.02 Lacs for the previous year on Research and Development.

**(C) Foreign Exchange Earnings and Outgo:**

Foreign exchange earned in terms of actual inflows during the financial year 2019-20 was ₹ 2,374.89 Lacs.

Foreign exchange outgo in terms of actual outflows during the financial year 2019-20 was ₹ 328.36 Lacs.

On behalf of the Board of Directors,

Date: 19<sup>th</sup> May, 2020  
Place: Vadodara

Sd/-  
**Chirayu Amin**  
Chairman  
DIN: 00242549

**Form No. MGT - 9**  
**Extract of Annual Return**

As on the financial year ended on 31<sup>st</sup> March, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L51909GJ1972PLC044638
Registration Date	06/05/1972
Name of the Company	Paushak Limited
Category/Sub-Category of the Company	Company Limited by Shares
Address of the Registered Office and Contact Details	Alembic Road, Vadodara - 390 003 Tel: +91 265 2280550 Fax: +91 265 2282506 Website: www.paushak.com E-mail ID: investors@paushak.com
Whether listed company	Yes
Name, Address and Contact Details of Registrar and Transfer Agent, if any:	Link Intime India Private Limited, B - 102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020 Tel: +91 265 6136000   2356573 E-mail ID : vadodara@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the company
1.	Speciality Chemicals and Intermediates	201*	99.36

\*As per National Industrial Classification (NIC) 2008

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and Address of the Company	Holding/ Subsidiary/ Associate	CIN/ GLN	% of Shares held	Applicable Section
1.	Nirayu Limited C4/22-23, Baroda Industrial Estate, Gorwa, Vadodara - 390 016	Holding	U28100GJ1971PLC098778	33.20*	2(46)

\*Nirayu Limited is Holding Company based on clarifications and advice received regarding direct and indirect holding through its subsidiaries and step down subsidiaries.

**IV. SHAREHOLDING PATTERN (Equity share Capital Break up as percentage of Total Equity):**

**i) Category-wise Share Holding:**

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoter									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	1,81,468	-	1,81,468	5.89	1,81,528	-	1,81,528	5.89	-*

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	18,39,679	-	18,39,679	59.69	18,39,719	-	18,39,719	59.69	.*
(e)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(f)	Any Other (Specify)									
	Trusts	8,946	-	8,946	0.29	8,986	0	8,986	0.29	.*
	<b>Sub Total (A)(1)</b>	<b>20,30,093</b>		<b>20,30,093</b>	<b>65.87</b>	<b>20,30,233</b>	<b>0</b>	<b>20,30,233</b>	<b>65.87</b>	<b>.*</b>
<b>[2]</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	25,846	-	25,846	0.84	25,846	-	25,846	0.84	-
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A)(2)</b>	<b>25,846</b>		<b>25,846</b>	<b>0.84</b>	<b>25,846</b>		<b>25,846</b>	<b>0.84</b>	
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>20,55,939</b>		<b>20,55,939</b>	<b>66.71</b>	<b>20,56,079</b>		<b>20,56,079</b>	<b>66.71</b>	<b>.*</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>[1]</b>	<b>Institutions</b>									
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-
(b)	Financial Institutions / Banks	-	83	83	0.00	-	83	83	0.00	-
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government(s)									
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIs / FPIs	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub Total (B)(1)</b>	<b>0</b>	<b>83</b>	<b>83</b>	<b>0.00</b>	<b>0</b>	<b>83</b>	<b>83</b>	<b>0.00</b>	
<b>[2]</b>	<b>Non-Institutions</b>									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lac.	4,61,528	2,40,924	7,02,452	22.79	4,57,280	2,15,953	6,73,233	21.84	(0.95)
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lac	1,38,314	-	1,38,314	4.49	1,92,450	-	1,92,450	6.24	1.75

**PAUSHAK LIMITED**

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	NBFCs registered with RBI	250	-	250	0.01	-	-	-	-	(0.01)
(c)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)									
(i)	IEPF	97,552	-	97,552	3.17	1,04,075	-	1,04,075	3.38	0.21
(ii)	Trusts	44	-	44	-	44	-	44	-	-
(iii)	Hindu Undivided Family	9,024	16	9,040	0.29	9,589	16	9,605	0.31	0.02
(iv)	Non Resident Indians (Non Repat)	3,028	-	3,028	0.10	3,829	-	3,829	0.12	0.02
(v)	Non Resident Indians (Repat)	20,533	-	20,533	0.67	3,551	-	3,551	0.12	(0.55)
(vi)	Unclaimed Shares	5,371	-	5,371	0.17	5,371	-	5,371	0.17	-
(vii)	Clearing Member	6,917	-	6,917	0.22	1,085	-	1,085	0.04	(0.18)
(viii)	Bodies Corporate	42,035	556	42,591	1.38	32,153	556	32,709	1.06	(0.32)
	<b>Sub Total (B)(2)</b>	<b>7,84,596</b>	<b>2,41,496</b>	<b>10,26,092</b>	<b>33.29</b>	<b>8,09,427</b>	<b>2,16,525</b>	<b>10,25,952</b>	<b>33.29</b>	<b>-*</b>
	<b>Total Public Shareholding(B)=(B)(1)+(B)(2)</b>	<b>7,84,596</b>	<b>2,41,579</b>	<b>10,26,175</b>	<b>33.29</b>	<b>8,09,427</b>	<b>2,16,608</b>	<b>10,26,035</b>	<b>33.29</b>	<b>-</b>
	<b>Total (A)+(B)</b>	<b>28,40,535</b>	<b>2,41,579</b>	<b>30,82,114</b>	<b>100.00</b>	<b>28,65,506</b>	<b>2,16,608</b>	<b>30,82,114</b>	<b>100.00</b>	<b>-</b>
(C)	Shares held by custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	<b>Sub Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (A)+(B)+(C)</b>	<b>28,40,535</b>	<b>2,41,579</b>	<b>30,82,114</b>	<b>100.00</b>	<b>28,65,506</b>	<b>2,16,608</b>	<b>30,82,114</b>	<b>100.00</b>	<b>-</b>

Note: \* less than 0.005%

**(ii) Shareholding of Promoters:**

**Details of Shareholding of Promoters:**

Sr. 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	% shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% shares pledged / encumbered to total shares	
1.	Mr. Chirayu Amin*	89,686	2.92	-	89,686	2.92	-	Nil
2.	Mr. Udit Amin	25,846	0.84	-	25,846	0.84	-	Nil

\*15,423 equity shares held in the name of Chirayu Amin in representative capacity of Karta of Chirayu Ramanbhai Amin HUF

**Details of Shareholding of persons and entities of promoter group:**

Sr. 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	% shares pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% shares pledged/encumbered to total shares	
1.	Nirayu Limited <sup>1</sup>	10,23,366	33.20	-	12,51,870	40.62	-	7.42
2.	Alembic Limited	5,87,809	19.07	-	5,87,809	19.07	-	0.00
3.	Shreno Limited <sup>1</sup>	2,28,504	7.41	-	10	0.00	-	(7.41)
4.	Alembic Pharmaceuticals Ltd. <sup>2</sup>	-	-	-	-	-	-	-
5.	Alembic City Ltd.	-	-	-	10	0.00	-	0.00
6.	Shreno Publications Ltd.	-	-	-	10	0.00	-	0.00
7.	Mrs. Malika Amin	37,598	1.22	-	37,598	1.22	-	0.00
8.	Mr. Pranav Amin	28,336	0.92	-	28,336	0.92	-	0.00
9.	Mr. Shaunak Amin	25,848	0.84	-	25,848	0.84	-	0.00
10.	Mrs. Barkha Amin	-	-	-	10	0.00	-	0.00
11.	Ms. Samira Amin	-	-	-	10	0.00	-	0.00
12.	Mr. Ranvir Amin	-	-	-	10	0.00	-	0.00
13.	Mrs. Krupa Amin	-	-	-	10	0.00	-	0.00
14.	Ms. Naintara Amin	-	-	-	10	0.00	-	0.00
15.	Ms. Inaaya Amin	-	-	-	10	0.00	-	0.00
16.	Mrs. Tishya Amin <sup>2</sup>	-	-	-	-	-	-	-
17.	Utkarsh Vidyakendra <sup>2</sup>	-	-	-	-	-	-	-
18.	Viramya Packlight LLP	-	-	-	10	0.00	-	0.00
19.	Ujwal Vidyalaya <sup>3</sup>	5,216	0.17	-	-	-	-	(0.17)
20.	Arogyavardhini Society <sup>3</sup>	3,222	0.10	-	-	-	-	(0.10)
21.	Vidyanidhi Trust <sup>3</sup>	108	0.00	-	-	-	-	0.00
22.	Uday Education Society <sup>3</sup>	-	-	-	5,324	0.17	-	0.17
23.	Bhailal Amin General Hospital <sup>3</sup>	-	-	-	3,222	0.10	-	0.10
24.	Virsad Family Trust <sup>4</sup>	200	0.01	-	200	0.01	-	0.00
25.	Laburnum Family Trust <sup>4</sup>	200	0.01	-	200	0.01	-	0.00
26.	Laksh Trust <sup>4</sup>	-	-	-	10	0.00	-	0.00
27.	Grace Star Trust <sup>4</sup>	-	-	-	10	0.00	-	0.00
28.	Gallup Trust <sup>4</sup>	-	-	-	10	0.00	-	0.00
29.	Satori Trust <sup>4</sup>	-	-	-	10	0.00	-	0.00

<sup>1</sup>Pursuant to the Order passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench dated 26<sup>th</sup> July, 2019 in the matter of Composite Scheme of Arrangement between Alembic Limited, Shreno Limited and Nirayu Private Limited, the equity shares held by Shreno Limited in the Company are transferred to Nirayu Private Limited. Further, Nirayu Private Limited has been converted into a Public Limited company and its name has been changed to Nirayu Limited pursuant to the Certificate of Incorporation dated 3<sup>rd</sup> October, 2019 issued by the Registrar of Companies, Gujarat in this regard. Subsequently, Shreno Limited acquired 10 equity share of the Company from the open market.

<sup>2</sup>As per disclosures under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, furnished by the Promoters.

<sup>3</sup>Transfer of equity shares of the Company by and between the members of Promoter Group by way of donation, without consideration, through off market transaction.

<sup>4</sup>Equity shares held in the name of the Trustee(s) on behalf of the Trust.

**(iii) Change in Promoter's Shareholding (please specify, if there is no change):**

Particulars		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year		20,55,939	66.71	20,55,939	66.71
Transfer by Vidyandhi Trust <sup>1</sup>	03.04.2019	(108)	0.00	20,55,831	66.71
Transfer by Ujjwal Vidyalyaya <sup>1</sup>	03.04.2019	(5,216)	(0.17)	20,50,615	66.54
Transfer by Arogyavardhini Society <sup>1</sup>	03.04.2019	(3,222)	(0.10)	20,47,393	66.44
Acquired/ Received by Uday Education Society <sup>1</sup>	03.04.2019	5,324	0.17	20,52,717	66.61
Acquired/ Received by Bhailal Amin General Hospital <sup>1</sup>	03.04.2019	3,222	0.10	20,55,939	67.71
Transfer by Shreno Limited <sup>2</sup>	26.07.2019	(2,28,504)	(7.41)	18,27,435	59.29
Acquired/ Received by Nirayu Limited <sup>2</sup>	26.07.2019	2,28,504	7.41	20,55,939	66.71
Market Purchase by Alembic City Limited	25.09.2019	10	0.00	20,55,949	66.71
Market Purchase by Shreno Publications Limited	25.09.2019	10	0.00	20,55,959	66.71
Market Purchase by Laksh Trust	25.09.2019	10	0.00	20,55,969	66.71
Market Purchase by Gallup Trust	25.09.2019	10	0.00	20,55,979	66.71
Market Purchase by Grace Star Trust	25.09.2019	10	0.00	20,55,989	66.71
Market Purchase by Satori Trust	25.09.2019	10	0.00	20,55,999	66.71
Market Purchase by Mrs. Barkha Amin	24.12.2019	10	0.00	20,56,009	66.71
Market Purchase by Mrs. Krupa Amin	24.12.2019	10	0.00	20,56,019	66.71
Market Purchase by Ms. Samira Amin	24.12.2019	10	0.00	20,56,029	66.71
Market Purchase by Mr. Ranvir Amin	24.12.2019	10	0.00	20,56,039	66.71
Market Purchase by Ms. Naintara Amin	24.12.2019	10	0.00	20,56,049	66.71
Market Purchase by Ms. Inaaya Amin	24.12.2019	10	0.00	20,56,059	66.71
Market Purchase by Shreno Limited	24.12.2019	10	0.00	20,56,069	66.71
Market Purchase by Viramya Packlight LLP	24.12.2019	10	0.00	20,56,079	66.71
At the end of the year		20,56,079	66.71	20,56,079	66.71

<sup>1</sup>Transfer of equity shares of the Company by and between the members of Promoter Group by way of donation, without consideration, through off market transaction.

<sup>2</sup>Share transferred to Nirayu Limited pursuant to the order dated 26<sup>th</sup> July, 2019 passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench in the matter of Composite Scheme of Arrangement between Alembic Limited, Shreno Limited and Nirayu Private Limited.

**(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters, Promoter Group and Holders of GDRs and ADRs):**

Sr. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. Ashish Kacholia	0	0.00	During the year	42,678	Increase	42678	1.38
					-	Decrease		
2	Mr. Sanjay Katkar	24,613	0.80	23.08.2019	9,310	Increase	33,923	1.10
						Decrease		

Sr. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
3	Mr. Siddhant Khanna	31,000	1.01	During the financial year	-	Increase	31,000	1.01
					-	Decrease		
4	Mr. Sunil Rungta	24,817	0.80	During the financial year	-	Increase	24,817	0.80
					-	Decrease		
5	Mr. Kailash Sahebrao Katkar	16,468	0.53	During the financial year	2,988	Increase	19,456	0.63
					-	Decrease		
6	Mr. Shirish Joshi	17,983	0.58	21.02 2020	75	Increase	18,058	0.59
					-	Decrease		
7	Ms. Chhaya Sanjay Katkar	8,396	0.27	During the financial year	4,483	Increase	12,879	0.42
					-	Decrease		
8	Ms. Anupama Kailash Katkar	2,727	0.09	During the financial year	7,695	Increase	10,422	0.34
					-	Decrease		
9	Rural Engineering Co.Pvt Ltd.	10,273	0.33	During the financial year	-	Increase	10,273	0.33
					-	Decrease		
10	Mr. Vinodkumar Harakchand Daga	9,012	0.29	During the financial year	-	Increase	9,012	0.29
					-	Decrease		
11	Mr. Jitendra Baldwa*	17,924	0.58	During the financial year	-	Increase	6,908	0.22
					(11,016)	Decrease		

Note: The date wise increase/ decrease in shareholding of the top ten shareholders is available on the website of the Company.

\*Ceased to be amongst top ten public shareholders as on 31<sup>st</sup> March 2020.

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	At the beginning/ end of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Chirayu Amin*	89,686	2.92	89,686	2.92
2.	Mr. Udit Amin, Director	25,846	0.84	25,846	0.84

Note:

\*15,423 equity shares held in the name of Chirayu Amin in representative capacity of Karta of Chirayu Ramanbhai Amin HUF.

None of the other Director and Key Managerial Personnel holds any shares in the Company.



V. INDEBTEDNESS:

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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0.35	-	-	0.35
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>0.35</b>	<b>-</b>	<b>-</b>	<b>0.35</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	-	-	-	-
· Reduction	0.35	-	-	0.35
<b>Net Change</b>	<b>0.35</b>	<b>-</b>	<b>-</b>	<b>0.35</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of WTD	Total Amount
		Mr. Abhijit Joshi	
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	56.86	56.86
	(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	-	-
5.	Others (Retiral Benefit)	3.85	3.85
	<b>Total (A)</b>	<b>60.71</b>	<b>60.71</b>
	Overall Ceiling as per the Act		217.62

B. Remuneration to other Directors:

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Chirayu Amin	Mr. Udit Amin	Mr. Amit Goradia	Mr. Atul Patel	Dr. Shamita Amin	Mr. Vijay Gandhi	
1.	Independent Directors							
	· Fee for attending board/ committee	-	-	1.70	1.70	1.30	2.00	6.70
	· Commission	-	-	-	-	-	-	-
	· Others (Please Specify)	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>-</b>	<b>-</b>	<b>1.70</b>	<b>1.70</b>	<b>1.30</b>	<b>2.00</b>	<b>6.70</b>

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Chirayu Amin	Mr. Udit Amin	Mr. Amit Goradia	Mr. Atul Patel	Dr. Shamita Amin	Mr. Vijay Gandhi	
2.	Other Non-Executive Directors							
	· Fee for attending board/ committee	0.70	0.55	-	-	-	-	1.25
	· Commission	-	125.00 <sup>#</sup>	-	-	-	-	125.00
	· Others (Please Specify)	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>0.70</b>	<b>125.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126.25</b>
	<b>Total Managerial Remuneration (1+2)</b>	<b>0.70</b>	<b>125.55</b>	<b>1.70</b>	<b>1.70</b>	<b>1.30</b>	<b>2.00</b>	<b>132.95</b>
	Overall Ceiling as per the Act							43.52*

<sup>#</sup>Mr. Udit Amin, Non-Executive Director, has been paid commission of ₹125 Lacs for the financial year 2019-20 which is within the limit approved by the members at the 45<sup>th</sup> Annual General Meeting of the Company held on 6<sup>th</sup> August, 2018. Further, the same is subject to approval of the members at the Annual General Meeting for the financial year 2019-20.

