



Smruthi Organics Limited

Date: 24-06-2021

To
Corporate Relation Department
BSE Limited
P. J. Tower, Dalal Street,
Mumbai - 400 001.

To
Listing Department
Metropolitan Stock Exchange of India Ltd
4th floor, Vibgyor tower,
Opposite Trident Hotel

Bandra-Kurla Complex, Mumbai - 400098

Sub: Annual Report of Smruthi Organics Limited for the Financial Year 2020-21 along with the Notice of the 32nd Annual General Meeting.

Scrip Code: 540686 MSEI Symbol: SMRUTHI

Dear Sirs,

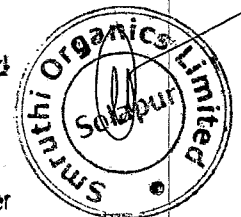
In terms of the provisions of Regulation 30 and Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Annual Report of Smruthi Organics Limited for the Financial Year 2020-21 ("Annual Report") along with the Notice of the 32nd Annual General Meeting ("AGM") is enclosed herewith.

We wish to inform you that the AGM will be held on Friday, July 16, 2021 at 12.30 a.m. (IST), through Video Conferencing or Other Audio Visual Means. The AGM will be held without the physical presence of the Shareholders at a common venue. This is in view of the continuing COVID-19 pandemic and in compliance with the General Circular No. 02/ 2021 dated January 13, 2021 read with General Circular 20/ 2020 dated May 5, 2020, General Circular No. 14/ 2020 dated April 8, 2020, and General Circular No. 17/ 2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (collectively referred to as "MCA Circulars"), Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with Circular No. SEBI/HO/CFD/CMD1/CIR/ P/2020/79 dated May 12, 2020 ("said SEBI Circulars") issued by the Securities and Exchange Board of India and relevant provisions of the Companies Act, 2013 and SEBI Listing Regulations. Further, in accordance with the aforesaid MCA Circulars and said SEBI Circulars, the Notice of the AGM along with the Annual Report is being sent only by electronic mode to those Shareholders whose email addresses are registered with the Company/ Depository Participants. The Annual Report together with the Notice of the AGM is being dispatched to the Shareholders today.

Please take the above submission on record.

For Smruthi Organics Limited


Urvashi D. Khanna
Company Secretary & Compliance Officer





Smruthi
Organics Limited



32
ND

**ANNUAL
REPORT
2020 - 2021**



www.smruthiorganics.com



SMRUTHI
HEALTHCARE

DIVISION OF SMRUTHI ORGANICS LIMITED

Cardiac Product Glossary

amser 5|10
AMLODIPINE 5|10 MG

SOLVAS 10|20
ROSUVASTATIN 10|20 MG

TELSOL 20|40
TELMISARTAN 20|40 MG

Diabetic Product Glossary

SEROMET SR | FORTE
METFORMIN SR 500 MG | 1000 MG

SEROMET GP1 | GP2
METFORMIN SR 500 MG + GLIMEPIRIDE 1 MG | 2 MG

STENIA
TENELIGLIPTIN 20 MG

STENIA M | FORTE
METFORMIN 500 MG + TENELIGLIPTIN 20 MG

DAPASOL 5|10
DAPAGLIFLOZIN 5|10 MG

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ABOUT THE COMPANY

About Smruthi Organics Limited

Smruthi Organics Limited was started as an Active Pharmaceutical Ingredients (API) and intermediates manufacturing company in 1989 by Chairman and Managing Director, Mr. Purushotham Ega.

Smruthi derives the majority of its business from manufacturing and sale of API. Some portion of its revenue is contributed by intermediates. The company supplies its products to domestic pharmaceutical companies such as Cipla, Sun Pharma, Aristo, USV, Intas, etc. The company also exports to semi regulatory markets in Asia, Africa and Latin America.

The company has 2 manufacturing facilities in Solapur, Maharashtra with an installed reactor capacity of more than 300 kilo litre. The flagship API facility, spread across 22 acre land in MIDC Chincholi, Solapur, has 7 manufacturing blocks and 8 clean rooms. The WHO – GMP approved facility has about 50% area occupied currently, with ample free land available for future expansion. The company's diverse equipment allows it to perform a variety of complex chemical reactions from -100°C to over 250°C and from low vacuum (1 mm) to high pressure (30 bar).

The company has started a finished dosage formulation (FDF) marketing division for the Indian market with oral solid dosage products in the diabetic and cardiovascular therapeutic segment. The commercial operations will commence in FY 2021 – 22.

Products

The company's key products are Metformin, Teneligliptin & Vildagliptin (anti diabetic), Diloxanide Furoate & Norfloxacin (anti infective), Amlodipine Besilate, Telmisartan, Losartan and Valsartan (cardiovascular).

Anti diabetic and cardiovascular segments are growing segments, while anti infective products are stable in volume.