\*No Managerial remuneration other than sitting fees has been paid to the Non-Executive Directors of the Company.

**C. Remuneration To Key Managerial Personnel other than MD/Manager/WTD:**

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Ms. Manisha Saraf - Company Secretary	Mr. Kaushik Shah - Dy. CFO	Ms. Kirti Shah – CFO (w.e.f.12.11.2019)	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	13.67	14.03	5.95	33.65
	(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	-	-	-	-
5.	Others (Retiral Benefit)	0.92	0.94	0.41	2.27
	<b>Total</b>	<b>14.59</b>	<b>14.98</b>	<b>6.35</b>	<b>35.92</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There has been no penalty or punishment or compounding of offences against/by the Company, Directors and Other Officers in default under the provisions of the Companies Act, 2013 during the F.Y. 2019-2020.

On behalf of the Board of Directors,

Date: 19<sup>th</sup> May, 2020  
Place: Vadodara

Sd/-  
**Chirayu Amin**  
Chairman  
DIN: 00242549

**Details of Unclaimed Suspense Account as per the provisions of Schedule V of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	No. of Shareholders: 116 Outstanding Shares: 5,371
Number of shareholders who approached the company for transfer of shares from suspense account during the year	No. of shareholders: Nil No. of shares: Nil
Number of shareholders to whom shares were transferred from suspense account during the year	No. of shareholders: Nil No. of shares: Nil
Number of shareholders whose shares were transfer to Investor Education and Protection Fund	No. of shareholders: Nil No. of shares: Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	No. of Shareholders: 116 Outstanding Shares: 5,371

Note: The voting rights on the above shares shall remain frozen till the rightful owner of such shares claims the shares.

On behalf of the Board of Directors,

Date: 19<sup>th</sup> May, 2020  
Place: Vadodara

Sd/-  
**Chirayu Amin**  
Chairman  
DIN: 00242549

## Report on Corporate Governance

### 1. Company's Philosophy:

The Company strongly believes in adopting the best practices in the areas of Corporate Governance. The Company's policy and practices are aimed at efficient conduct of business and effectively meeting its obligation to the shareholders. The Company will continue to focus its resources, strengths and strategies for enhancement of the long term shareholders' value while at the same time protecting the interest of other stakeholders.

### 2. Board of Directors:

#### • Composition of the Board:

The Board of Directors consists of 1 Professional Executive Director, 2 Promoter Non-Executive Director and 4 Independent Non-Executive Directors. The Chairman of the Board is Promoter Non-Executive Director. As on 31<sup>st</sup> March, 2020 and on the date of this report, the Board meets the requirement of having at least one woman director and not less than 50% of the Board strength comprising of Non-Executive Directors as 4 out of 7 Directors are Independent Non-Executive Directors including 1 Woman Director.

#### • Number of Board Meetings held and the dates of the Board Meetings:

Four (4) Board Meetings were held during the year ended on 31<sup>st</sup> March, 2020 on 6<sup>th</sup> May, 2019, 7<sup>th</sup> August, 2019, 11<sup>th</sup> November, 2019 and 31<sup>st</sup> January, 2020. The time gap between any two meetings was not exceeding one hundred and twenty days.

#### Details of composition and category of Directors, attendance at the Board Meetings, Annual General Meeting and shareholding of each Director:

Name of the Director	Category	No. of Board Meetings held & attended during the Financial Year	Attendance at last AGM	No. of Equity shares held in the Company <sup>#</sup>
Mr. Chirayu Amin Chairman	Promoter Non-Executive	3 out of 4	Yes	89,686 <sup>^</sup>
Mr. Udit Amin	Promoter Non-Executive	4 out of 4	Yes	25,846
Mr. Amit Goradia	NED (I) <sup>*</sup>	4 out of 4	Yes	Nil
Mr. Vijay Gandhi	NED (I) <sup>*</sup>	4 out of 4	Yes	Nil
Mr. Atul Patel	NED (I) <sup>*</sup>	4 out of 4	Yes	Nil
Dr. Shamita Amin	NED (I) <sup>*</sup>	4 out of 4	No	Nil
Mr. Abhijit Joshi Whole-time Director & CEO	Professional Executive	4 out of 4	Yes	Nil

<sup>#</sup> The Company has not issued any convertible instruments.

<sup>^</sup> Includes 15,423 Equity Shares held in the name of Chirayu Amin in representative capacity of Karta of Chirayu Ramanbhai Amin HUF.

<sup>\*</sup> NED (I) means Non-Executive Director (Independent).

- **Number of other board of directors or committees in which a Director is a Director / Member / Chairperson:**

Name of the Director	No. of Directorships		No. of Committee Memberships		No. of Committee Chairmanships	
	In all other companies	Excl. Pvt. Ltd.,* Foreign & Sec. 8 companies	All committees	Only Audit & Stakeholders Relationship Committee	All committees	Only Audit & Stakeholders Relationship Committee
Mr. Chirayu Amin	5	5	7	1	4	1
Mr. Udit Amin	2	2	1	1	-	-
Mr. Atul Patel	7	5	5	2	1	1
Mr. Amit Goradia	5	-	-	-	-	-
Dr. Shamita Amin	2	-	-	-	-	-
Mr. Vijay Gandhi	-	-	-	-	-	-
Mr. Abhijit Joshi	1	-	-	-	-	-

\* Includes directorship in private companies that are either holding or subsidiary company of a public company.

- **Names of the other listed entities where the person is a director and the category of directorship.**

Name of the Director	Name of the listed entities	Category of directorship
Mr. Chirayu Amin	Alembic Pharmaceuticals Limited	Executive Chairman and CEO
	Alembic Limited	Non-Executive Chairman
	Elecon Engineering Company Limited	Non-Executive Independent Director
Mr. Udit Amin	Alembic Limited	Non-Executive Director
Mr. Amit Goradia	-	-
Mr. Atul Patel	20 Microns Limited	Non-Executive Independent Director
Dr. Shamita Amin	-	-
Mr. Vijay Gandhi	-	-
Mr. Abhijit Joshi	Alembic Limited	Non-Executive Director

Pursuant to the provisions of Section 165(1) the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors holds directorships in more than 20 companies (Public or Private), 10 public companies and membership of board committees (Audit & Stakeholders Relationship Committees) in excess of 10 and chairmanship of Board Committee in excess of 5. None of the Directors serve as Independent director in more than 7 listed companies. None of the director who serve as Whole-Time Director in any listed company, serve as Independent Director in more than three listed companies.

- **Disclosure of relationships between Directors inter-se:**

Mr. Chirayu Amin, Chairman is father of Mr. Udit Amin, Non-Executive Director of the Company. None of the other Directors are related to each other.

- **Familiarisation program for Independent Directors:**

The Company has conducted the familiarisation programmes for Independent Directors during the year. The details for the same have been disclosed on the website of the Company at the following web-link:

<http://www.paushak.com/familiarisation-program.aspx>

- **Confirmation on the independence of the Independent Directors:**

The Board of Directors hereby confirms that in their opinion, the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are Independent of the Management.

• **Matrix setting out the skills/expertise/competence of the board of directors:**

The board skill matrix provides a guide as to the core skills, expertise, competencies and other criteria (collectively referred to as 'skill sets') considered appropriate by the board of the Company in the context of its business and sector(s) for it to function effectively and those actually available with the Board. The skill sets will keep on changing as the organization evolves and hence the board may review the matrix from time to time to ensure that the composition of the skill sets remains aligned to the Company's strategic direction.

The skill sets identified by the Board along with availability assessment collectively for the board and individually for each Director is as under:

Core skills/ Experience/ Competence	Actual Availability with current board	Mr. Chirayu Amin	Mr. Udit Amin	Mr. Atul Patel	Mr. Amit Goradia	Dr. Shamita Amin	Mr. Vijay Gandhi	Mr. Abhijit Joshi
<b>Industry Skills</b>								
(a) Speciality chemicals, Inorganic Chemical, Pharmaceuticals or General Industry Knowhow	Available	√	√	√	√	√	√	√
(b) Creating value through Intellectual Property Rights	Available	√	√	√	√	-	-	√
(c) Domestic Operations	Available	√	√	√	√	√	√	√
(d) Previous Board Experience	Available	√	√	√	√	√	-	√
<b>Technical Skills/ Experience</b>								
(a) Strategic planning	Available	√	√	√	√	-	-	√
(b) Risk and compliance oversight	Available	√	√	√	√	√	√	√
(c) Marketing	Available	√	√	√	√	-	√	√
(d) Policy Development	Available	√	√	√	√	√	√	-
(e) Accounting, Tax, Audit and Finance and Legal	Available	-	√	√	√	-	√	-
(f) Sales/ Customer Engagement	Available	-	√	√	√	√	√	√
(g) Public Relations and Liasoning	Available	√	√	√	√	-	√	√
<b>Behavioural Competencies</b>								
(a) Integrity & ethical standards	Available	√	√	√	√	√	√	√
(b) Mentoring abilities	Available	√	√	√	√	√	√	√
(c) Interpersonal Relations	Available	√	√	√	√	√	√	√

**3. Audit Committee:**

• **Composition, Name of Chairman and Members & Terms of Reference:**

The Audit Committee comprises of 3 Independent Non-Executive Directors with Mr. Amit Goradia as Chairman, Mr. Atul Patel and Mr. Vijay Gandhi as members. The terms of reference of the Committee cover the matters specified for Audit Committee under the SEBI (Listing Obligations and Disclosure Requirements) Obligations, 2015 and Companies Act, 2013.

The Statutory Auditors, Internal Auditors, Cost Auditors and other relevant Senior Management Persons are invited to attend the Meetings of the Audit Committee. The Company Secretary of the Company acts as Secretary to the Committee. Mr. Amit Goradia, Chairman of Audit Committee was present at the last Annual General Meeting held on 7<sup>th</sup> August, 2019.

• **Meetings and attendance during the year:**

There were Four (4) meetings of the Audit Committee held during the year ended 31<sup>st</sup> March, 2020 on 6<sup>th</sup> May, 2019, 7<sup>th</sup> August, 2019, 11<sup>th</sup> November, 2019 and 31<sup>st</sup> January, 2020.

The attendance of each member of the Audit Committee is given below:

<b>Name of Director</b>	<b>No. of meetings held</b>	<b>No. of meeting attended</b>
Mr. Amit Goradia	4	4
Mr. Vijay Gandhi	4	4
Mr. Atul Patel	4	4

**4. Nomination and Remuneration Committee:**

• **Composition, Name of Chairman and Members & Terms of Reference:**

The Nomination and Remuneration Committee of Directors comprises of four Directors with Mr. Atul Patel as Chairman, Mr. Amit Goradia, Mr. Vijay Gandhi and Mr. Chirayu Amin as members. The terms of reference of the Committee cover the matters specified for Nomination and Remuneration Committee under the SEBI (Listing Obligations and Disclosure Requirements) Obligations, 2015 and Companies Act, 2013. Mr. Atul Patel, Chairman of Nomination and Remuneration Committee was present at the last Annual General Meeting held on 7<sup>th</sup> August, 2019.

• **Meetings and attendance during the year:**

There were Two (2) meetings of the Nomination and Remuneration Committee held during the year ended 31<sup>st</sup> March, 2020 on 6<sup>th</sup> May, 2019 and 11<sup>th</sup> November, 2019.

The attendance of each member of the Nomination and Remuneration Committee is given below:

<b>Name of the Director</b>	<b>No. of meetings held</b>	<b>No. of meetings attended</b>
Mr. Atul Patel	2	2
Mr. Chirayu Amin	2	1
Mr. Amit Goradia	2	2
Mr. Vijay Gandhi	2	2

• **Performance Evaluation Criteria for Independent Directors:**

The performance evaluation criteria for Independent Directors are disclosed in the Board's Report.

**5. Details of Remuneration paid to Directors:**

• **Executive Directors:**

The details of all elements of remuneration package i.e. salary, benefits, bonus, pension, etc. paid to the Executive Director for the financial year 2019-20 are given below:

(₹ in Lacs)

<b>Name &amp; Designation of the Executive Directors</b>	<b>Fixed Salary &amp; Perquisites</b>	<b>Variable Performance Incentive</b>	<b>Total</b>
Mr. Abhijit Joshi Whole- time Director & CEO	54.16	6.55	<b>60.71</b>

Notes:

- Mr. Abhijit Joshi, Whole-time Director: Appointed for a period of 3 years w.e.f. 1<sup>st</sup> May, 2018.
- The criteria for Variable Performance Incentive includes Company Performance, Periodical Reviews, Skills and Competence.
- The Executive Director and the Company are entitled to terminate the service contracts by giving not less than 3 months' notice in writing to the other party. There is no provision for payment of severance fees. The Company does not have any Stock Options Scheme.

**Non-Executive Directors:**

All Non-Executive Directors are paid ₹ 25,000/- as sitting fees for attending Board Meetings, ₹ 15,000/- for Audit Committee Meetings and ₹ 10,000/- for other Committee Meetings.

The details of payment made to Non-Executive Directors during the Financial Year 2019-20 is as under:

(₹ in Lacs)

Name of Directors	Sitting fees for Board Meetings	Sitting fees for Committee Meetings	Total Fees Paid
Mr. Chirayu Amin	0.65	0.05	0.70
Mr. Udit Amin	0.90	0.05	0.95
Mr. Amit Goradia	0.90	0.80	1.70
Mr. Atul Patel	0.90	0.80	1.70
Dr. Shamita Amin	0.90	0.40	1.30
Mr. Vijay Gandhi	0.90	1.10	2.00

Mr. Udit Amin, Non-Executive Director, has been paid commission of ₹125 Lacs for the financial year 2019-20 which is within the limit approved by the members at the 45<sup>th</sup> Annual General Meeting of the Company held on 6<sup>th</sup> August, 2018. Further, the same is subject to approval of the members at the Annual General Meeting for the financial year 2019-20.

None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company and its associates except:

- Mr. Atul Patel, where other Companies under the same management have paid a total of ₹ 25.03 Lacs to an entity, Enviro Infrastructure Company Limited in which Mr. Atul Patel is a Director.
- Mr. Vijay Gandhi, where other Companies under same management have paid a total of ₹ 5.03 Lacs to M/s. V. H. Gandhi & Co., Chartered Accountant as fees for professional services provided by the firm to those companies. Mr. Vijay Gandhi is proprietor of the said firm.

The Board does not consider the company's/ firm's association with group companies to be of material nature so as to affect the independence of judgement of Mr. Atul Patel and Mr. Vijay Gandhi as Independent Directors of the Company.

#### 6. Stakeholders Relationship Committee:

The Stakeholders' Relationship Committee comprises of 3 Directors with Mr. Vijay Gandhi as Chiarman, Dr. Shamita Amin and Mr. Abhijit Joshi as members. The terms of reference of the Committee cover the matters specified for Stakeholders' Relationship Committee under the SEBI (Listing Obligations and Disclosure Requirements) Obligations, 2015 and Companies Act, 2013. Mr. Vijay Gandhi was present at the last Annual General Meeting held on 7<sup>th</sup> August, 2019.

Ms. Manisha Saraf, Company Secretary is the Compliance Officer of the Company.

Details of No. of Shareholders' complaints received: 8 (Eight)

No. of complaints not solved to the satisfaction of shareholders: Nil

No. of pending complaints: Nil

#### • Meetings and the attendance during the year:

Four (4) meetings of the Stakeholders Relationship Committee were held during the year on 6<sup>th</sup> May, 2019, 7<sup>th</sup> August, 2019, 11<sup>th</sup> November, 2019 and 31<sup>st</sup> January, 2020.