BOARD OF DIRECTORS

Mr. Purushotham Eaga
Chairman & Managing Director

Mr. Swapnil Eaga
Wholetime Director & CFO

Mrs. Vaishnavi Eaga
Non-Executive Director

Mr. Jayant H. Ranade
Independent Director

Mr. Kashinath R. Dhole
Independent Director

Dr. K. Ramaswamy
Independent Director

COMPANY SECRETARY

Ms. Urvashi D. Khanna

AUDITORS

N. R. Waghchaure & Associates
Chartered Accountants,
16-22, Royal Plaza
Murarji Peth
Solapur 413 001

REGISTERED OFFICE

165A, Balaji Bhavan 1st Floor
Railway Lines
Solapur 413 001

FACTORIES

Unit – I

Plot No. 273/274, MIDC Akkalkot Road,
Solapur 413 006

Unit – II

Plot No. A-27, MIDC Chincholi,
Solapur 413 255

R & D Center

A-27, A.P.I.E., Balanagar,
Hyderabad, Telangana – 500 037

BANKERS

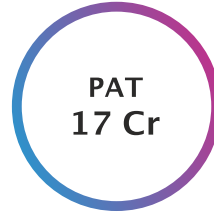
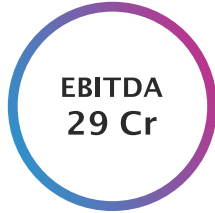
State Bank of India

Industrial Finance Branch,
Parinee Crescenzo,
202, Wing 'B', 2nd Floor, C-38/39 G Block,
Behind MCA Ground, BKC,
Bandra (E) | Mumbai – 400 051

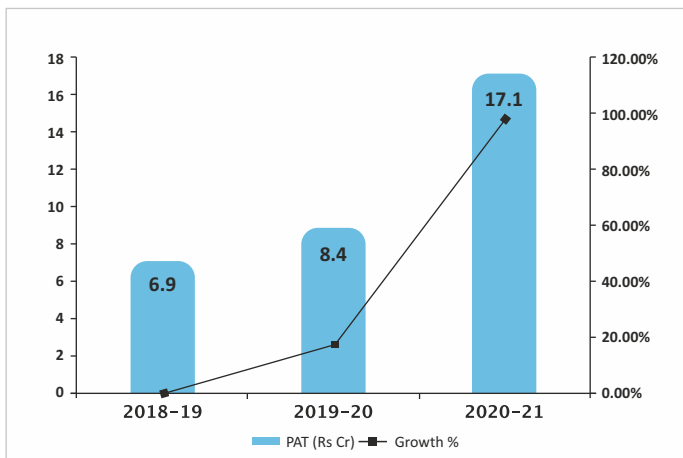
REGISTRAR AND TRANSFER AGENTS

M/s. Adroit Corporate Services Pvt. Ltd., 19,
Jaferbhoy Indl. Est., Makwana Road,
Marol Naka, Andheri (E), Mumbai – 400059
Contact No: 91 (0)22 42270427
Email:info@adroitcorporate.com