The attendance of each member of the Committee is given below:

Name of Director	No. of meetings held	No. of meetings attended
Mr. Vijay Gandhi	4	4
Dr. Shamita Amin	4	4
Mr. Abhijit Joshi	4	4



**7. General Body Meetings:**

The details of the location and time where the last three Annual General Meetings (AGMs) were held as under:

Financial Year	Location	Date	Time	No. of Special Resolutions passed
2018-19	"Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003	7 <sup>th</sup> August, 2019	12.30 p.m.	1
2017-18	"Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003	6 <sup>th</sup> August, 2018	12.30 p.m.	7
2016-17	"Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003	2 <sup>nd</sup> August, 2017	12.30 p.m.	1

\* Whether any special resolution passed last year through postal ballot: No

\* Whether any special resolution is proposed to be conducted through postal ballot: No

**8. Means of Communication:**

• Quarterly Results	:	The results will be published in the newspapers having wide coverage.
• Which Newspapers wherein results normally published	:	Business Standard (English), Loksatta (Gujarati) or any other leading newspaper
• Any web-site, where displayed	:	www.paushak.com
• Whether it also displays official news releases; and	:	Yes
• The presentations made to institutional investors or to the analysts	:	No

**9. General Shareholder Information:**

a)	Annual General Meeting, Date, Time and Venue	Tuesday, 4 <sup>th</sup> August, 2020 at 12:30 p.m. IST The meeting will be held through VC / OAVM.
b)	Financial Year	2019-20
c)	Dividend Payment Date	On or before Friday, 7 <sup>th</sup> August, 2020
d)	Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 The Company confirms that the annual listing fees to the stock exchange for the F.Y. 2020-21 has been paid
e)	Stock Code	The equity shares of the Company are listed on BSE Limited with Scrip Code: 532742 / PAUSHAKLTD ISIN: INE111F01016
f)	Market price data – high, low during each month in last financial year	Please see Annexure 'I'
g)	Share Performance of the Company in comparison to BSE Sensex	Please see Annexure 'II'
h)	In case the securities are suspended from trading, the directors report shall explain the reason thereof	Not applicable

i)	Registrar and Share Transfer Agents	Link Intime India Pvt. Limited B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara-390020 Tel: +91 265 2356573   6136000 Email ID: vadodara@linkintime.co.in
j)	Share Transfer System	Share transfers will be registered and returned within a period of fifteen days from the date of receipt, if documents are accurate in all respects.  Stakeholders' Relationship Committee has delegated powers to Registrar and Transfer Agents to effect transfer/transmission, name deletion, renewal of shares, duplicate, etc.  Total number of shares transferred in physical form during the year were 201 (previous year 3,029).
k)	Distribution of Shareholding / Shareholding Pattern as on 31 <sup>st</sup> March, 2020	Please see Annexure 'III'
l)	Dematerialization of Shares and Liquidity	As on 31 <sup>st</sup> March, 2020, 28,65,589 shares (92.97%) are held in dematerialised form by the shareholders.
m)	Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity	Not Applicable
n)	Commodity price risk or foreign exchange risk and hedging activities	The Company faces commodity risk in certain key raw materials as well as finished products. The Company is net foreign exchange earner and like most companies having both imports and exports, faces foreign currency fluctuation risk  The disclosure pertaining to exposure and commodity risks is not applicable to the Company.
o)	Plant Location	Panelav, Tal. Halol, Dist. Panchmahal – 389 350, Gujarat.
p)	Address for Correspondence / Investor Correspondence	1. Company Secretary & Compliance Officer Paushak Limited Alembic Road, Vadodara – 390 003 Tel. : +91-265-2280550 Fax : +91-265-2282506 E-mail ID: investors@paushak.com  2. Link Intime India Private Ltd. B-102 & 103, Shangrila Complex, 1 <sup>st</sup> Floor, Opp. HDFC Bank, RadhaKrishna Char Rasta, Akota, Vadodara-390020 Tel.:+91 265 6136000   2356573 E-mail ID: vadodara@linkintime.co.in
q)	List of all credit ratings obtained by the entity	The credit rating details are given hereunder:

Instrument	Amount ₹ Cr.	Rating Agency	Rating & Outlook
Bank Loan Facility	20	CRISIL Limited	CRISIL A-/Stable (Re-affirmed)
Working Capital Facility	20	CRISIL Limited	CRISIL A-/Stable (Re-affirmed)

**10. Other Disclosures:**

**(i) Related Party Transactions:**

The details pertaining to related party transactions are provided at point no. 16 of the Board's Report.

**(ii) Compliance:**

There was no non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

**(iii) Whistle Blower Policy:**

The details pertaining to vigil mechanism and whistle blower policy established by the Company are provided at point no. 12 of the Board's Report.

The Company has provided opportunities to encourage employees to become whistle blowers. It has also ensured a mechanism within the same framework to protect them from any kind of harm. It is hereby affirmed that no personnel has been denied access to the Audit Committee.

**(iv) Details of compliance with mandatory requirements and adoption of non-mandatory requirements:**

• **Mandatory requirements:**

The Company complies with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance.

• **Non-Mandatory requirements:**

- (a) Office for non-executive Chairman at company's expense: Not Applicable
- (b) Half-yearly declaration of financial performance to each household of shareholders: Not complied
- (c) Modified opinion(s) in Audit Report: Not Applicable as there is no modified opinion in Audit Report
- (d) Separate posts of Chairman & CEO: Complied
- (e) Reporting of Internal Auditors directly to Audit Committee: Complied

**(v) Disclosure of commodity price risks and commodity hedging activities:**

The details are provided at point no. 9(n) of this report.

**(vi) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

Not Applicable

**(vii) Certificate from a Practising Company Secretaries:**

The Company has received a certificate from M/s. Samdani Shah & Kabra, Practising Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

**(viii) Instances of not accepting any recommendation of the Committee by the Board:**

There was no such instance where Board had not accepted any recommendation of any committee of the Board whether mandatorily required or not, in the relevant financial year.

**(ix) Fees to the Statutory Auditors of the Company:**

The total fees for all services paid to the Statutory Auditors of the Company is mentioned at Note 31(l) of the Notes to Financial Statements. The Company has not availed any services from the network firm/network entity of which the Statutory Auditors is a part.

**(x) Disclosure of the compliance with corporate governance requirements specified in regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements), 2015:**

The Company has complied with the requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI (Listing Obligations and Disclosure Requirements), 2015.

Regulation No. 21 for Risk Management Committee and Regulation No. 24 for Corporate Governance requirements with respect to subsidiary of the Company are not applicable to the Company.

**(xi) Independent Directors' Meeting:**

The Independent Directors met on 19<sup>th</sup> May, 2020 to carry out the evaluation for the financial year 2019-20 and inter alia, discussed the following:

- \* Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- \* Evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors;
- \* Evaluation of quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonable perform its duties.

During the financial year 2019-20, the Independent Directors meeting was held on 6<sup>th</sup> May, 2019.

All Independent Directors were present at the aforesaid Meetings.

**(xii) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassments. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year, no complaint was received by the Company.

**Annexure 'I'**

**Market price data of the Company's shares traded on BSE Limited (BSE) during the financial year 2019-20:**

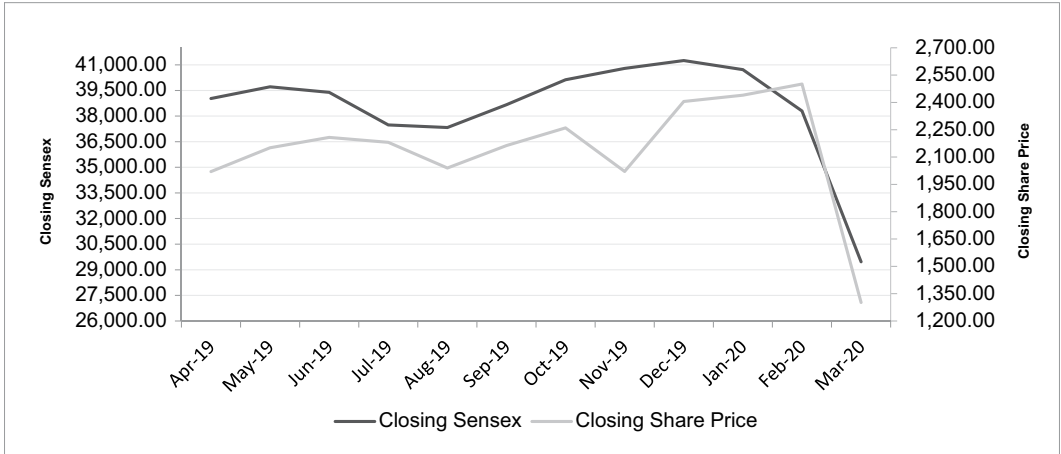
(Amount in ₹)

Month – Year	BSE	
	High Price	Low Price
April – 2019	2,269.90	2,020.10
May – 2019	2,519.95	2,151.00
June – 2019	2,580.00	2,208.00
July – 2019	2,649.00	2,181.00
August – 2019	2,419.95	2,040.25
September – 2019	2,377.00	2,163.50
October – 2019	2,550.00	2,260.00
November – 2019	2,870.00	2,021.00
December – 2019	2,560.00	2,405.00
January – 2020	3,100.00	2,440.00
February – 2020	2,940.00	2,501.00
March – 2020	2,668.95	1,301.80

On 31<sup>st</sup> March, 2020, the closing price of the shares of the Company on BSE was ₹1,730.05.

**Annexure 'II'**

**Share Performance of the Company in comparison to BSE Sensex:**



**Annexure 'III'**

**The distribution of shareholdings as on 31<sup>st</sup> March, 2020 is as under:**

Number of Shares	Number of Shareholders	% of total Shareholders	Number of Shares	% of total Shares
1-500	8,073	97.02	4,00,252	12.99
501-1000	140	1.68	1,04,263	3.38
1001-2000	48	0.58	66,094	2.14
2001-3000	11	0.13	26,266	0.85
3001-4000	12	0.14	40,491	1.31
4001-5000	3	0.04	14,273	0.46
5001-10000	12	0.14	78,350	2.54
10001 and above	22	0.26	23,52,125	76.32
<b>Total</b>	<b>8,321</b>	<b>100.00</b>	<b>30,82,114</b>	<b>100.00</b>

**Shareholding pattern as on 31<sup>st</sup> March, 2020**

Please refer point no. IV (i) - Category-wise Shareholding in the Extract of Annual Return in Form No. MGT-9.

On behalf of the Board of Directors,

Date: 19<sup>th</sup> May, 2020  
Place: Vadodara

Sd/-  
**Chirayu Amin**  
Chairman  
DIN: 00242549

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## CODE OF CONDUCT

The Board has adopted code of conduct for all Board Members and Senior Management Personnel of the Company and the said code of conduct is placed on the website of the Company at [www.paushak.com](http://www.paushak.com). A declaration signed by the Chief Executive Officer on behalf of the Board of Directors is given below:

"We hereby confirm that:

As provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the code of conduct of the Company for the year ended 31<sup>st</sup> March, 2020 and the copy of the code of conduct is placed on the website of the Company at [www.paushak.com](http://www.paushak.com)

On behalf of the Board of Directors

Sd/-

**Abhijit Joshi**

Whole-time Director & CEO

DIN: 06568584

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## CORPORATE GOVERNANCE CERTIFICATE

The Members

### **Paushak Limited**

We have examined the compliance of the conditions of Corporate Governance by Paushak Limited for the Financial Year ended March 31, 2020 as per the relevant provisions of 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 Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Governance. It is neither an audit nor an expression of an opinion on the Financial Statement of the Company.

In our opinion and to the best of our information and according to 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 in respect of investor grievances received during the Financial Year ended March 31, 2020, no investor grievance is pending against the Company, as per the records maintained by the Company and presented to the Stakeholders Relationship Committee.

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

Sd/-

**S. Samdani**

Partner

### **Samdani Shah & Kabra**

Company Secretaries

FCS No. 3677; CP No. 2863

UDIN: F003677B000252607

Place: Vadodara

Date: May 19, 2020

**BUSINESS RESPONSIBILITY REPORT**

**Section A: General Information about the Company**

1. Corporate Identity Number (CIN) of the Company: L51909GJ1972PLC044638
2. Name of the Company: Paushak Limited
3. Registered Address: Alembic Road, Vadodara – 390 003
4. Web: www.paushak.com
5. Email Id: investors@paushak.com
6. Financial Year reported: 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020
7. Sector(s) that the Company is engaged in (Industrial activity code-wise):

Industrial Group	Description
201*	Speciality Chemicals and Intermediates

\* As per National Industrial Classification (NIC) 2008.

8. List three key products/services that the Company manufactures/provides (as in balance sheet):
  - a. Chloroformates
  - b. Isocyanates
  - c. Carbamoyl Chlorides
9. Total number of locations where business activity is undertaken by the Company:
  - (a) Number of International Locations: Nil.
  - (b) Number of National Locations: The Company has manufacturing facilities situated at Panelav, District Panchmahal, Gujarat.
10. Markets served by the Company – In addition to serving the Indian market, the Company exports to around 17 countries worldwide.

**Section B: Financial Details of the Company**

1. Paid up Capital (INR): ₹ 308.21 Lacs
2. Total Turnover (INR): ₹ 14,250.45 Lacs
3. Total profit after taxes (TCI) (INR): ₹ 5,153.39 Lacs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (TCI) (%): 0.96%
5. List of activities in which expenditure in 4 above has been incurred:-
  - (a) Education
  - (b) Community outreach programs
  - (c) Promotion and development of traditional arts and handicrafts
  - (d) Rural development projects

**Section C: Other Details**

1. Does the Company have any Subsidiary Company/Companies?  
No.
2. Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):  
No.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate on the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30%-60%, More than 60%]:  
No.

**Section D: BR Information**

1. Details of Director/Directors responsible for BR

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

1. DIN Number: 06568584
2. Name: Mr. Abhijit Joshi
3. Designation: Whole-Time Director & CEO

(b) Details of the BR head

No.	Particulars	Details
1.	DIN Number	06568584
2.	Name	Mr. Abhijit Joshi
3.	Designation	Whole-Time Director & CEO
4.	Telephone number	+91 265-2280550
5.	Email id	investors@paushak.com

2. Principle-wise (as per NVGs^\*) BR policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are based on the National Voluntary Guidelines on social, environment and economic responsibilities of business issued by the Ministry of Corporate Affairs, Government of India.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies are signed by Mr. Abhijit Joshi, Whole-Time Director & CEO.								
5.	Does the company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	*	*	*	*	*	*	*	*	*
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

^National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by the Ministry of Corporate Affairs in July 2011.

\* <http://www.paushak.com/policy.aspx>

- (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options): Not Applicable



3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year: Annually
- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, BR is published annually in the Annual Report and available at <http://www.paushak.com/annual-report.aspx>

**Section E: Principle-wise performance**

**Principle 1: Ethics, Transparency and Accountability**

- 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

No. The policy relating to ethics, bribery and corruption covers the entire Alembic Group.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.:

During the year under review, the Company did not receive any such complaint.

**Principle 2: Product Sustainability**

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

We strive to innovate and incorporate social and/or environmental concerns in all our products. In a key product which was highly lacramatic, critical equipments were re-located and an improved exhaust system was established which helped in ensuring safety of workmen and ease of operations.

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of production (optional):

- (a) Reduction during sourcing/production/distribution achieved since previous year throughout the value chain?

The Company manufactures and distributes at its manufacturing facilities, a wide range of speciality chemicals. While the Company keeps on optimizing the production norms for most products, since consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at product level.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company's products do not have any broad-based impact on energy and water consumption by consumers. However, the Company has taken several measures to reduce the consumption of energy and water.

- 3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has formulated an operating procedure to approve vendors. Materials are procured from approved vendors both, local and international. The sourcing and quality assurance team of the Company conducts periodic audit of the vendors, especially those who supply key materials. The Company has long standing business relations with regular vendors. The Company enters into annual freight contracts with leading transporters for movement of materials. The Company continues to receive sustained support from its vendors.

- 4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company procures goods and avail services from local and small vendors, particularly those located around its manufacturing locations and from within the State. As a result of procurement of goods from local vendors, the Company saves on transportation as also on inventory carrying costs. The Company provides technical support and guidance to vendors in developing products wherever possible.

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

Yes. The Company has mechanism for recycling of product, solvents as well as waste. Majority part of total effluent generated is recycled or treated since the Company operates in a zero discharge zone. Domestic Effluent is treated in STPs and its outlet is 100% used for gardening in Company campus to reduce fresh water intake. In addition to in-house facilities, the Company also works with selected companies which are authorised by regulatory authorities for using such waste as their inputs.

**Principle 3: Employees’ Well-Being**

1. Please indicate the Total number of employees: 259
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 223
3. Please indicate the Number of permanent women employees: 6
4. Please indicate the Number of permanent employees with disabilities: 0
5. Do you have an employee association that is recognized by management: No
6. What percentage of your permanent employees is members of this recognized employee association? Not Applicable
7. Please indicate the Number of complaints related to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	Nil	Nil
2.	Sexual harassment		
3.	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
  - (a) Permanent Employees: 79.90%
  - (b) Permanent Women Employees: 66.67%
  - (c) Casual/Temporary/Contractual Employees: 89.90%
  - (d) Employees with disabilities: N.A.

**Principle 4: Stakeholders Engagement**

1. Has the Company mapped its internal and external stakeholders?  
Yes.
2. Out of above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?  
Yes.
3. Are there are any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company through its Non - Profit Organisations viz. Alembic CSR Foundation, Rural Development Society, Bhailal Amin General Hospital, Uday Education Society and others are taking various initiatives in the area of Education, Healthcare including Preventive Healthcare, Community outreach programs, Sanitation, Employment enhancing vocational skills, etc. to engage with the disadvantaged, vulnerable and marginalized stakeholders.

**Principle 5: Human Rights**

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?  
The Company’s policy on human rights covers the entire Alembic Group.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  
During the year under review, the Company did not receive any such complaint.

**Principle 6: Environment**

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.  
The Company's policy on environment covers the entire Alembic Group.
2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.  
No.
3. Does the Company identify and assess potential environmental risks?  
Yes. Environment Risk is assessed from the design stage of the project & adequate steps are taken to reduce environmental impact at construction & operational stage. The Company also identifies and assesses potential environmental risks for its existing and new products.
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?  
Yes, Clean Development Mechanism measure has been part of our continuous endeavor of excellence.
5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for webpage etc.  
The Company has taken various initiatives on conservation of energy and technology absorption as mentioned in Annexure E to the Board's Report. Wind Power is one of the areas where the Company has invested for clean energy.  
<http://www.paushak.com/annual-report.aspx>
6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?  
Yes.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.  
Nil.

**Principle 7: Advocacy**

1. Is your Company a member of any trade and chamber of association? If Yes, Name only those major ones that your business deals with:  
The Company is a member of various trade bodies and chamber of associations inter alia:-
  - (a) Federation of Gujarat Industries
  - (b) Indian Chemical Council
  - (c) National Safety Council
  - (d) Chemexcil
  - (e) Gujarat Employers' Organization.
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)  
Yes. The Company has advocated on various areas concerning economic reforms, best practices, new standards or regulatory development pertaining to speciality chemicals industry through the associations, from time to time.

**Principle 8: Community Development**

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

Alembic Group has been proactively carrying out various community development activities since more than fifty years. Alembic Group has established, nurtured and promoted various Non - Profit Organisations focusing on three major areas – Education, Healthcare and Rural Development. The details are mentioned in Annexure A to the Board's Report.

Paushak has been providing gainful employment opportunities to the local population from in and around the manufacturing facilities.

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

The Company undertakes programmes/projects directly/through various Non - Profit Organisations viz. Alembic CSR Foundation, Rural Development Society, Bhailal Amin General Hospital, Uday Education Society and others.

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

Yes.

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

The details are mentioned in Annexure A to the Board's Report.

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

The Company conducts impact assessment of its CSR initiatives through feedbacks collected from the beneficiaries of projects undertaken. Various projects are undertaken with Government and Semi-Government agencies that have their monitoring mechanisms and impact assessment systems.

**Principle 9: Customer Value**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Nil.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information):

No. The Company follows all legal statues with respect to product labeling and displaying of product information.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No.

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

Yes.

On behalf of the Board of Directors,

Sd/-

**Abhijit Joshi**

Whole-Time Director & CEO and BR Head

DIN : 06568584

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of

**Paushak Limited**

**Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of Paushak Limited, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, and the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (The Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There is no key audit matter to communicate in our report.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

We have been provided the aforesaid reports and based on the work we have performed, we did not observe any material misstatement of this other information and accordingly, we have nothing to report in this regard.

### **Responsibilities of Management and those charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards (Ind AS) specified under section 133 of the Act read with relevant rules issued thereunder.

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

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31<sup>st</sup> March, 2020, based on the internal control over financial reporting criteria established by the Company.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer item B of Note 31 to Financial Statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Maloo Bhatt & Co.**  
Chartered Accountants  
(F.R.No.129572W)

**CA. Yash Bhatt**  
Partner

M No. 117745

**UDIN: 20117745AAAABT2056**

Place: Vadodara  
Date: 19<sup>th</sup> May, 2020

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**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(referred to paragraph 1 under "report on other legal and regulatory requirements" of our report of even date on the accounts for the year ended on 31<sup>st</sup> March, 2020 of Paushak limited)

1. In respect of its fixed assets :
  - (a) The Company has maintained records showing particulars, including quantitative details and general location of fixed assets.
  - (b) During the year, part of the fixed assets has been physically verified by the management in accordance with a phased programme of verification which, in our opinion is reasonable and to cover all the items of fixed assets over a period of three years having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, there was no material discrepancies noticed on such verification.
  - (c) The title deeds of immovable properties are held in the name of the company.
2. As explained to us, all the inventory of the Company has been physically verified by the management at reasonable intervals and at the year-end. In our opinion, the frequency of the verification is reasonable. According to the information and explanations given to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. 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 Companies Act, 2013.
4. According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
5. According to information and explanations given to us, the Company has not accepted any deposits during the year.
6. To the best of our knowledge and explanations provided by the management, the maintenance of cost records has been prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 and are maintained accordingly.
7. According to the information and explanations given to us in respect of statutory and other dues :

- (a) The Company has been regular in depositing undisputed statutory dues, including Provident fund, Employees' state Insurance, Income Tax, Goods & Services Tax, duty of customs, cess and other statutory dues to the appropriate authorities during the year. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of statutory dues which has remained outstanding as at 31<sup>st</sup> 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 and on the basis of the records produced before us by the Company, except for the cases stated below, there are no undisputed amounts payable in respect of income tax / sales tax / Service tax / customs duty / wealth tax / excise duty / cess, which have not been deposited on account of any dispute.

<b>Nature of Statute</b>	<b>Nature of Dues</b>	<b>Amount under dispute not yet deposited</b>	<b>Period to Which the Amount relates</b>	<b>Forum where Dispute is Pending</b>
The Service Tax (Finance Act, 1994)	Service Tax Credit on GTA	2,20,226/-	Jan-17 to Jun-17	Tribunal, Ahmedabad
	Service Tax Credit on GTA and CHA Services	6,73,652/-	July-15 to Dec-16	CCE and ST, Halol (matter remand back)

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government. The Company has not obtained any borrowings by way of debentures.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
10. According to the information and explanations given to us, we have not noticed or reported any fraud by the Company or any fraud on the Company by its officers or employees during the year.
11. The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. This clause of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company as the Company is not a Nidhi Company.
13. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and the provisions of section 192 of Companies Act, 2013 have been complied with.
16. This clause of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company as the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Maloo Bhatt & Co.**  
Chartered Accountants  
(F.R.No.129572W)

**CA. Yash Bhatt**  
Partner  
M No. 117745

**UDIN: 20117745AAAABT2056**

Place: Vadodara  
Date: 19<sup>th</sup> May, 2020



## BALANCE SHEET

(₹ in Lacs)

Particulars	Notes	As at	
		31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	3	4,066.40	3,775.54
(b) Capital Work-in-progress	3	1,590.23	623.79
(c) Other Intangible Assets	3	7.22	2.86
(d) Financial Assets - Investments	4	9,858.18	8,018.47
(e) Other Non - Current Assets	5	408.35	-
<b>Total Non Current Assets</b>		<b>15,930.37</b>	<b>12,420.67</b>
<b>(2) Current assets</b>			
(a) Inventories	6	1,625.43	1,789.86
(b) Financial Assets			
- Investments	7	6,477.82	3,582.58
- Trade Receivables	8	2,617.91	3,246.87
- Cash and Cash Equivalents	9	79.88	54.42
- Bank Balance other than cash and cash equivalents	10	40.04	38.33
(c) Other Current Assets	11	171.12	273.48
(d) Current Tax Assets (Net)	12	40.14	-
<b>Total Current Assets</b>		<b>11,052.32</b>	<b>8,985.54</b>
<b>TOTAL ASSETS</b>		<b>26,982.70</b>	<b>21,406.21</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	13	308.21	308.21
Other Equity	14	22,415.97	17,448.37
<b>Total Equity</b>		<b>22,724.18</b>	<b>17,756.58</b>
<b>Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Provisions	15	100.97	57.04
(b) Deferred Tax Liabilities (Net)	16	2,535.46	2,112.20
<b>Total Non-Current Liabilities</b>		<b>2,636.43</b>	<b>2,169.24</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
- Borrowings	17	-	0.35
- Trade Payables	18		
- Total outstanding dues of micro enterprises and small enterprises		129.86	72.81
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,244.58	1,005.43
- Other Financial Liabilities	19	64.86	62.21
(b) Other Current Liabilities	20	144.45	287.40
(c) Provisions	21	38.34	9.85
(d) Current Tax Liabilities (Net)	22	-	42.33
<b>Total Current Liabilities</b>		<b>1,622.09</b>	<b>1,480.39</b>
<b>Total Liabilities</b>		<b>4,258.52</b>	<b>3,649.63</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>26,982.70</b>	<b>21,406.21</b>

**Significant Accounting Policies and Other Explanatory Notes and Information 1, 2 & 31**

The accompanying notes referred to above form an integral part of the Financial Statements

As per our report of even date  
**For Maloo Bhatt & Co.**  
Chartered Accountants  
Firm Registered No. 129572W

For and on behalf of the Board  
**Chirayu Amin**  
Chairman  
DIN No.:00242549

**Amit Goradia**  
Director  
DIN No.:00074478

**Abhijit Joshi**  
Whole-time Director & CEO  
DIN No.:06568584

**CA. Yash Bhatt**  
Partner  
Membership No. 117745  
Vadodara, 19<sup>th</sup> May, 2020

**Manisha Saraf**  
Company Secretary

**Kirti Shah**  
CFO

Vadodara, 19<sup>th</sup> May, 2020

## STATEMENT OF PROFIT AND LOSS

(₹ in Lacs)

Particulars	Notes	For the Year ended 31 <sup>st</sup> March, 2020	For the Year ended 31 <sup>st</sup> March, 2019
<b>I. INCOME</b>			
Revenue from operations	23	13,790.50	13,950.69
Other Income	24	459.95	264.61
<b>Total Income</b>		<b>14,250.45</b>	<b>14,215.30</b>
<b>II. EXPENSES</b>			
Cost of materials consumed	25	4,422.09	5,920.00
Changes in inventories of Finished Goods, Semi-Finished Goods and Work in progress	26	119.34	(552.78)
Employee benefits expense	27	2,130.08	1,836.85
Financial costs	28	7.67	13.64
Depreciation and amortisation expense	3	438.21	386.51
Other expenses	29	2,837.63	2,727.15
<b>Total Expenses</b>		<b>9,955.02</b>	<b>10,331.36</b>
<b>III. Profit before Exceptional Items and Tax (I - II)</b>		<b>4,295.42</b>	<b>3,883.94</b>
<b>IV. Exceptional Items:</b>			
Sale of Land		241.89	1,015.04
<b>V. Profit before Tax (III + IV)</b>		<b>4,537.32</b>	<b>4,898.98</b>
<b>VI. Tax expense:</b>			
Current Tax		780.00	1,071.19
Less: Excess Provision of Income Tax		11.65	67.95
Current Tax		768.35	1,003.24
Deferred Tax		277.76	-
<b>VII. Profit/(Loss) for the period (V - VI)</b>		<b>3,491.21</b>	<b>3,895.74</b>
<b>VIII. Other Comprehensive Income</b>	<b>30</b>		
A (i) Item that will not be reclassified to profit or loss		319.94	6,124.81
(ii) Income tax relating to item that will not be reclassified to profit or loss		(71.69)	(1,380.28)
B (i) Item that will be reclassified to profit or loss		1,487.74	(55.86)
(ii) Income tax relating to item that will be reclassified to profit or loss		(73.81)	95.67
<b>IX. Total Other Comprehensive Income</b>		<b>1,662.18</b>	<b>4,784.34</b>
<b>X. Total Comprehensive Income for the period (VII + IX)</b>		<b>5,153.39</b>	<b>8,680.08</b>
<b>XI. Earning per equity share: (FV ₹ 10/- each)</b>			
- Basic & Diluted [Refer Note 31 (G)]		113.27	125.64

**Significant Accounting Policies and Other Explanatory Notes and Information** 1, 2 & 31

Note: The accompanying notes referred to above form an integral part of the financial statements

As per our report of even date  
**For Maloo Bhatt & Co.**  
Chartered Accountants  
Firm Registered No. 129572W

For and on behalf of the Board  
**Chirayu Amin**  
Chairman  
DIN No.:00242549

**Amit Goradia**  
Director  
DIN No.:00074478

**Abhijit Joshi**  
Whole-time Director & CEO  
DIN No.:06568584

**CA. Yash Bhatt**  
Partner  
Membership No. 117745  
Vadodara, 19<sup>th</sup> May, 2020

**Manisha Saraf**  
Company Secretary

**Kirti Shah**  
CFO

Vadodara, 19<sup>th</sup> May, 2020

**STATEMENT OF CHANGES IN EQUITY**

**A Equity Share Capital**

Particulars	Nos	₹ in Lacs
<b>Equity Shares of ₹ 10/- each issued, subscribed and fully paid</b>		
<b>Balance as at 1<sup>st</sup> April, 2018</b>	3,207,114	320.71
Change in equity share capital during the year (Buyback of Shares)	(125,000)	(12.50)
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>3,082,114</b>	<b>308.21</b>

<b>Equity Shares of ₹ 10/- each issued, subscribed and fully paid</b>		
<b>Balance as at 1<sup>st</sup> April, 2019</b>	3,082,114	308.21
Change in equity share capital during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>3,082,114</b>	<b>308.21</b>

**B Other Equity**

(₹ in Lacs)

Particulars	Reserves and Surplus					FVOCI - Equity Investment Reserve	FVOCI - Debt Investment Reserve	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earning			
<b>Balance as at 1<sup>st</sup> April, 2018 (I)</b>	4.25	301.16	782.64	4,876.44	3,695.35	366.53	965.89	10,992.26
Profit for the period	-	-	-	-	3,895.74	-	-	3,895.74
Re-measurement of post employment benefit obligation (net of tax)	-	-	-	-	8.65	-	-	8.65
Other Comprehensive Income for the year	-	-	-	-	-	4,735.88	39.81	4,775.69
<b>Total Comprehensive Income for the year (II)</b>	-	-	-	-	3,904.38	4,735.88	39.81	8,680.07
Dividend paid including Tax on Dividend	-	-	-	-	(111.47)	-	-	(111.47)
Utilisation for Buy-back Offer of Equity Shares of the Company	-	-	(782.64)	(1,329.86)	-	-	-	(2,112.50)
Transfer from / to Capital Reserve	-	12.50	-	(12.50)	-	-	-	-
Sale of Investment	-	-	-	-	0.12	(0.12)	-	-
<b>Transaction for the year (III)</b>	-	12.50	(782.64)	(1,342.36)	(111.35)	(0.12)	-	(2,223.97)
<b>Balance as at 31<sup>st</sup> March, 2019 (I + II + III)</b>	4.25	313.66	-	3,534.08	7,488.38	5,102.29	1,005.70	17,448.37

Particulars	Reserves and Surplus					FVOCI - Equity Investment Reserve	FVOCI - Debt Investment Reserve	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earning			
<b>Balance as at 1<sup>st</sup> April, 2019 (I)</b>	<b>4.25</b>	<b>313.66</b>	-	<b>3,534.08</b>	<b>7,488.38</b>	<b>5,102.29</b>	<b>1,005.70</b>	<b>17,448.37</b>
Profit for the period	-	-	-	-	3,491.21	-	-	3,491.21
Re-measurement of post employment benefit obligation (net of tax)	-	-	-	-	(22.70)	-	-	(22.70)
Other Comprehensive Income for the year	-	-	-	-	-	270.95	1,413.93	1,684.88
<b>Total Comprehensive Income for the year (II)</b>	-	-	-	-	<b>3,468.51</b>	<b>270.95</b>	<b>1,413.93</b>	<b>5,153.39</b>
Dividend paid including Tax on Dividend	-	-	-	-	(185.78)	-	-	(185.78)
Inter transfer from FVOCI Equity Investment Reserve to FVOCI Debt Investment Reserve (net of tax) (Refer Note 31 (K))	-	-	-	-	-	(1,981.13)	1,981.13	-
Any other change:								
- Transfer from Retained Earning to General Reserve	-	-	-	1,000.00	(1,000.00)	-	-	-
<b>Transaction for the year (III)</b>	-	-	-	<b>1,000.00</b>	<b>(1,185.78)</b>	<b>(1,981.13)</b>	<b>1,981.13</b>	<b>(185.78)</b>
<b>Balance as at 31<sup>st</sup> March, 2020 (I + II + III)</b>	<b>4.25</b>	<b>313.66</b>	-	<b>4,534.08</b>	<b>9,771.11</b>	<b>3,392.11</b>	<b>4,400.76</b>	<b>22,415.97</b>