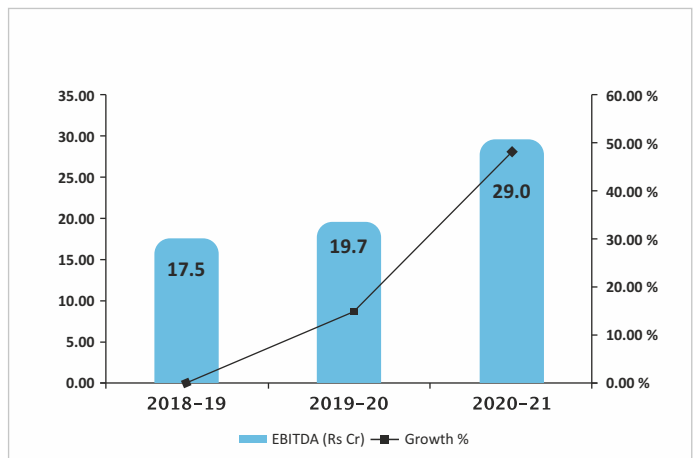
FINANCIAL HIGHLIGHTS



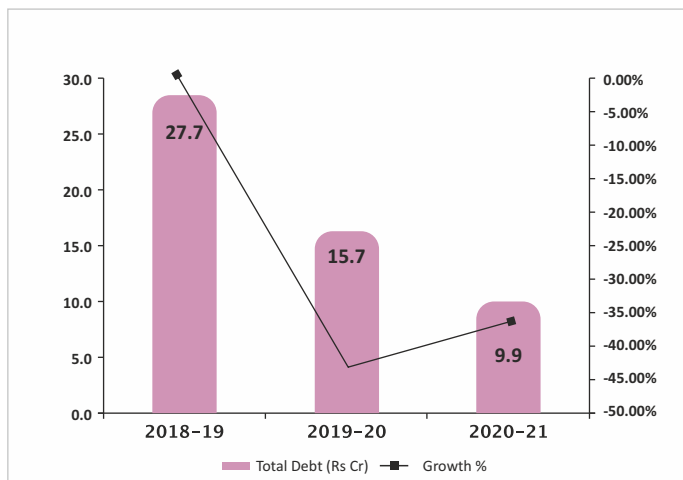
Profit After Tax (PAT) Rs Crore



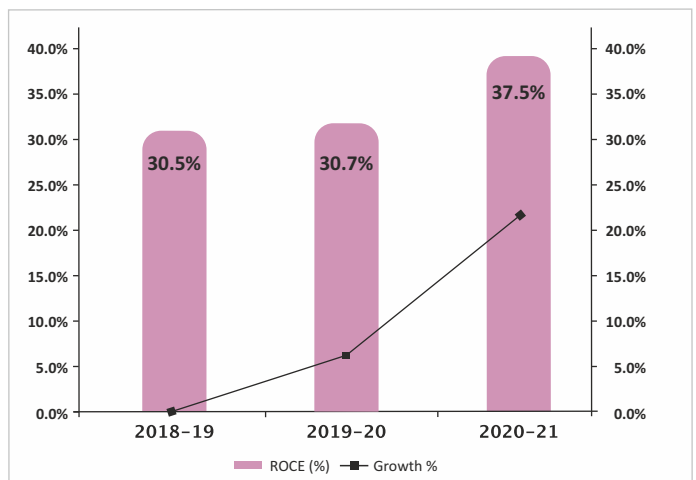
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) Rs Crore



Total Debt Rs Crore



Return On Capital Employed (ROCE) %



NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting ("AGM") of Smruthi Organics Ltd will be held through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM"), on **Friday, 16th July 2021 at 12:30 pm** (IST) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2021 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend of Rs 3/- per share (i.e 30%) on 1,14,46,290 equity shares of Rs 10/- each for the year ended March 31, 2021.
3. To appoint a Director in place of Mrs. E. Vaishnavi (DIN:00033669) who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory amendment or modification or re-enactment thereof, for the time being in force), the remuneration of the Cost Auditor, Shrinivas Diddi & Associates, Cost Accountants, Solapur (Firm Registration No. 100516), to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby ratified.

RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above resolution."

By Order of the Board of Directors

Place : Solapur
Date : April 23, 2021

Urvashi Khanna
Company Secretary
Membership No ACS : 46544

NOTES

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 Circular No. 02/2021 dated January 13, 2021 (Collectively referred to as 'MCA Circulars') and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID -19 pandemic" (collectively referred to as "SEBI Circulars"). The forthcoming AGM will thus be held through through video conferencing (VC) or other audio-visual means (OAVM). Hence, members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC/OAVM, physical attendance of Members has been dispensed with.

Accordingly the facility to appoint proxy to attend and cast vote for the members is not available for this AGM.

6. Further, in terms of the applicable provision of the Act, SEBI Listing Regulations read with the said Circulars issued by MCA and said SEBI Circulars, the Notice calling the AGM has been uploaded on the website of the Company at:
<https://smruthiorganics.com/investor-relation/>.
7. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and Metropolitan Stock Exchange of India Limited at www.bseindia.com and www.msei.in respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
8. In view of the continuing COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report and in line with the said Circulars issued by the MCA and said SEBI Circulars, the Annual Report including Notice of the 32nd AGM of the Company inter alia indicating the process and manner of e-voting is being sent only by email, to all the shareholders whose email IDs are registered with the Company/ Depository Participants for communication purposes to the shareholders and to all other persons so entitled.
9. The Register of Members and share transfer books of the Company will remain closed from Saturday July 03, 2021 to Friday, July 16, 2021 (both days inclusive), for the purpose of AGM and

dividend. The dividend, if approved, will be paid on or before August 14, 2021, to those shareholders whose names are registered as such in the Register of Members of the Company as on Friday, July 2, 2021 ("record date") and to be beneficiary holders as per the beneficiary list as on Friday, July 2, 2021 provided by the NSDL and CDSL.

REMOTE E-VOTING INFORMATION

1. The voting period begins on July 13, 2021 at 9:00 am and ends on July 15, 2021 at 5:00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, July 2, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
3. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts, website of depositories and depository participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

4. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by listed companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with depositories and depository participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meeting for shareholders is given below

LOGIN METHOD

INDIVIDUAL SHAREHOLDERS DEMAT

CDSL EASI

1. **Individual shareholders holding securities in demat mode**, who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The

URLs for users to login to Easi / Easiest are
<https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on Login icon and select New System Myeasi.

2. After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.
3. If the user is not registered for Easi/Easiest, option to register is available at
<https://web.cdslindia.com/myeasi./Registration/EasiRegistration>
4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.

NSDL IDeAS

1. **Individual shareholders holding securities in demat mode**, who are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL at
<https://eservices.nsdl.com> either on a personal computer or on a mobile. Once

the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

2. If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nSDL.com>. Select "Register Online for IDeAS "Portal or click at <https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp>
3. 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the

remote e-Voting period or joining virtual meeting & voting during the meeting

Depository Participants

1. **Individual shareholders holding securities in demat mode** can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-Voting facility.
2. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL depository site after successful authentication, wherein you can see e-Voting feature.
3. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
4. Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.
5. Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22- 23058542-43.
6. Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nSDL.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

INDIVIDUAL SHAREHOLDERS PHYSICAL

e-votingindia.com

1. The **shareholders other than individual shareholders & shareholders holding shares in physical mode**, should log on to the e-voting website www.evotingindia.com. Shareholders can use this website for e-voting and joining virtual meeting.
2. Click on "Shareholders" module and enter your User ID
 - 2.1 For CDSL: 16 digits beneficiary ID
 - 2.2 For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - 2.3 Shareholders holding shares in physical form should enter folio number registered with the company.
3. Next enter the image verification as displayed and click on login.
4. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password should be used.
5. If you are a **first-time user** follow the steps given below:

5.1 PAN

Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders)

Shareholders, who have not updated their PAN with the

Company / Depository Participant, are requested to use the sequence number sent by Company / RTA or contact Company / RTA.