As per our report of even date  
**For Maloo Bhatt & Co.**  
Chartered Accountants  
Firm Registered No. 129572W

For and on behalf of the Board  
**Chirayu Amin**  
Chairman  
DIN No.:00242549  
**Amit Goradia**  
Director  
DIN No.:00074478

**Abhijit Joshi**  
Whole-time Director & CEO  
DIN No.:06568584

**CA. Yash Bhatt**  
Partner  
Membership No. 117745  
Vadodara, 19<sup>th</sup> May, 2020

**Manisha Saraf**  
Company Secretary

**Kirti Shah**  
CFO

Vadodara, 19<sup>th</sup> May, 2020

**CASH FLOW STATEMENT**

(₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2020	For the Year ended on 31 <sup>st</sup> March, 2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit / (Loss) before tax</b>	<b>4,537.32</b>	4,898.98
<b>Adjustments for:</b>		
1 Depreciation	<b>438.21</b>	386.51
2 Interest Charged	<b>0.16</b>	0.66
3 Interest Income	<b>(0.08)</b>	(0.16)
4 Dividend Income	<b>(323.44)</b>	(60.86)
5 Unrealised Foreign Exchange Loss (Net)	<b>(13.68)</b>	4.43
6 Loss/(Profit) on Sales of Property, Plant & Equipment	<b>1.90</b>	0.52
7 Profit on Sale of Investment Property	<b>(241.89)</b>	(1,015.04)
8 Profit on Redemption of Investments	<b>(116.76)</b>	(34.74)
9 Fair value change of Financial Investments	<b>4.75</b>	(128.39)
10 Rent Income	<b>(0.82)</b>	(4.20)
<b>Operating profit before change in working capital</b>	<b>4,285.65</b>	4,047.72
<b>Adjustments for (Increase)/Decrease in Operating Assets:</b>		
Inventories	<b>164.43</b>	(580.18)
Trade Receivables	<b>640.71</b>	619.80
Short Term Loans and Advances	<b>102.36</b>	(40.77)
Other Non Current Assets	<b>(408.35)</b>	-
<b>Adjustments for (Increase)/Decrease in Operating Liabilities:</b>		
Trade Payables	<b>298.12</b>	(662.36)
Other Current Liabilities	<b>(141.95)</b>	39.48
Short Term Provisions	<b>(3.53)</b>	2.35
Long Term Provisions	<b>43.92</b>	8.92
<b>Cash generated from operations</b>	<b>4,981.38</b>	3,434.97
Income Tax Paid	<b>(850.82)</b>	(1,080.56)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>A 4,130.56</b>	2,354.41
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
1 Purchase of Property, Plant & Equipment / CWIP	<b>(1,705.35)</b>	(1,037.52)
2 Sale of Property, Plant & Equipment	<b>245.49</b>	0.32
3 Sale of Investment Property	-	1,016.99
4 Net Proceeds from Investments		
From Other Related Parties	<b>0.00</b>	0.15
From Mutual Funds	<b>(2,783.22)</b>	(56.17)
5 Interest received		
From Banks	<b>0.08</b>	0.16
6 Dividend Received		
From Related Parties	<b>140.22</b>	17.63
From Others	<b>183.22</b>	43.22
7 Rent Income	<b>0.82</b>	4.20
<b>NET CASH UTILISED IN INVESTING ACTIVITIES</b>	<b>B (3,918.73)</b>	(11.01)

## CASH FLOW STATEMENT

Particulars	(₹ in Lacs)	
	For the Year ended 31 <sup>st</sup> March, 2020	For the Year ended on 31 <sup>st</sup> March, 2019
<b>C CASH FLOW FROM FINANCIAL ACTIVITIES:</b>		
1 Proceeds/ (Repayment) from Short Term Borrowings (Net)	(0.35)	(57.09)
2 Interest Paid	(0.16)	(0.66)
3 Buy back of shares	-	(2,125.00)
4 Dividend Paid	(152.46)	(92.16)
5 Corporate Dividend Tax	(31.68)	(19.01)
<b>NET CASH UTILISED IN FINANCIAL ACTIVITIES</b>	<b>C</b>	
	<b>(184.66)</b>	<b>(2,293.92)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>A+B+C</b>	
	<b>27.17</b>	49.48
Cash & Cash equivalents as at the beginning of the Year	<b>92.75</b>	43.27
Cash & Cash equivalents as at the end of the Reporting Period	<b>119.92</b>	92.75

As per our report of even date  
**For Maloo Bhatt & Co.**  
 Chartered Accountants  
 Firm Registered No. 129572W

For and on behalf of the Board  
**Chirayu Amin**  
 Chairman  
 DIN No.:00242549

**Amit Goradia**  
 Director  
 DIN No.:00074478

**Abhijit Joshi**  
 Whole-time Director & CEO  
 DIN No.:06568584

**CA. Yash Bhatt**  
 Partner  
 Membership No. 117745  
 Vadodara, 19<sup>th</sup> May, 2020

**Manisha Saraf**  
 Company Secretary

**Kirti Shah**  
 CFO  
 Vadodara, 19<sup>th</sup> May, 2020

## **NOTES TO FINANCIAL STATEMENTS**

### **1 Company Overview and Significant Accounting Policies:**

#### **1.1 Description of business**

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. Its shares are listed on one recognised stock exchange in India. The registered office of the Company is located at Alembic Road, Vadodara 390003, Gujarat. The Company is dealing in Speciality Chemicals Business.

#### **1.2 Basis of preparation of Financial Statements**

The Financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on the historical cost basis except for certain financial instruments and plan assets of defined benefit plans, which are measured at fair value in accordance with Ind AS.

#### **1.3 Composition of financial statements**

The financial statements are drawn up in INR, the functional currency of the company, and in accordance with Ind AS presentation. The financial statements comprise:

- Balance Sheet
- Statement of Profit and Loss
- Statement of Cash Flow
- Statement of Changes in Equity
- Notes to Financial Statements

#### **1.4 Significant Accounting Policies and other explanatory notes**

##### **I Significant Accounting Policies**

##### **a) Revenue recognition**

Effective from 1<sup>st</sup> April, 2018, the Company has adopted Ind AS 115 'Revenue from Contract with Customers' using the cumulative effect method. The effect of adoption of the standard did not have any significant impact on the financial statements of the Company. Revenue is recognised when a customer obtains control of goods or services.

Sales are disclosed net of sales returns and GST.

Revenue from the sale of goods is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer. The ownership is transferred when (or as) the customer obtains control of that goods.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Income from operations includes revenue earned on account of job work income which is accounted as per the due terms agreed with the customers.

Other income is comprised primarily of interest income, dividend income, export benefits, sale of wind generated power and gain/loss on investments. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established. Export benefits available under prevalent schemes are accounted on entitlement basis. Income from sale of wind generated power is accounted on accrual basis on confirmation of units generated and supplied to the State Electricity Board as per the agreement.

##### **b) Foreign Currency Transactions**

Transactions in foreign currencies are initially recorded by the Company at the rate of exchange prevailing on the date of the transaction.

Monetary assets and monetary liabilities denominated in foreign currencies remaining unsettled at the end of the year are converted at the exchange rate prevailing on the reporting date.

Differences arising on settlement or conversion of monetary items are recognised in Statement of Profit or Loss.

Effective April 1, 2018, the Company has adopted Appendix B to Ind AS 21 - 'Foreign Currency Transactions and Advance Consideration' which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) when an entity has received or paid advance consideration in foreign currency. The effect on account of adoption of this amendment is insignificant.

## NOTES TO FINANCIAL STATEMENTS

### c) Employee benefits

#### i) Defined Benefit Obligation Plans

##### Gratuity

The Company operates a defined benefit gratuity plan which requires contributions to be made to a separately administered fund by the Life Insurance Corporation of India (LIC). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The service cost and the net interest cost are charged to the Statement of Profit and Loss. Actuarial gains and losses arise due to re-measurement as result of the actual experience and the assumed parameters and changes in the assumptions used for valuation are recognised in the Other Comprehensive Income (OCI).

##### Provident Fund

The Company's contribution to provident fund, administered through a Company managed trust, is recognised as an expense in the Statement of Profit and Loss.

##### Compensated absences

The Company has a policy to allow accumulation of leave by employees up to certain days. The excess leave will either be encashed or funded by the Company to LIC for and on behalf of employees. Accordingly, the excess leave liability is discharged by the Company upon such funding to LIC. Remaining accumulated leave liability (other than sick leave) as at the year-end is provided as per actuarial valuation. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Company recognizes these actuarial gains and losses in the Statement of Profit and Loss, as income or expense.

##### Sick Leave

Accumulated sick leave is provided for at actual in the Statement of Profit and Loss.

#### ii) Defined Contribution plan

Superannuation fund is administered by the LIC. The contribution to Superannuation fund, Contribution to pension fund, ESIC and Labour Welfare Fund are recognised as an expense in the Statement of Profit and Loss.

### d) Property, plant and equipment

Property, plant and equipment were carried on historical cost in the balance sheet as on 31<sup>st</sup> March, 2016 prepared in accordance with Indian GAAP. The Company has elected to regard those net values as deemed cost at the date of the transition i.e 1<sup>st</sup> April, 2016 as permitted under Ind AS 101.

Property, plant and equipment are recorded at cost of acquisition / construction less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price net of creditable Goods and Services Tax, creditable customs duty, if any, and any attributable cost of bringing the assets to its working condition for its intended use.

Components of an asset are separated where their value is significant in relation to the total value of the asset and where those components have different useful lives to the remainder of the asset. Where a component is replaced or restored, the carrying amount of the old component will be derecognised and value of new component / restoration cost will be added. Where the carrying value of the derecognised/replaced component is not known, a best estimate will be determined by reference to the current cost.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement or impairment of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

### e) Intangible Assets

Intangible assets are stated at cost less provisions for amortisation and impairments. Software license fees are charged to statement of profit and loss when incurred.

Gains or losses arising from the retirement or disposal of an intangible asset, are determined as the difference between disposal proceeds and carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.



**NOTES TO FINANCIAL STATEMENTS**

**f) Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. Though the company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by the management applying reasonable valuation standards.

**g) Depreciation / Amortisation on Property, Plant & Equipment and Investment Properties**

Depreciation / Amortisation on Property, Plant & Equipment and Investment Properties (other than freehold land and capital work-in-progress) is charged on a Straight Line Basis so as to write off the original cost of the assets over the useful lives. The useful life of the fixed assets has been adopted based on Technical Evaluation and in other cases, as prescribed under the Companies Act, 2013. Details for the same are as under:

<b>Class of Assets</b>	<b>Range of Useful Life</b>
Building	05 - 60 Years
Plant & Machinery	03 - 15 Years
Windmill	22 Years
Furniture & Fixtures	10 Years
Office Machinery	10 Years
Vehicles	08 Years
Intangible Assets	03 - 04 Years

**h) Capital Work-in-Progress**

Assets under construction wherein assets are not ready for use in the manner as intended by the management are shown as Capital Work-In-Progress.

**i) Leases**

**i) Company as a lessee**

Right-of-use assets and Lease Liabilities for leases where the lease term ends within 12 months of the lease commencement date i.e. Short Term Leases are not recognised in Balance sheet. The company has elected to recognise the lease payments associated with Short Term Leases as an expense on straight-line basis.

**ii) As a lessor**

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income from operating lease is recognised in the statement of profit and loss on straight line basis over the lease term.

**iii) Transition to Ind AS 116**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases prospectively. The adoption of the standard did not have any material impact on the financial results.

**j) Fair value measurement**

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

## NOTES TO FINANCIAL STATEMENTS

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

### k) Impairments of non-current assets

Non-financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### l) Inventories

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

Raw materials, Packing Material and Stores and consumables are valued at lower of cost determined on weighted average basis and net realisable value.

Work in Process includes material lying at reactors/tanks on which process is continued as on date. Work in Process are valued at raw materials cost as calculated, which is estimated and certified by the management using moving weighted average method.

Semi-Finished goods has been identified as such depending upon stage of completion of finished goods technically determined by the management. Semi-Finished goods are valued at raw materials cost as calculated above plus weighted average cost of production including appropriate proportion of cost of conversion to the extent of process, which is estimated and certified by the management.

Finished Goods are valued at lower of cost and net realisable value.

Slow moving inventories are valued at estimated net realizable value.

### m) Trade receivables

Trade receivables are carried at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollectable it is written off, firstly against any provision available and then to the Statement of Profit and Loss.

### n) Cash and Cash equivalents

Cash and cash equivalents include cash at bank and cash in hand and highly liquid interest-bearing securities with maturities of three months or less from the date of inception/acquisition.

In the cash-flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in liabilities on the balance sheet.

### o) Borrowing Costs

Borrowing costs directly attributable to the acquisition and/or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred.

### p) Taxation

#### i) Current income tax

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity/OCI, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted on the reporting date. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## NOTES TO FINANCIAL STATEMENTS

### ii) Deferred tax

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted on the reporting date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

Minimum Alternate Tax (MAT) for the earlier years is available in accordance with the provisions of the section 115J(AA) of Income Tax, 1961 over the period of subsequent 15 assessment years and it is recognised to the extent of Deferred Tax Liabilities in view of certainty involved of its realisation against reversal of Deferred Tax Liability.

### q) Financial instruments

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the financial instrument.

#### i) Financial Assets

##### a. Initial recognition and measurement

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

##### b. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

#### i) Financials Assets at amortised cost

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

After initial measurement, debt instruments are subsequently measured at amortised cost using the effective interest rate method, less impairment, if any.

#### ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity / debt instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

The fair value is measured adopting valuation techniques as per prevailing valuation guidelines, to the extent applicable, as at the reporting date.

#### iii) Financial assets at fair value through profit or loss

Financial assets which are not classified in any of the above categories are subsequently fair valued through profit or loss.

## NOTES TO FINANCIAL STATEMENTS

### ii) Financial Liabilities

#### a. Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities are classified, at initial recognition, as at fair value through profit and loss or as those measured at amortised cost.

#### b. Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

##### i) Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial recognition at fair value through profit and loss.

##### ii) Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method except for those designated in an effective hedging relationship.

### r) Provisions, Contingent liabilities and Assets

#### i) Provisions

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. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

#### ii) Contingent Liabilities

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by the future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

#### iii) Contingent Assets

Contingent Assets are not recognised in the financial statements. Contingent Assets if any, are disclosed in the notes to the financial statements.

### s) Earnings Per Share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

## 2 Key accounting judgments, estimates and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates are often based on complex judgments and assumptions that management believe to be reasonable, but estimates and underlying assumptions are reviewed on an ongoing basis. Any change in these estimates and assumptions will generally be reflected in the financial statements in current period or prospectively, unless they are required to be treated retrospectively under relevant accounting standards.

NOTES TO FINANCIAL STATEMENTS

3. Property, Plant and Equipment :

(₹ in Lacs)

Property, Plant and Equipment	Free Hold Land	Buildings	Plant & Machinery	Windmill	R&D Equipment	Furniture & Fixtures	Office Machinery	Vehicles	Intangible Assets	Total	Capital work in progress
<b>Gross Carrying amount</b>											
As at 1 <sup>st</sup> April 2018	6.17	226.96	2,437.93	1,450.40	120.63	20.91	45.54	1.73	-	4,310.26	98.07
Additions	-	99.33	336.45	-	18.19	31.17	23.77	-	2.89	511.80	1,037.52
Disposals	1.08	-	1.71	-	-	-	-	-	-	2.78	-
Transfer	-	-	-	-	-	-	-	-	-	-	511.80
As at 31 <sup>st</sup> March 2019	5.09	326.29	2,772.67	1,450.40	138.82	52.08	69.31	1.73	2.89	4,819.28	623.79
<b>Accumulated Depreciation</b>											
As at 1 <sup>st</sup> April 2018	-	19.10	488.32	109.65	28.50	0.77	8.18	0.71	-	655.23	-
Depreciation charge for the year	-	11.17	293.24	62.63	13.48	2.30	3.31	0.37	0.02	386.51	-
Disposals	-	-	0.86	-	-	-	-	-	-	0.86	-
As at 31 <sup>st</sup> March 2019	-	30.27	780.70	172.28	41.98	3.06	11.48	1.08	0.02	1,040.88	-
<b>Net Carrying amount</b>											
As at 1 <sup>st</sup> April 2018	6.17	207.86	1,949.61	1,340.76	92.13	20.14	37.36	1.02	-	3,655.04	98.07
As at 31 <sup>st</sup> March 2019	5.09	296.02	1,991.97	1,278.12	96.83	49.02	57.82	0.65	2.87	3,778.40	623.79
<b>Gross Carrying amount</b>											
As at 1 <sup>st</sup> April 2019	5.09	326.29	2,772.67	1,450.40	138.82	52.08	69.31	1.73	2.89	4,819.28	623.79
Additions	-	126.91	502.47	-	63.85	11.38	8.48	19.29	6.53	738.91	1,705.35
Disposals	1.36	-	7.96	-	0.15	0.18	-	-	-	9.66	-
Transfer	-	-	-	-	-	-	-	-	-	-	738.91
As at 31 <sup>st</sup> March, 2020	3.73	453.21	3,267.19	1,450.40	202.51	63.28	77.78	21.02	9.42	5,548.54	1,590.23
<b>Accumulated Depreciation</b>											
As at 1 <sup>st</sup> April 2019	-	30.27	780.70	172.28	41.98	3.06	11.48	1.08	0.02	1,040.88	-
Depreciation charge for the year	-	24.36	320.73	62.63	15.17	5.41	7.27	0.46	2.19	438.21	-
Disposals	-	-	4.02	-	-	0.14	-	-	-	4.16	-
As at 31 <sup>st</sup> March, 2020	-	54.63	1,097.41	234.91	57.15	8.33	18.75	1.54	2.21	1,474.93	-
<b>Net Carrying amount</b>											
As at 31 <sup>st</sup> March 2019	5.09	296.02	1,991.97	1,278.12	96.83	49.02	57.82	0.65	2.87	3,778.40	623.79
As at 31 <sup>st</sup> March, 2020	3.73	398.58	2,169.77	1,215.49	145.36	54.95	59.03	19.48	7.22	4,073.61	1,590.23

Note:

The Company has elected to measure all its property, plant and equipment at the previous GAAP net carrying amount (Deemed Cost) at the date of transition to Ind AS

## NOTES TO FINANCIAL STATEMENTS

## 4. Non-Current Investments :

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Investments at fair value through other comprehensive income</b>		
<b>Investment in Equity Instruments (Quoted)</b>		
• 1,525 (31 <sup>st</sup> March, 19: 1,525) equity shares of ₹ 2/- each fully paid up in Alembic Ltd. (Refer Note 31 (K))	<b>0.54</b>	0.64
• 855 (31 <sup>st</sup> March, 19: 855) equity shares of ₹ 2/- each fully paid up in Alembic Pharmaceuticals Ltd.	<b>4.56</b>	4.60
<b>Investment in Equity Instruments (Unquoted)</b>		
• 1,433 (31 <sup>st</sup> March, 19: 1,433) equity shares of ₹ 100/- each fully paid up in Nirayu Ltd.	<b>1,753.12</b>	1,615.23
• 1,33,332 (31 <sup>st</sup> March, 19: 1,33,332) equity shares of ₹ 100/- each fully paid up in Shreno Ltd. (Refer Note 31 (K))	<b>2,673.31</b>	5,051.56
• 10 (31 <sup>st</sup> March, 19: 10) equity shares of ₹ 100/- each fully paid up in Gujarat Urban Housing Co.	<b>0.01</b>	0.01
• 25,020 (31 <sup>st</sup> March, 19: 25,020) equity shares of ₹ 10/- each fully paid up in Pragati Sahakari Bank Ltd.	<b>2.50</b>	2.50
• 1 (31 <sup>st</sup> March, 19: 1) equity share of ₹ 25/- each fully paid up in Bharat Co-op Bank Ltd.	<b>0.00</b>	0.00
• 25 (31 <sup>st</sup> March, 19: 25) equity shares of ₹ 25/- each fully paid up in The Shamrao Vithal Co-op Bank Ltd.	<b>0.01</b>	0.01
<b>Investment in Preference Shares (Unquoted)</b>		
• 1,37,053 (31 <sup>st</sup> March, 19: 1,37,053) 5% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each fully paid up in Nirayu Limited. (Note 2)	<b>1,288.01</b>	1,314.67
• 1,525 (31 <sup>st</sup> March, 19: Nil) 7% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 2/- each fully paid up in Shreno Limited. (Refer Note 31 (K))	<b>0.25</b>	-
• 1,33,332 (31 <sup>st</sup> March, 19: Nil) 7% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100/-each fully paid up in Nirayu Limited. (Refer Note 31 (K))	<b>4,106.62</b>	-
• 2,92,500 (31 <sup>st</sup> March, 19: 2,92,500) 1% Redeemable Cumulative Pref. Shares of ₹10/- each fully paid up in Enviro Infrastructure Co. Ltd.	<b>29.25</b>	29.25
<b>Total</b>	<b>9,858.18</b>	8,018.47
Aggregate value of quoted investments - At cost	<b>0.02</b>	0.02
Aggregate value of quoted investments - At market value	<b>5.11</b>	5.23
Aggregate value of unquoted investments - At cost	<b>87.36</b>	87.36
Aggregate value of unquoted investments - At market value	<b>9,853.08</b>	8,013.23

NOTES TO FINANCIAL STATEMENTS

5. Other Non Current Assets: (₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Capital Advances	408.35	-
<b>Total</b>	<b>408.35</b>	<b>-</b>

6. Inventories : [Basis of Valuation - Refer Note 1.4 (I) (I)] (₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
(a) Raw materials	369.66	461.07
(b) Work-in-progress	79.51	163.75
(c) Finished goods*	31.49	3.26
(d) Semi Finished goods	820.99	884.31
(e) Stores, Spares & Packing Materials	323.79	277.47
<b>Total</b>	<b>1,625.43</b>	<b>1,789.86</b>

\* Includes finished goods in transit for ₹ 1,03,449/- as on 31.03.2020 (P.Y. ₹ Nil)

7. Current Investments: (₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Investment in Mutual Fund (Quoted)</b>		
<b>Investments at Fair Value through Profit and Loss</b>		
- Debt Funds	6,390.45	3,466.36
- Equity Funds	87.37	116.22
<b>Total</b>	<b>6,477.82</b>	<b>3,582.58</b>
Aggregate book value of quoted investments	6,466.76	3,454.19
Aggregate market value of quoted investments	6,477.82	3,582.58

8. Trade Receivables (Current / Unsecured): (₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Considered good</b>		
Receivable from Related Parties [Refer note no. 31(F)]	15.56	0.19
Others	2,602.35	3,246.68
<b>Total</b>	<b>2,617.91</b>	<b>3,246.87</b>

NOTES TO FINANCIAL STATEMENTS

9. Cash and Cash Equivalents:

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
(a) Balances with Bank		
In current account	77.85	53.13
(b) Cash on hand	2.03	1.29
<b>Total</b>	<b>79.88</b>	<b>54.42</b>

10. Bank Balance other than Cash and Cash Equivalents:

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
(a) Other Bank Balances		
In Deposit Accounts with Bank	1.18	1.12
(b) In earmarked accounts		
Balances held in unpaid dividend accounts	38.86	37.21
<b>Total</b>	<b>40.04</b>	<b>38.33</b>

11. Other Current Assets:

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
(a) Advance given to Trade Creditors	40.54	23.91
(b) Tender and Other Deposits	0.90	0.08
(c) Receivable from Revenue Authorities	74.05	201.16
(d) Prepaid Expenses	31.97	12.87
(e) Export benefit receivable	23.57	35.46
(f) Others	0.10	0.00
<b>Total</b>	<b>171.12</b>	<b>273.48</b>

12. Current Tax Assets (Net):

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Provision for Income Tax (net of advance tax and TDS)	40.14	-
<b>Total</b>	<b>40.14</b>	<b>-</b>



NOTES TO FINANCIAL STATEMENTS

13. Equity Share Capital:

(₹ in Lacs)

Particulars	As at	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>(a) Shares Authorized :</b>		
90,00,000 Equity shares of ₹10/- each	900.00	900.00
11,00,000 Redeemable Cumulative Preference Shares of ₹100/- each	1,100.00	1,100.00
<b>Total</b>	<b>2,000.00</b>	<b>2,000.00</b>
<b>(b) Shares issued, subscribed and fully paid :</b>		
30,82,114 Equity Shares of ₹10/- each	308.21	308.21
<b>Total</b>	<b>308.21</b>	<b>308.21</b>

**(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:**

Particulars	2019-20		2018-19	
	Nos	₹ in Lacs	Nos	₹ in Lacs
<b>Equity Shares of ₹ 10/- each issued, subscribed and fully paid</b>				
<b>At the beginning of the year</b>	<b>30,82,114</b>	<b>308.21</b>	32,07,114	320.71
Share cancelled upon Buy-back of 1,25,000 Equity Shares of the Company bought back at a price of ₹ 1,700/- per Equity Share.	-	-	(1,25,000)	(12.5)
<b>Outstanding at the end of the year</b>	<b>30,82,114</b>	<b>308.21</b>	30,82,114	308.21

**(d) The rights, preferences and restrictions including restrictions on the distribution of dividends and the repayment of capital:**

The Company is having only one class of shares i.e. Equity carrying a nominal value of ₹10/- per share. Every holder of the equity share of the Company is entitled to one vote per share held. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after the distribution / repayment to all creditors. The distribution to the equity shareholders will be in proportion of the number of shares held by each shareholder.

**(e) Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held as at:**

	31 <sup>st</sup> March, 2020		31 <sup>st</sup> March, 2019	
	Numbers	% held	Numbers	% held
1. Nirayu Limited	12,51,870	40.62%	10,23,366	33.20%
2. Alembic Limited	5,87,809	19.07%	5,87,809	19.07%
3. Shreno Limited	10	0.00%	2,28,504	7.41%

The equity shares held by Shreno Limited in the Company are transferred to Nirayu Private Limited pursuant to the Order dated 26<sup>th</sup> July, 2019 passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench in the matter of Composite Scheme of Arrangement between Alembic Limited, Shreno Limited and Nirayu Limited. Pending completion of procedural activities for the change in name of the demat account(s) of Shreno Limited, the equity shares of the Company held in such demat account are shown under Nirayu Private Limited. Further, Nirayu Private Limited has been converted into a Public Limited company and its name has been changed to Nirayu Limited pursuant to the Certificate of Incorporation dated 3rd October, 2019 issued by the Registrar of Companies, Gujarat in this regard.

**(f) Aggregate number of equity shares bought back during last 5 years: 1,25,000 Equity Shares (FY 2018-19)**

NOTES TO FINANCIAL STATEMENTS

14. Other Equity:

(₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>(a) Capital Reserve</b>		
Balance as per the last financial statements	4.25	4.25
	<b>4.25</b>	<b>4.25</b>
<b>(b) Capital Redemption Reserve</b>		
Balance as per the last financial statements	313.66	301.16
Add: Transferred from General Reserve upon Buy-back of Equity Shares of the Company	-	12.50
	<b>313.66</b>	<b>313.66</b>
<b>(c) Securities Premium</b>		
Balance as per the last financial statements	-	782.64
Less: Utilisation for Buy-back Offer of Equity Shares of the Company	-	782.64
	<b>-</b>	<b>-</b>
<b>(d) General Reserve</b>		
Balance as per the last financial statements	3,534.08	4,876.44
Transferred from Retained Earnings	1,000.00	-
Less: Utilisation for Buy-back Offer of Equity Shares of the Company	-	1,329.86
Less: Transferred to Capital Redemption Reserve upon Buy-back of Equity Shares of the Company	-	12.50
	<b>4,534.08</b>	<b>3,534.08</b>
<b>(e) Retained Earnings</b>		
Balance as per the last financial statements	7,488.38	3,695.35
Profit / (Loss) for the year	3,491.21	3,895.74
<b>Items of Other Comprehensive Income</b>		
Re-measurement of post employment benefit obligation (net of tax)	(22.70)	8.65
<b>Less: Appropriations</b>		
Equity Dividend including tax thereon (₹ 5/- per share) (PY: ₹ 3/- per share)	(185.78)	(111.47)
Transferred to General Reserve	(1,000.00)	-
OCI - Sale of Investment	-	0.12
	<b>9,771.11</b>	<b>7,488.38</b>
<b>(f) FVOCI - Equity Investment Reserve</b>		
Balance as per the last financial statements	5,102.29	366.53
Changes in fair value of FVOCI instruments (net of tax)	270.95	4,735.88
Inter transfer to FVOCI Debt Investment Reserve/ Retained Earnings	(1,981.13)	(0.12)
	<b>3,392.11</b>	<b>5,102.29</b>
<b>(g) FVOCI - Debt Investment Reserve</b>		
Balance as per the last financial statements	1,005.70	965.89
Changes in fair value of FVOCI instruments (net of tax)	1,413.93	39.81
Inter transfer from FVOCI Equity Investment Reserve	1,981.13	-
	<b>4,400.76</b>	<b>1,005.70</b>
<b>Total Other Equity</b>	<b>22,415.97</b>	<b>17,448.35</b>

NOTES TO FINANCIAL STATEMENTS

- **Capital Redemption Reserve:**  
This reserve was created as per requirements of Companies Act, 2013 pursuant to buyback of equity shares and redemption of preference shares.
- **Securities Premium:**  
Securities Premium is used to record the premium on issue of shares.
- **General Reserve:**  
This reserve is created by transfer of a portion of the net profit.
- **FVOCI - Equity Investment Reserve:**  
The Company has elected to recognise changes in the fair value of certain investments in equity shares in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity.
- **FVOCI - Debt Investment Reserve:**  
The Company has elected to recognise changes in the fair value of certain investments in preference shares in other comprehensive income. These changes are accumulated within the FVTOCI debt investments reserve within equity.

15. Provisions - Non-Current: (₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Provision for employee benefits</b>		
Provision for Leave benefits	69.81	56.32
Provision for Gratuity benefits	31.16	0.73
<b>Total</b>	<b>100.97</b>	<b>57.04</b>

16. Deferred Tax Liabilities (Net) : (₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Deferred Tax Liabilities on:</b>		
Difference Between Book & Tax Depreciation	602.84	586.22
Fair value changes through P&L	3.22	37.39
Fair value changes through OCI	1,977.93	1,823.10
	<b>2,583.99</b>	<b>2,446.71</b>
<b>Less: Deferred Tax Assets on:</b>		
Unused tax credit	-	306.92
Disallowances under Income Tax Act	48.53	27.59
	<b>48.53</b>	<b>334.51</b>
<b>Total</b>	<b>2,535.46</b>	<b>2,112.20</b>

17. Borrowings - Current: (₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>From Banks</b>		
<b>Working Capital facilities</b>	-	0.35
(Secured by way of hypothecation charge on inventories and book debts)		
<b>Total</b>	<b>-</b>	<b>0.35</b>

## NOTES TO FINANCIAL STATEMENTS

## 18. Trade Payable: (₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>For Supplies / Services</b>		
a) Due to Micro & Small enterprises [Refer Note 31(D)]	129.86	72.81
b) Others	1,244.58	1,005.43
<b>Total</b>	<b>1,374.44</b>	<b>1,078.25</b>

## 19. Other Financial Liabilities - Current: (₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Unpaid Dividends	38.86	37.21
Trade Deposits	26.00	25.00
<b>Total</b>	<b>64.86</b>	<b>62.21</b>

## 20. Other Current Liabilities: (₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Statutory Liabilities		
PF, ESI, Prof. Tax & Others	13.92	11.89
GST	10.82	177.37
TDS	38.66	31.23
Staff payables	81.05	66.91
<b>Total</b>	<b>144.45</b>	<b>287.40</b>

## 21. Provisions - Current: (₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Provision for employee benefits</b>		
Provision for Leave benefits	10.94	8.48
Provision for Gratuity benefits	27.40	1.37
<b>Total</b>	<b>38.34</b>	<b>9.85</b>

## 22. Current Tax Liabilities (Net) : (₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Provision for Income Tax (net of advance tax and TDS)	-	42.33
<b>Total</b>	<b>-</b>	<b>42.33</b>

NOTES TO FINANCIAL STATEMENTS

23. Revenue from Operations: (₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2020	For the Year ended 31 <sup>st</sup> March, 2019
<b>a Sale of products</b>		
- Domestic	11,162.42	11,531.29
- Exports	2,459.19	2,178.96
	13,621.60	13,710.25
<b>b Other Operating Revenues</b>		
- Disposal Sales	80.48	95.47
- Export Incentives	80.85	111.11
- Service Income	7.56	33.86
	168.89	240.44
<b>Total</b>	13,790.50	13,950.69