5.2 Dividend Bank Details or Date of Birth (DOB)

Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

6. After entering these details appropriately, click on "SUBMIT" tab.
7. Shareholders holding shares in physical form will then directly reach the Company selection screen. The details can be used only for e-voting on the resolutions contained in this Notice.
8. Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. Click on the EVSN for Smruthi Organics Ltd.

10. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
11. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
12. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
13. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
14. You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
15. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
2. **Demat Shareholders** – please provide demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@smruthiorganics.com/info@adroitcorporate.com.
3. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.
4. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.
5. Since the AGM will be held through Video Conferencing or Other Audio Visual Means, route map of venue of the AGM and admission slip is not attached to this Notice.

Obtaining Login Credentials For E-voting

1. **Physical Shareholders** – please provide necessary details like folio no., name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@smruthiorganics.com/info@adroitcorporate.com.

NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

1. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

2. A scanned copy of the Registration Form bearing the stamp and sign of the entry should be emailed to helpdesk.evoting@cdslindia.com.
 3. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 4. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 5. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 6. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address cs@smruthiorganics.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login.
 3. Shareholders who have voted through remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM. Only those shareholders, who have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
 4. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
 5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 6. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

INSTRUCTIONS FOR ATTENDING AGM THROUGH VC / OAVM & E-VOTING DURING MEETING

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned earlier for remote e-voting.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat

account number/folio number, email id, mobile number at cs@smruthiorganics.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@smruthiorganics.com. These queries will be replied to by the company suitably by email.

8. Only the shareholders who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting.

SCRUTINIZER'S REPORT AND DECLARATION OF RESULTS

Mr. H.R. Thakur, Practicing Company Secretary, Mumbai has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall, after the conclusion of e-voting at the AGM, first count the votes cast vide e-voting at the AGM and thereafter shall, unblock the votes cast through remote e-voting, in the presence of at least two witnesses not in the employment of the Company. He shall submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, not later than 48 hours of the conclusion of the AGM, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.smruthiorganics.com. The Company shall simultaneously forward the results to BSE Limited and Metropolitan Stock Exchange of India Limited, where the shares of the Company are listed.

IEPF

In compliance with Section 124 (6) of the Companies Act, 2013, the shares in respect of which dividend was unclaimed for a period of seven years or more have been transferred in the name of "Investor Education and Protection Fund" (IEPF) established by the Central Government. Members may claim the said shares and unpaid/unclaimed dividend by making an application to IEPF Authority in Form IEPF-5 available on www.iepf.gov.in.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

In accordance with the Companies (Cost Records and Audit Rules) 2014, read with the Companies (Cost Records and Audit) Amendment Rules, 2016, the Company is required to conduct cost audit of its cost records pertaining to the products falling under the product categories – Drugs and Pharmaceuticals.

The Board of Directors of the company, on the recommendation of Audit Committee, has approved the appointment of Shrinivas Diddi & Associates, Cost Accountants for conducting the audit of the cost records of the Company for the financial year ending March 31, 2022 on remuneration of Rs.55,000/- plus GST as applicable and reimbursement of out of pocket expenses.

In terms of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration recommended by the Audit Committee for the Cost Auditor and approved by the Board of Directors is required to be ratified subsequently by the shareholders. Hence, the ordinary resolution set out in Item no. 4 of the notice seeks approval of the shareholders for the same.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution.

The Board recommends the resolution for approval of the Shareholders.

Place : Solapur
Date : April 23, 2021

By order of the Board
Urvashi Khanna
Company Secretary
Membership No ACS:46544

ANNEXURE TO THE NOTICE

Details of the director seeking re-appointment in the 32nd Annual General Meeting

Name of Director	Mrs. E Vaishnavi
Director Identification Number	00033669
Date of Birth	18/02/1962
Date of Appointment	09/09/1994
Qualifications	B.A.
Experience in Specific Functional Area	Administration
Directorship in other Companies	NA
Memberships / Chairmanships of committees of other public companies	NA
Number of shares held in the Company	1729425

For other details such as the number of meetings of the Board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above director, please refer to the Report on Corporate Governance which is a part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY'S PERFORMANCE

The management is pleased to inform the members that the company has performed well in FY 2020 – 21 despite the challenges posed by the COVID pandemic.

The net profit has increased from Rs. 8.4 crore to Rs. 17.1 crore registering a growth of 102% Year on Year (Y-o-Y).

The net profit margin as a percentage of sales also rose from 6.4% to 13.5%, expanding by 710 basis points Y-o-Y. This surge in margins is primarily driven by significant decrease in raw material costs as evident from the improved EBITDA margins from 15% to 23% of sales Y-o-Y.

Growth in EBITDA and net profit is attributable to the following factors:

1. Process Development

In line with our vision to be a low-cost high-quality manufacturer as mentioned in the previous annual report, we have been successfully developing technology to improve our manufacturing processes through R&D efforts. This has contributed significantly to reduce raw material cost, in spite of increasing global raw material prices. The reduction of raw material cost from 62% to 52% of net sales viz. a contraction of 10% is a significant factor in improving margins.

2. Finance Management

We have prudently managed our working capital requirements throughout the year.

We reduced our short-term borrowing while building significant cash on the balance sheet.

The company's net debt is zero and the company is cash positive. These measures have reduced our finance cost by over Rs. 2 crores Y-o-Y or from 2.3% to 0.8% of sales.

3. Operational Efficiency

Our continued efforts at improving operations through use of technology and process improvements have also reduced our manufacturing costs other than raw material and labour by Rs. 2.9 crores Y-o-Y i.e. 15.5% Y-o-Y.

The company's cash and cash equivalents have grown from Rs. 3.6 crore to Rs. 16.1 crore at the end of March 2021.

The company is glad to announce its intentions of giving part of this cash back to its shareholders via the proposed dividend. However, a large portion of this cash will be utilized for future investments in ongoing and upcoming projects such as Finished Dosage Formulations (FDF) marketing division, R&D expansion, facilities upgradation for regulatory approvals and debottlenecking. The company does not foresee the need to raise any debt to implement its expansion plans in FY 2021 – 22 owing to favourable cash position.

The revenue growth was dampened slightly last year primarily due to manpower and material disruptions owing to the Covid-19 pandemic. In the first quarter of FY 2020 – 21, a lot of production days were lost due to

lockdowns. Even as the country was opening gradually, the plant was running at lower capacity utilization due to manpower and material shortages. The supply disruptions particularly in raw materials saw either shortages or huge price increases or both. This factor also contributed in reduced volume off take as the company's ability to supply products on time was impacted. However, the company was able to pivot its customer base to more reliable and profitable customers during FY 2020 – 21.

The company developed new customers in the export market and increased its exports from Rs. 47 crore to Rs. 58 crore Y-o-Y.

We are constantly working to build a stronger customer base for sustainable and profitable future.

Research & Development

The company's R&D efforts in developing new API products in the previous year have **delivered 3 APIs (Valsartan, Vildagliptin and Teneligliptin) at a commercial scale in FY 2020 – 21** from a total of 5 API developed at the lab scale. These APIs are under various stages of adoption by clients and will start generating revenues in a few quarters.

FUTURE PLANS & STRATEGY

As per our plan, the company has set up its Finished Dosage Formulations (FDF) division in FY 2020 – 21. The Division shall become commercially operative in the current financial year.

The company's future will be driven by two divisions: API and FDF.

API

The company has built a good foundation in the API business. The company is executing its strategy of building its API product portfolio as discussed in the previous annual report. The future holds great potential for accelerating revenue growth while maintaining high margins. The company is leading this effort on a multi-pronged strategy:

1. Product Portfolio Expansion

The company is planning to increase the budget of its R&D program this year by expanding the team size and additional equipment in line with our growth plans.

The goal is to develop 5 – 6 molecules on the lab scale and launch 4 – 5 molecules on the commercial scale.

These APIs will be from the diabetic and anti – platelet therapeutic areas. We see strong and sustainable growth in these segments as elaborated in the previous annual report.

In addition, several key starting materials and intermediates will also be developed in line with our backward integration strategy particularly to reduce import dependability.

This product portfolio expansion is opening up several new clients and markets and will be a significant growth driver for the future.

2. Market Expansion

The company lost significant time in expanding its geographic reach during FY 2020 – 21 due to Covid – 19 pandemic and consequent global travel restrictions. However, the company will be building its API Marketing and Regulatory Affairs (RA) teams to cover more countries for export in FY 2021 – 22. The company is focusing on making inroads in Latin America, Middle East, China and East Asia. The company aims to file several Drug Master Files to gain access in these markets.

3. Regulated Market Approvals

The company is planning to re enter European market by securing the necessary regulatory approvals for its manufacturing site.

The company is building its Quality Assurance and Quality Control teams to strengthen its quality systems and qualify for site inspections by European Regulatory Agencies. The company will also be investing in information technology solutions for the same purpose. Although the company is actively working to secure EU regulatory approval at the earliest, the timeline is uncertain due to the COVID pandemic and consequent travel restrictions.

With these initiatives we foresee significant increase in revenue growth over the next few years. Due to the premium pricing of API in some of these markets, the company expects to improve its margins along with revenue growth.

The company is not planning any capital expenditure for capacity enhancement in FY 2021 – 22. The company's existing facilities have enough head room to accommodate any foreseeable increase in volumes of its products. However, the company will be incurring some capex for strengthening its manufacturing infrastructure and quality systems with an aim to achieve regulatory approvals for its facilities. The company plans to fund these initiatives through internal accruals.

In summary, after having laid a strong foundation with our existing API, we are in the market expansion phase. We are working diligently to deliver good performance in our API business in FY 2021 – 22 and beyond.

FINISHED DOSAGE FORMULATIONS (FDF)

Initial commercial operations of 'Smruthi Healthcare', the FDF marketing division, will start in 4 Southern Indian states of Andhra Pradesh, Karnataka, Tamil Nadu and Telangana. The company has identified 39 headquarters for beginning its operations and most of the team building was completed in FY 2020 – 21.