24. Other Income : (₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2020	For the Year ended 31 <sup>st</sup> March, 2019
Dividend		
Financial Assets - Investments		
From Other related parties	140.22	17.63
From Others	183.22	43.22
Sundry Balance written back	-	13.51
Interest Income		
From Others	0.08	0.16
Profit on Sale / Redemption of Investment (Net)	116.76	34.74
Sale of Power	2.46	11.53
Profit on Sale of Property, Plant and Equipment	0.48	0.02
Exchange Fluctuation Gain (Net)	20.61	11.18
Fair Value change of investment held for trading	(4.75)	128.39
Rent Received		
From Other related parties	0.82	4.20
From Others	0.04	0.03
<b>Total</b>	459.95	264.61

25. Cost of Raw Material Consumed : (₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2020	For the Year ended 31 <sup>st</sup> March, 2019
Inventory at the beginning of the year	461.07	520.47
Add : Purchases	4,330.68	5,860.61
	4,791.75	6,381.08
Less : Inventory at the end of the year	369.66	461.07
<b>Total</b>	4,422.09	5,920.00

NOTES TO FINANCIAL STATEMENTS

26. Change in inventories of finished goods, semi-finished goods and work-in-progress: (₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2020	For the Year ended 31 <sup>st</sup> March, 2019
<b>Inventory at the end of the year</b>		
Work in Process	79.51	163.75
Semi Finished Goods	820.99	884.31
Finished Goods	31.49	3.26
	<b>931.98</b>	<b>1,051.32</b>
<b>Inventory at the beginning of the year</b>		
Work in Process	163.75	119.98
Semi Finished Goods	884.31	374.53
Finished Goods	3.26	4.02
	<b>1,051.32</b>	<b>498.53</b>
<b>Total</b>	<b>119.34</b>	<b>(552.78)</b>

27. Employee benefits expense: (₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2020	For the Year ended 31 <sup>st</sup> March, 2019
Salaries, Wages, Bonus and Others etc.	1,894.40	1,642.00
Contribution to Provident and other funds	88.77	64.84
Staff welfare	146.91	130.01
<b>Total</b>	<b>2,130.08</b>	<b>1,836.85</b>

28. Finance Cost : (₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2020	For the Year ended 31 <sup>st</sup> March, 2019
Interest on Working Capital	0.16	0.66
Bank Charges	7.51	12.97
<b>Total</b>	<b>7.67</b>	<b>13.64</b>

NOTES TO FINANCIAL STATEMENTS

29. Other Expenses :

(₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2020	For the Year ended 31 <sup>st</sup> March, 2019
Repairs and Maintenance		
Machineries	404.92	379.69
Buildings	9.03	4.26
Others	17.65	2.71
Freight and Forwarding Charges	249.75	275.10
Packing Material Consumed	194.29	196.73
Stores, Spares & Containers Consumed	524.07	678.41
Power & Fuel	549.71	490.31
Other manufacturing expenses	142.47	62.65
Selling, Distribution & Advertisement Expenses	95.99	87.03
Rent	24.57	10.58
Rates and Taxes	18.69	20.38
Insurance	18.45	10.46
Travelling Expense	145.95	133.53
Legal & Professional Fees	268.59	223.32
Payment to Auditor [Refer Note 31(I)]	4.22	4.63
Directors' Sitting fees	8.35	5.50
Loss on Sales of Fixed Assets	2.38	0.55
Expenses on CSR Activities [Refer Note 31(H)]	49.70	35.07
Miscellaneous Expenses	108.86	106.26
<b>Total</b>	<b>2,837.63</b>	<b>2,727.15</b>

30. Other Comprehensive Income :

(₹ in Lacs)

	For the Year ended 31 <sup>st</sup> March, 2020	For the Year ended 31 <sup>st</sup> March, 2019
<b>(a) Item that will not be reclassified to Profit and Loss</b>		
Gain and losses on re-measurement of Financial Asset routed through OCI	351.97	6,107.28
Income Tax Relating to this item	(81.02)	(1,371.40)
	<b>270.95</b>	<b>4,735.88</b>
Remeasurements of post-employment benefit obligations	(32.03)	17.53
Income Tax Relating to this item	9.33	(8.88)
	<b>(22.70)</b>	<b>8.65</b>
	<b>248.25</b>	<b>4,744.53</b>
<b>(b) Item that will be reclassified to Profit and Loss</b>		
Gain and losses on re-measurement of Financial Asset routed through OCI	1,487.74	(55.86)
Income Tax Relating to this item	(73.81)	95.67
	<b>1,413.93</b>	<b>39.81</b>
<b>Total</b>	<b>1,662.18</b>	<b>4,784.34</b>

NOTES TO FINANCIAL STATEMENTS

31. Other Explanatory Notes and Information

A. Capital & Other Commitment

Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) ₹ 1,686.44 lacs (Previous year ₹ 310.11 lacs).

B. Contingent Liabilities:

Contingent liabilities not provided for:

(₹ in Lacs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
i)	Disputed claims for excise duty & Service Tax	32.79	26.05
ii)	VAT & CST	2.55	2.55
iii)	Civil Suit	4.00	4.00
iv)	Bank Guarantee	151.21	151.21

C. Defined benefit plans / compensated absences - As per actuarial valuation

(₹ in Lacs)

	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	Gratuity Funded		Leave Encashment	
<b>Expense recognised in the Statement of Profit &amp; Loss</b>				
Current Service Cost	26.57	18.80	11.49	6.85
Interest Cost	(0.66)	1.28	3.84	2.98
Employee Contributions	-	-	-	-
Expected return on plan assets	-	-	-	-
Net Actuarial (Gains) / Losses	-	-	15.41	19.17
Past Service Cost	-	-	-	-
Settlement Cost	-	-	-	-
<b>Total expense</b>	<b>25.91</b>	20.08	<b>30.74</b>	29.00
<b>Expense recognised in the Statement of Other Comprehensive Income</b>				
Components of actuarial gain/losses on obligations:				
Due to change in Financial Assumptions	7.29	-	3.32	-
Due to change in Demographic Assumptions	(0.08)	-	(0.03)	-
Due to Experience Adjustments	23.94	(15.66)	12.13	19.17
Return on plan assets excluding amounts included in Interest Income	0.88	(1.87)	-	-
<b>Total amount recognized in Other Comprehensive Income</b>	<b>32.03</b>	(17.53)	<b>15.42</b>	<b>19.17</b>
<b>Net Asset / (Liability) recognised in the Balance Sheet</b>				
<b>Present value of Defined Benefit Obligation as at March 31, 2020</b>	<b>254.17</b>	223.21	<b>71.14</b>	56.53
Fair value of plan assets as at March 31, 2020	195.61	221.11	-	-
Funded status [Surplus / (Deficit)]	(58.56)	(2.10)	(71.14)	(56.53)
<b>Net asset / (liability) as at March 31, 2020</b>	<b>(58.56)</b>	(2.10)	<b>(71.14)</b>	(56.53)



NOTES TO FINANCIAL STATEMENTS

	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	Gratuity Funded		Leave Encashment	
<b>Change in Obligation during the year ended March 31, 2020</b>				
<b>Present value of Defined Benefit Obligation at beginning of the year</b>	<b>223.21</b>	214.93	<b>56.53</b>	40.56
Current Service Cost	<b>26.57</b>	18.80	<b>11.49</b>	6.85
Interest Cost	<b>13.58</b>	13.13	<b>3.84</b>	2.98
Settlement Cost	<b>7.29</b>	-	<b>3.32</b>	-
Past Service Cost	<b>(0.08)</b>	-	<b>(0.03)</b>	-
Employee Contributions	-	-	-	-
Actuarial (Gains) / Losses	<b>23.94</b>	(15.66)	<b>12.13</b>	19.17
Benefits Payments	<b>(40.34)</b>	(7.99)	<b>(16.14)</b>	(13.03)
<b>Present value of Defined Benefit Obligation at the end of the year</b>	<b>254.17</b>	223.21	<b>71.14</b>	56.53
<b>Change in Assets during the Year ended March 31, 2020</b>				
Plan assets at the beginning of the year	<b>221.11</b>	188.15	-	-
Assets acquired in amalgamation in previous year	-	-	-	-
Settlements	-	-	-	-
Expected return on plan assets	<b>14.24</b>	11.85	-	-
Contributions by Employer	<b>1.48</b>	27.23	-	-
Actual benefits paid	<b>(40.34)</b>	(7.99)	-	-
Actuarial (Gains) / Losses	<b>(0.88)</b>	1.87	-	-
Plan assets at the end of the year	<b>195.61</b>	221.11	-	-
Actual return on plan assets	<b>14.24</b>	11.85	-	-
<b>Expected Cash flow based on the past service liability for year ended 31st March, 2020</b>				
Year 1 Cash flow	<b>74.85</b>	76.86	<b>10.94</b>	8.48
Distribution (%)	<b>17.6%</b>	21.4%	<b>6.6%</b>	6.5%
Year 2 Cash flow	<b>25.67</b>	17.24	<b>4.39</b>	4.31
Distribution (%)	<b>6.0%</b>	4.8%	<b>2.6%</b>	3.3%
Year 3 Cash flow	<b>16.68</b>	26.06	<b>5.74</b>	5.42
Distribution (%)	<b>3.9%</b>	7.3%	<b>3.4%</b>	4.2%
Year 4 Cash flow	<b>16.09</b>	15.90	<b>8.49</b>	4.32
Distribution (%)	<b>3.8%</b>	4.4%	<b>5.1%</b>	3.3%
Year 5 Cash flow	<b>15.63</b>	14.17	<b>2.91</b>	8.17
Distribution (%)	<b>3.7%</b>	3.9%	<b>1.7%</b>	6.3%
Year 6 - Year 10 Cash flow	<b>114.56</b>	81.91	<b>18.67</b>	16.02

## NOTES TO FINANCIAL STATEMENTS

	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	Gratuity Funded		Leave Encashment	
Distribution (%)	26.9%	22.8%	11.2%	12.4%
<b>Actuarial Assumptions:</b>				
Discount Rate	6.85%	7.35%	6.85%	7.35%
Expected rate of return on plan assets	6.85%	7.35%	6.85%	7.35%
Mortality pre retirement	Indian Assured Lives Mortality (2012-14) Table		NA	NA
Mortality post retirement	NA	NA	NA	NA
Withdrawal Rates	5.00% p.a at younger ages reducing to 1.00% p.a% at older ages	5.00% p.a at younger ages reducing to 1.00% p.a% at older ages	5.00% p.a at younger ages reducing to 1.00% p.a% at older ages	5.00% p.a at younger ages reducing to 1.00% p.a% at older ages
Medical premium inflation	NA	NA	NA	NA
Annual Increment in Salary cost	6.00%	6.00%	6.00%	6.00%
<b>Sensitivity Analysis:</b>				
<b>Defined Benefit Obligation upon delta effect of :</b>				
+0.5% Change in Rate of Discounting	246.88	217.67	67.83	54.19
-0.5% Change in Rate of Discounting	261.96	229.09	74.76	59.08
+0.5% Change in Rate of Salary Increase	261.36	228.87	74.77	59.10
-0.5% Change in Rate of Salary Increase	246.85	217.80	67.78	54.15
+10% Change in Rate of Withdrawal Rate	254.31	223.42	71.30	56.70
-10% Change in Rate of Withdrawal Rate	254.02	223.00	70.98	56.36

**A description of methods used for sensitivity analysis and its Limitations:**

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

NOTES TO FINANCIAL STATEMENTS

**D. Micro, Small and Medium Enterprises Development Act, 2006**

As per requirement of Section 22 of Micro, Small & Medium Enterprises Development Act, 2006 following information is disclosed to the extent identifiable:

		(₹ in Lacs)	
		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
a)	(i) The Principal amount remaining unpaid to any supplier at the end of accounting year	129.86	72.81
	(ii) The interest due on above	-	-
	Total of (i) & (ii) above	129.86	72.81
b)	Amount of interest paid by the buyer in terms of Section 16 of the Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c)	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 the Act.	-	-
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of Act.	-	-

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the company.

**E. Segment Reporting :**

**a) Primary Segment:**

The Company has identified "Speciality Chemicals" as the only primary reportable segment.

**b) Secondary Segment (By Geographical Segment)**

		(₹ in Lacs)	
For the Year ended		31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
	India	11,162.42	11,531.29
	Outside India	2,459.19	2,178.96
	Total Sales	13,621.60	13,710.25

In view of the inter-woven / inter-mixed nature of business and manufacturing facility, other secondary segmental information is not ascertainable.

## NOTES TO FINANCIAL STATEMENTS

## F. Related Party Disclosures

## List of Related Parties with whom the Company has entered into transactions during the year

- a) **Controlling Companies** : Nirayu Limited
- b) **Subsidiary and Fellow Subsidiary**: There is no subsidiary / fellow subsidiary company
- c) **Associate / Joint Venture Companies**: There is no associate / joint venture company
- d) **Other Related Parties**:
- 1 Alembic Pharmaceuticals Limited
  - 2 Alembic Limited
  - 3 Shreno Limited
  - 4 Shreno Publications Limited
- e) **Key Management Personnel**:
- 1 Mr. Chirayu Amin - Chairman
  - 2 Mr. Udit Amin - Non-Executive Director
  - 3 Mr. Amit Goradia - Independent Director
  - 4 Mr. Atul Patel - Independent Director
  - 5 Mr. V. H. Gandhi - Independent Director
  - 6 Dr. Shamita Amin - Independent Director
  - 7 Mr. Abhijit Joshi - Whole Time Director & CEO
  - 8 Ms. Kirti Shah - Chief Financial Officer (w.e.f. 12.11.2019)
  - 9 Mr. Kaushik Shah - Dy. Chief Financial Officer
  - 10 Ms. Manisha Saraf - Company Secretary (w.e.f. 01.06.2018)
  - 11 Mr. Charandeep Singh Saluja - Company Secretary (upto 31.05.2018)
- f) **Relatives of Key Management Personnel**:
- 1 Ms. Yera Amin
- g) **Transactions with Related Parties**:

(₹ in Lacs)			
Sr. No.	Particulars	For the Year ended 31 <sup>st</sup> March, 2020	For the Year ended 31 <sup>st</sup> March, 2019
<b>Controlling Company</b>			
1	Dividend Received	139.42	17.60
2	Purchase of Fixed Asset	55.57	-
3	Purchase of Goods	5.57	-
<b>KMP, Promoters, Directors &amp; Relatives of KMP / Promoters / Directors</b>			
1	Receiving of Services	31.86	31.86
2	Director's Sitting Fees	8.35	5.50
3	KMP Remuneration	221.63	159.54
<b>Other related parties</b>			
1	Purchase of Goods	28.43	133.89
2	Sale of Goods	70.20	182.96
3	Receiving of Services	114.23	53.64
4	Rent Income	0.95	4.96
5	Purchase of Fixed Assets	6.89	4.87
6	Sale of Land	243.25	1,017.00
7	Dividend Received	0.14	0.03

NOTES TO FINANCIAL STATEMENTS

h) Balances outstanding as at the end of the year:

			(₹ in Lacs)	
Sr. No.	Particulars	For the Year ended 31 <sup>st</sup> March, 2020	For the Year ended 31 <sup>st</sup> March, 2019	
<b>KMP, Promoters, Directors &amp; Relatives of KMP / Promoters / Directors</b>				
1	Remuneration Payable	-	76.75	
<b>Other related parties</b>				
1	Trade / Other Payable	<b>0.64</b>	1.69	
2	Trade / Other Receivable	<b>13.91</b>	0.19	
3	Investments	<b>9,826.41</b>	7,986.70	

i) Disclosure in respect of material transaction with related parties during the year (including all transactions with entities which hold 10% or more shareholding in the company):