The company has launched 8 oral solid dosage brands with 15 stock keeping units (SKUs) in the diabetic and cardiovascular therapeutic segment.

Both the therapeutic segments are growing segments in India and the company is targeting to gain good market share in its first year of operations.

The company is getting FDF products manufactured at third party contract manufacturers. For several FDF products, the company's API is used in manufacturing the FDF. The company is focused on first building its business through marketing efforts and stabilize its operations in these regions. Upon achieving expected milestones in these states, the company plans to expand to other states to become a pan national player. The company is committed to invest in the FDF business by building its team and expanding its geographic reach. Simultaneously, the company will also increase its product portfolio over the coming quarters.

Although the FDF division will generate revenues in FY 2021–2022, the initial high marketing costs will not be compensated completely in the said year. The company is working towards achieving break even in FY 2022 – 23 for the FDF marketing division. We expect the contribution of FDF to increase in our top line and bottom line over the next few years.

Cautionary Statement

Statements in this Management Discussion and Analysis section of this report describing the Company's objectives, estimates and expectations may be "forward looking statements" within the meaning of the applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

DIRECTORS REPORT

Dear Members,

Your Directors are pleased to present the 32nd Annual Report and the Audited Financial Statements for the financial year ended March 31, 2021.

1. FINANCIAL HIGHLIGHTS

A summary of the Company's financial results for the year ended March 31, 2021 vis-a-vis financial results for the previous year ended March 31, 2020, is as under

(Rs. in lakhs)

	Financial Year 2020 - 21	Financial Year 2019 - 20
Revenue from operations	12650.07	13107.36
Other Income	56.12	442.14
Total Income	12706.21	13549.50
Expenditure	9906.11	11901.73
Depreciation and amortisation expense	394.59	438.62
Total Expense	10300.70	12340.36
Profit before finance costs and tax	2514.84	1527.19
Finance costs	109.33	318.05
Profit Before Tax (PBT)	2405.50	1209.14
Tax Expense	694.76	364.42
Profit for the year	1710.74	844.71
Other Comprehensive Income (Net of Tax)	Nil	Nil
Total Comprehensive Income for the year	1710.74	844.71

2. OPERATIONAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

During the year under review, Net Sales & Other Income of the Company was Rs.12706.21 lakhs as compared to Rs.13549.50 lakhs in the previous year registering a decrease of 6.22 % over the previous year.

However, the Profit for the year was Rs.1710.74 lakhs compared to Rs.844.71 lakhs in the previous year. Improvement in profitability was due to decrease in material consumption, overheads and finance cost. A detailed overview has been provided under Management Discussion and Analysis section.

3. COVID-19

Financial Year 2020-21 started on an uncertain note due to the lock-down on account of Covid-19.

The company experienced a few days of lost production due to nationwide lockdown in the first quarter of FY 2020-21. With the economy slowly opening up with progressive lifting of lockdown, in second half of the year, the company revived its operations in a phased manner as per government orders.

Given majority of the company's products are in the chronic segment, the overall demand for the products was

not significantly affected by the continuation of Covid-19 pandemic even during the current year. However, supply of raw materials and labour were impacted even after opening of the economy. The Company will continue to monitor such impact on future economic conditions and inform the members periodically.

4. DIVIDEND

For FY 2020-2021, based on the Company's performance, your Directors recommend a dividend of Rs 3 /- per equity share (30 %) on post bonus share capital of 1,14,46,290 equity shares of Rs 10/- each. Outgo on account of dividend shall be Rs 3.43 crores.

5. TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to the General Reserve.

6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY, HAVING OCCURRED SINCE THE END OF THE YEAR AND TILL THE DATE OF THE REPORT

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

7. SHARE CAPITAL

For enabling issuance of bonus shares, members accorded their approval on March 03, 2021 through postal ballot for reclassification of unissued preference shares of Rs. 5 crores into

equity shares and increase in authorised share capital from Rs. 10 crores to Rs.12 crores.

The Company issued and allotted 76,30,860 (Seventy-Six Lakh Thirty Thousand and eight hundred and sixty) equity shares of Rs. 10/- each as fully paid-up bonus equity shares by capitalisation of General Reserve, Securities Premium Account and Surplus in Profit & Loss Account, in the ratio of 2 (two) new bonus shares for every 1 (one) equity share, to the eligible members whose names appeared in the register of members/ list of beneficial owners as on Wednesday, March 17, 2021 (record date).

The revised paid-up share capital pursuant to the above allotment is Rs.11,44,62,900 i.e 1,14,46,290 equity shares of Rs 10/- each.

The Company has received Trading Approvals from both BSE Ltd and Metropolitan Stock Exchange of India Ltd.

Increase in the paid-up share capital shall enable the company to shift its scrip from Periodic Call Auction Session (PCAS) to Main Board of BSE Ltd which will also facilitate easy trading in shares of the company.

8. HUMAN RESOURCE DEVELOPMENT (HRD) & INDUSTRIAL RELATIONS

In view of the pandemic, several initiatives for HRD were either postponed or cancelled. However, our HR department has been successful in conducting various programs by adopting technology particularly in training. After reduction in Covid - 19 cases to very low levels, the company organized extracurricular activities in small groups to boost the morale and

reduce lockdown / pandemic fatigue. The company also introduced various incentives to generate higher participation from the employees.

Company realizes the importance of strong human resources to achieve and maintain world class operations and facilities. The company's plans for FY 2021 – 22 will result in increasing our team strength in the API division. The company shall be adding several people with required skills in various departments such as QA, QC, RA and R&D through lateral hiring. In addition, the company is investing in its people by increasing its training budget and resources to upgrade every team member's operational and personnel skills, particularly keeping in view the requirements for regulatory approvals.

The FDF marketing division has started with about 55 personnel. Most people were recruited in FY 2020 – 21 and have started working on the field starting FY 2021 – 22. We expect to see further additions to the team as time progresses.

The management has allocated the required budget for this increased personnel expenditure in FY 2021 – 22.

9. QUALITY & REGULATORY INITIATIVES

In FY 2020 – 21, the company has fully implemented a Laboratory Information Management System (LIMS), which is accepted globally by regulatory authorities.

With an aim to secure regulatory approvals for its manufacturing site, the company is working diligently to upgrade its quality systems and operations to internationally acceptable standards. As mentioned earlier, it is investing in human resources as well as

in upgrading infrastructure for the same. In addition, the company is adopting several IT solutions that will help improve its quality management systems in FY 2021 – 22. However, the exact timeline for inspections and approvals is uncertain due to Covid – 19 and consequent travel restrictions.

The company will file multiple Drug Master Files (DMF) in FY 2021 – 22 with the regulatory authorities in EU, South Korea, Brazil, China, and others for its latest range of API. To undertake this activity, we shall be increasing the strength of our RA team.

10. RESEARCH AND DEVELOPMENT (R&D)

The company has increased its R&D operating spend to Rs. 3.1 crore in FY 2020 – 21 from Rs. 1.9 crore in FY 2019 – 20. The company's Hyderabad R&D unit has developed 5 products at the lab scale in the current year. The Solapur based Process Development laboratory has also done an excellent job in developing cost effective processes of existing products, which has resulted in significant savings and ultimately improved net profits.

Company was able to scale up 3 products to commercial scale in FY 2020 – 21. The company's plan to scale up more products was disrupted due to Covid – 19. However, the company is better prepared to follow through with its plan to launch 4 – 5 products at a commercial scale in FY 2021 – 22.

The company is expanding its R&D teams at both Hyderabad and Solapur in line with our future growth plans. The company is planning to develop 5 – 6 molecules at the lab scale and continue its efforts to reduce cost by developing key starting materials and intermediates in FY 2021 – 22. The R&D's focus area

remains diabetic and anti – platelet molecules for FY 2021 – 22.

11. MANAGEMENT DISCUSSION AND ANALYSIS

Please refer to the detailed management discussion and analysis on page 16.

The Company has adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. The company's ERP system implemented in FY 2019 – 2020 is helping in strengthening its internal control systems.

12. INTERNAL CONTROL SYSTEMS

13. SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Sr No.	Ratio	2020-21	2019-20	% Increase Y-o-Y	Explanation
1	Interest Coverage Ratio	23.1	4.8	380%	Lower utilization of debt & rate of interest and overall increase in profitability
2	Current Ratio	2.38	1.40	70%	Reduction in short-term borrowing and current liabilities due to higher profits
3	Debt Equity Ratio	0.24	0.50	-51%	Reduction in long term and short-term borrowings and higher profits
4	Operating Profit Margin (%)	19.9 %	11.6%	71%	Reduction in Raw Material cost, other manufacturing expenses, fixed overheads and finance expenses
5	Net Profit Margin (%)	13.5%	6.4%	110%	Increase in profit before tax due to reduction in Raw material cost, manufacturing expenses, fixed overheads and lower tax incidence.
6	Return on Net Worth	33.2%	21.4%	55%	Higher Profits

14. DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated under the provisions contained in Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013 ("Act"), the Board of Directors, to the best of its knowledge and belief and according to the information and explanations obtained by it, hereby states that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
2. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for that period;
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The directors have prepared the annual accounts of the Company on a going concern basis;
5. The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
6. The directors have devised proper systems to ensure compliance with

the provisions of all applicable laws and that such systems are adequate and operating effectively.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors is chaired by Executive Promoter Chairman and has an optimum combination of Executive, Non- Executive and Independent Directors.

Mrs. E Vaishnavi (DIN: 00033669) is retiring by rotation and being eligible offers herself for reappointment. You are requested to appoint her.

None of the Directors are disqualified from being appointed as Directors, as specified in Section 164 of the Companies Act, 2013.

The composition of the Board, meetings of the Board held during the year and the attendance of the Directors thereat have been mentioned in the Report on Corporate Governance in the Annual Report.

The Company has Code of Conduct for Directors and senior management personnel. All the Directors and senior management personnel have confirmed compliance with the said code.

In terms of Section 203 of the Act, the Company has the following Key Managerial Personnel : Mr. Swapnil Eaga: Chief Financial Officer and Ms. Urvashi Khanna: Company Secretary.