			(₹ in Lacs)	
Sr. No.	Particulars	For the Year ended 31 <sup>st</sup> March, 2020	For the Year ended 31 <sup>st</sup> March, 2019	
<b>1</b>	<b>Purchase of Goods</b>			
	Alembic Ltd.	<b>13.11</b>	132.60	
	Alembic Pharmaceuticals Ltd.	<b>11.71</b>	0.77	
	Nirayu Ltd	<b>5.57</b>	-	
	Others	<b>3.62</b>	0.52	
<b>2</b>	<b>Sale of Goods</b>			
	Alembic Pharmaceuticals Ltd.	<b>62.72</b>	182.96	
	Alembic Ltd.	<b>7.48</b>	-	
<b>3</b>	<b>Receiving of Services</b>			
	Alembic Ltd.	<b>114.23</b>	53.64	
	Ms. Yera Amin	<b>31.86</b>	31.86	
<b>4</b>	<b>Rent Income</b>			
	Alembic Ltd.	-	3.54	
	Alembic Pharmaceuticals Ltd.	<b>0.95</b>	1.42	
<b>5</b>	<b>Purchase of Fixed Assets</b>			
	Shreno Ltd.	<b>1.76</b>	2.73	
	Nirayu Ltd.	<b>55.57</b>	-	
	Alembic Ltd.	<b>5.13</b>	1.69	
	Others	-	0.45	
<b>6</b>	<b>Director's Sitting Fees</b>			
	Mr. Chirayu Amin	<b>0.70</b>	0.70	
	Mr. Udit Amin	<b>0.95</b>	0.55	
	Mr. Amit Goradia	<b>1.70</b>	1.00	
	Mr. Atul Patel	<b>1.70</b>	1.25	
	Mr. V. H. Gandhi	<b>2.00</b>	1.35	
	Dr. Shamita Amin	<b>1.30</b>	0.65	
<b>7</b>	<b>KMP Remuneration</b>			
	Mr. Abhijit Joshi	<b>60.71</b>	56.43	
	Mr. Udit Amin	<b>125.00</b>	76.75	
	Mr. Kaushik Shah	<b>14.98</b>	13.52	
	Mr. Charandeep Singh Saluja	-	2.30	
	Ms. Kirti Shah	<b>6.36</b>	-	
	Ms. Manisha Saraf	<b>14.59</b>	10.65	
<b>8</b>	<b>Sale of Land</b>			
	Alembic Pharmaceuticals Ltd.	<b>243.25</b>	-	
	Alembic Ltd.	-	1,017.00	
<b>9</b>	<b>Dividend Received</b>			
	Alembic Ltd. (# - Amount less than ₹1,000)	<b>0.00<sup>#</sup></b>	-	
	Nirayu Ltd.	<b>139.42</b>	17.60	
	Alembic Pharmaceuticals Ltd.	<b>0.13</b>	0.03	

## NOTES TO FINANCIAL STATEMENTS

## G. Earnings Per Share:

		(₹ in Lacs)	
	Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
	<b>Earning per share has been computed as under:</b>		
a)	Profit after Taxation	3,491.21	3,895.74
b)	Total Ordinary shares		
	Number of Ordinary Shares	30,82,114	31,00,607
c)	Basic and Diluted Earning per Share (Face value ₹10/- per share) (in ₹)	113.27	125.64

## H. Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR Committee has been formed by the Company as per the Act. The company spent ₹ 49.70 Lacs on various projects during the year. Please refer to Annexure – B in the Board's Report.

- (a) Gross amount required to be spent by the company during the year: ₹ 49.70 lacs (Previous Year ₹ 35.07 lacs)
- (b) Amount spent during the year on:

		(₹ in Lacs)	
	Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>1.</b>	<b>Construction / Acquisition of Assets</b>		
-	In cash	-	-
-	Yet to be paid in cash	-	-
<b>2.</b>	<b>On purpose other than (i) above</b>		
-	In cash	49.70	35.07
-	Yet to be paid in cash	-	-

## I. Payment to Auditors

		(₹ in Lacs)	
	Particulars	For the Year ended 31 <sup>st</sup> March, 2020	For the Year ended 31 <sup>st</sup> March, 2019
<b>a)</b>	<b>Statutory Auditors</b>		
	As Auditors	1.70	1.70
	In other capacity:		
	Other services	0.37	0.85
<b>b)</b>	<b>Tax Auditors</b>		
	Tax Audit Fees	0.30	0.30
<b>c)</b>	<b>Cost Auditors</b>	0.30	0.30
<b>d)</b>	<b>Secretarial Auditor</b>		
	Secretarial Audit, Corporate Governance, Annual Return & other services	1.55	1.47
	<b>Total</b>	<b>4.22</b>	<b>4.62</b>

NOTES TO FINANCIAL STATEMENTS

J. Research and Development Expenses

(₹ in Lacs)

	Particulars	For the Year ended 31 <sup>st</sup> March, 2020	For the Year ended 31 <sup>st</sup> March, 2019
a)	Material Consumption	21.89	41.63
b)	Employees' Cost	102.79	138.76
c)	Utilities	26.45	17.03
d)	Others	10.43	26.60
	<b>Total Expenses (included in Profit and Loss)</b>	<b>161.56</b>	<b>224.02</b>

- K. Pursuant to the Composite Scheme of Arrangement between Alembic Limited, Shreno Limited and Nirayu Limited becoming effective, the Company was issued and allotted the following Preference Shares: (a) 1,525; 7% Non-Convertible Cumulative Redeemable Preference Shares of face value ₹ 2/- each by Shreno Limited; and (b) 1,33,332; 7% Non-Convertible Cumulative Redeemable Preference Shares of face value ₹ 100/- each by Nirayu Limited, as consideration for the said Scheme, in addition to its existing equity shareholding in Alembic Limited and Shreno Limited respectively.

The cost of investment in Equity Shares of Alembic Limited and Shreno Limited has been allocated proportionately to the Preference Shares as per the guidance provided by the issuing entities respectively. Accordingly, FVOCI - Equity Investment Reserve of ₹ 1,971.17 Lacs (net of Tax) recorded upto the date of issuance of such Preference Shares has been transferred to the FVOCI - Debt Investment Reserve.

L. Financial instruments

- i) Fair value measurement hierarchy:

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2020			
	Carrying amount	Level of input used in		
		Level 1	Level 2	Level 3
<b>Financial assets</b>				
<b>At Fair Value through Profit and Loss</b>				
Mutual Funds	6,477.82	6,477.82	-	-
<b>At FVTOCI</b>				
Investment in Equity instruments	4,434.05	5.11	4,426.42	2.52
Investment in Debt instruments	5,424.13	-	-	5,424.13
<b>At Amortised cost</b>				
Trade Receivables	2,617.91	-	-	-
Cash and cash equivalents	79.88	-	-	-
Bank balances other than above	40.04	-	-	-
<b>Financial liabilities</b>				
Trade Payables	1,374.44	-	-	-
Trade Deposits	26.00	-	-	-
Borrowings	-	-	-	-
Other Financial liabilities	38.86	-	-	-

## NOTES TO FINANCIAL STATEMENTS

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019			
	Carrying amount	Level of input used in		
		Level 1	Level 2	Level 3
<b>Financial assets</b>				
<b>At Fair Value through Profit and Loss</b>				
Mutual Funds	3,582.58	3,582.58	-	-
<b>At FVTOCI</b>				
Investment in Equity instruments	6,674.55	5.24	6,666.79	2.52
Investment in Debt instruments	1,343.92	-	-	1,343.92
<b>At Amortised cost</b>				
Trade Receivables	3,246.87	-	-	-
Cash and cash equivalents	54.42	-	-	-
Bank balances other than above	38.33	-	-	-
<b>Financial liabilities</b>				
Trade Payables	1,078.25	-	-	-
Trade Deposits	25.00	-	-	-
Borrowings	0.35	-	-	-
Other Financial liabilities	37.21	-	-	-

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period. On account of change in valuation estimates, certain investments were transferred from level 3 to level 2 valuation hierarchy and vice versa during the previous year.

ii) **Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments are as under:

- a. The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date.
- b. The fair values of quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.
- c. The fair values of unquoted investment in equity shares of investee companies, including those having multiple business segments are derived as under:
  - For investments of investee in listed securities, the price of the security as listed on the stock exchange as on 31<sup>st</sup> March, 2020 is considered.
  - For valuation of any land and property of investee, fair market value of the asset based on reports of experts is considered.
  - For investments of investee in unlisted non-operating companies, valuation is carried out on realizable net asset value basis, derived from the fair valuation of the underlying assets and liabilities.
  - For valuation of any unlisted Cash Generating Unit / operating business of the investee, the valuation has been arrived by applying DCF method.
- d. The fair values of unquoted investment in preference shares is arrived by discounting income/cash flows to its present value using the required rate of return and the cost of debt of Paushak Limited and returns expected on similar investments.



NOTES TO FINANCIAL STATEMENTS

iii) Fair value measurements using significant unobservable inputs (level 3)

The following table represents the changes in level 3 items for the period ended 31st March, 2020.

Particulars	(₹ in Lacs)
As on April 1, 2019	1,346.44
Acquisitions	2,592.47
Gains / (Losses) recognized in other comprehensive income	1,487.74
Transferred to Level 2	-
As on March 31, 2020	5,426.65

iv) Valuation inputs and relationships to fair value (Level 3)

Particulars	Fair value as at		Significant Observable Inputs	Probable - weighted range	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019		31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
a) Unquoted Equity Instruments	2.52	2.52	Earnings Growth Rate	-	-
			Free Cash Discount Rate	-	-
b) Unquoted Debt Instruments	5,424.13	1,343.92	Effective Interest Rate Income	Ranging from 5% to 7%	5%
			Cash Flows	Ranging from 5% to 7%	5%
			Earnings Growth Rate	-	-
			Free Cash Discount Rate	10%	10%

v) Valuation Processes

Valuation of certain unquoted equity shares/preference shares is done by an external valuation agency as per above valuation techniques.

M. Financial Risk management

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

- Credit risk;
- Liquidity risk; and
- Market risk

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk controls and to monitor risks. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

i) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, deposit and other receivables. Credit risk is managed through continuous monitoring of receivables and follow up of overdues.

## NOTES TO FINANCIAL STATEMENTS

**Investments**

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter parties, and does not have any significant concentration of exposures to specific industry sector or specific country risks.

**Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer, demographics of the customer, default risk of the industry and country in which the customer operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

**Reconciliation of Provision for Credit impaired Tread Receivable**

(₹ in Lacs)

	Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
a)	Balance at the beginning of the year	-	11.95
b)	Provision made during the year	-	-
c)	Provision reversed during the year	-	-
d)	Provision utilised during the year	-	11.95
e)	Balance at the end of the year	-	-

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

**ii) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they fall due. The Company ensures that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions.

**Maturities of Financial Liabilities**

The table herewith analyses the Company's Financial Liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance dues within the 12 months equal there carrying balances as the impact of discounting is not significant.

**Contractual maturities of financial liabilities**

(₹ in Lacs)

Particulars	Less than 1 year	More than 1 year	Total
<b>As at 31<sup>st</sup> March, 2020</b>			
<b>Non-derivatives</b>			
Other Financial Liabilities	64.86	-	64.86
Borrowings	-	-	-
Trade payables	1,374.44	-	1,374.44
<b>Total Non-derivative liabilities</b>	<b>1,439.30</b>	<b>-</b>	<b>1,439.30</b>

NOTES TO FINANCIAL STATEMENTS

(₹ in Lacs)

Particulars	Less than 1 year	More than 1 year	Total
<b>As at 31<sup>st</sup> March, 2019</b>			
<b>Non-derivatives</b>			
Other Financial Liabilities	62.21	-	62.21
Borrowings	0.35	-	0.35
Trade payables	1,078.25	-	1,078.25
<b>Total Non-derivative liabilities</b>	<b>1,140.81</b>	<b>-</b>	<b>1,140.81</b>

iii) **Market risk**

Market risk is the risk that arises due to changes in market prices and other factors such as foreign exchange rates, interest rates and commodity risk. Market risk is also attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.

**Price Risk**

The Company is mainly exposed to the price risk due its investment in equity instruments and equity & debt mutual fund. The price risk arises due to unascertainty about the future market value of these investments.

**Management Policy**

The Company maintains its portfolio in accordance with framework set by risk management policies duly monitored by competent professionals.

**N. Capital Management**

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Company monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

(₹ in Lacs)

Particulars	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019
Debt (includes non-current, current borrowings and current maturities of long term debt)	-	0.35
Less : Cash and cash equivalents	79.88	54.42
Net Debt	-	-
Total Equity	22,724.18	17,756.58
Net debt to total equity ratio	-	-

**O. Use of Estimates and Judgements**

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in these notes.

**P. Details of Hypothecation of Assets**

Inventory and Debtors are Hypothecated as security for certain working capital borrowings.

## NOTES TO FINANCIAL STATEMENTS

**Q. SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015**

Disclosures as required under Regulation 34(3) read with schedule V of the SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015 have not been given as there are no such transactions with any such party.

**R. Information on Dividend for the year**

Dividends proposed or declared after the balance sheet date but before the financial statements have been approved by the Board of Director is not recognised as a liability at the balance sheet date. The Board of Director recommended final dividend of ₹ 6/- per equity share for the financial year ended on 31st March, 2020. The payment is subject to approval of share holder in ensuing Annual General Meeting of the Company. (Previous year ₹ 5/- per equity share)

**S. Investment Property:**

		(₹ in Lacs)	
	For the Year ended / As at	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
(i)	Amounts recognised in profit or loss for investment properties	-	3.00
	Rental income		
(ii)	Contractual obligations	-	-
(iii)	<b>Fair value</b>		
	Investment properties	-	-

There are no contractual obligations to purchase, construct or develop investment property.

**T. Taxes Reconciliation:****(a) Income tax expense**

		(₹ in Lacs)	
	Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>a)</b>	<b>Current Tax</b>		
	Current tax expense	1,073.48	1,071.19
	Less: MAT Credit utilised	293.48	-
	<b>Net Current Tax</b>	<b>780.00</b>	1,071.19
<b>b)</b>	<b>Deferred Tax</b>		
	Decrease / (Increase) in deferred tax assets	295.31	(19.31)
	(Decrease) / Increase in deferred tax liabilities	(17.55)	19.31
	<b>Total Deferred tax expenses (Benefits)</b>	<b>277.76</b>	-
	<b>Total Income tax expenses (a+b) *</b>	<b>1,057.76</b>	1,071.19
	* Excludes below tax impact on Other comprehensive income		
	Tax Benefit / (Expense) on Actuarial	9.33	(8.88)
	Tax Benefit / (Expenses) due to Fair Value of Investments	(154.83)	(1,275.73)

NOTES TO FINANCIAL STATEMENTS

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

		(₹ in Lacs)	
	Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
a)	Profit before Income tax expense	4,537.32	4,898.98
b)	Tax at the Indian Tax Rate *	1,321.27	1,055.64
c)	<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income</b>		
	Dividend income	(94.08)	(13.03)
	Expenditure related to exempt Income	0.15	0.11
	Non Deductible Tax Expense (u/s 43B of Income Tax Act, 1961)	20.94	-
	Net effect of expenses not deductible u/s 32 of Income Tax Act, 1961	1.20	-
	Effect of Income on which tax payable u/s 111A, 112, 112A of Income Tax Act, 1961	0.57	-
	Tax impact on deduction available under Chapter VIA and R&D	(142.09)	-
	Provision for Doubtful Debts	-	(2.58)
	Deferred Tax	277.76	-
	Utilization of MAT Credit	(293.48)	-
	Others	(34.48)	31.05
	<b>Income Tax Expense</b>	<b>1,057.76</b>	<b>1,071.19</b>

\*The company falls under the normal provisions of Income Tax Act, 1961 and the applicable Indian statutory tax rate for year ended March 31, 2020 is 29.12%.

(c) Current Tax (Liabilities) / assets:

		(₹ in Lacs)	
	Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
a)	Opening balance	(42.33)	(115.84)
b)	Income Tax Paid	850.82	1,080.56
c)	Current income tax / wealth tax payable for the year	(780.00)	(1,075.00)
d)	Current income tax provision for earlier year	11.65	67.95
e)	Net current income tax asset/ (liability) at the end	<b>40.14</b>	<b>(42.33)</b>

U. Due to outbreak of COVID-19 globally and in India, the quarter ended 31<sup>st</sup> March, 2020 was adversely impacted. However, the Company's management has made internal assessment of the probable impact on business and believes that impact is likely to be short term in nature and does not foresee any medium to long term risk in Company's ability to continue as a going concern.

V. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

## NOTES TO FINANCIAL STATEMENTS

**W.** These Financial Statements were authorised for issue in accordance with the resolution of the Board of Directors at its meeting held on 19<sup>th</sup> May, 2020.

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As per our report of even date  
**For Maloo Bhatt & Co.**  
Chartered Accountants  
Firm Registered No. 129572W

For and on behalf of the Board  
**Chirayu Amin**  
Chairman  
DIN No.:00242549

**Amit Goradia**  
Director  
DIN No.:00074478

**Abhijit Joshi**  
Whole-time Director & CEO  
DIN No.:06568584

**CA. Yash Bhatt**  
Partner  
Membership No. 117745  
Vadodara, 19<sup>th</sup> May, 2020

**Manisha Saraf**  
Company Secretary

**Kirti Shah**  
CFO  
Vadodara, 19<sup>th</sup> May, 2020







*If undelivered please return to:*

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