16. DECLARATION OF INDEPENDENCE

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as

Regulation 16(1) (b) of Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force).

17. BOARD EVALUATION

In terms of the applicable provisions of the Act, the SEBI Listing Regulations, Nomination and Remuneration Committee and the Board of Directors have approved a framework, which lays down a structured approach, guidelines and processes to be adopted for carrying out an evaluation of the performance of all the Directors, the Board as a whole and its Committees. The evaluation process has been separately explained in this Annual Report, as a part of the Report on Corporate Governance.

For the year under review, the Board carried out the evaluation of its own performance and that of its Committees and the individual Directors and the evaluation results, as collated and presented, were noted by the Board.

18. MEETINGS OF THE BOARD

The Board met 5 (Five) times during the financial year. The meeting details are provided in the Report on Corporate Governance that forms part of this Annual Report.

The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Act and the SEBI Listing Regulations.

19. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

20. AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, in the 28th Annual General Meeting M/s. N. R. Waghchaure & Associates., Chartered Accountants, Solapur (Reg.No.: 114999W) were appointed as the Statutory Auditors of the Company for a term of five years. Company has however obtained confirmation from the said Auditors about their eligibility to continue to hold the office during the current financial year.

21. AUDITOR'S REPORT AND SECRETARIAL AUDIT REPORT

The Statutory Auditor's report and the Secretarial Audit report do not contain any qualifications, reservations, or adverse remarks or disclaimer. The Secretarial Audit Report submitted by the Secretarial Auditor Mr. H. R. Thakur, Practicing Company Secretary, Mumbai, in the prescribed form MR-3 is attached as "Annexure - I" and forms part of this report. Observations and suggestions of the Secretarial Auditor have been considered by the management of the company.

Further the Company has also obtained the Annual Secretarial Compliance Report for the financial year ended 31st March, 2021, there by confirming compliance of the applicable SEBI Regulations and circulars / guidelines issued thereunder, on behalf of the Company.

22. COST AUDIT

For Financial Year 2021-2022, the Company has re-appointed M/s. Shrinivas Diddi and Associates, Cost Accountants, Solapur for conducting

cost audit of its cost records pertaining to the products falling under the product categories – Drugs and pharmaceuticals. M/s. Shrinivas Diddi and Associates are appointed on a remuneration of Rs 55,000 plus GST and out of pocket expenses.

The Company is seeking the ratification of the Shareholders for the remuneration to be paid to the cost auditors vide Resolution No. 4 of the Notice of the ensuing Annual General Meeting.

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

The statement giving the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required in terms of Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed to this Report as "Annexure II".

24. GENERAL SHAREHOLDER INFORMATION

General Shareholder Information is given as Item No. 9 of the Report on Corporate Governance forming part of this Annual Report.

25. PARTICULAR REGARDING EMPLOYEES REMUNERATION

Disclosure comprising particulars with respect to the remuneration of directors and employees, as required to be disclosed in terms of the provisions of Section 197(12) of the Act and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as "Annexure III".

26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Company did not give any loans, guarantees and make any Investment covered under the provisions of Section 186 of the Companies Act, 2013.

27. RELATED PARTY TRANSACTIONS

Related Party Transactions entered into during the year under review were approved by the Audit Committee and the Board of Directors, from time to time and the same are disclosed in the Financial Statements of the Company for the year under review. Further, pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board of Directors has, on recommendation of its Audit Committee, adopted a Policy on Related Party Transactions and the said policy is available on the website of the Company i.e. www.smruthiorganics.com.

In terms of the provisions of Section 188(1) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations, all contracts/ arrangements/ transactions entered into by the Company with its related parties, during the year under review, were in the ordinary course of business of the Company and on an arm's length basis.

There were no material Related Party transactions during the year.

28. CORPORATE GOVERNANCE

The Company is in full compliance with the requirements and disclosures that have to be made in terms of the requirements of Corporate Governance specified in SEBI Listing Regulations.

Corporate Governance Report is enclosed as a part of the Annual Report along with the certificate from the Statutory Auditors, M/s. N. R. Waghchaure & Associates, Chartered Accountants, Solapur confirming compliance of the code of Corporate Governance as stipulated Para E of schedule V of the Securities and Exchange Board of India (Listing obligations and Disclosure requirements) Regulations, 2015.

29. AUDIT COMMITTEE

The Company has an Audit Committee in place in terms of the provisions of Regulation 18 of SEBI Listing Regulations read with Section 177 of the Companies Act, 2013.

The recommendations made by the Audit Committee to the Board, from time to time during the year under review, have accepted by the Board. Other details with respect to the Audit Committee such as its terms of reference, the meetings of the Audit Committee and attendance thereof of the members of the Committee, are separately provided in this Annual Report, as a part of the Report on Corporate Governance.

Further, detailed information with respect to the other Committees of the Board is also provided in this Annual Report, as a part of the Report on Corporate Governance.

30. REMUNERATION POLICY

The policy on remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on website of the company www.smruthiorganics.com

31. VIGIL MECHANISM – WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to report genuine concerns and grievances. The policy provides adequate safeguards against victimisation of persons who use the Whistle Blower mechanism. Details with respect to implementation of the Whistle Blower Policy are separately disclosed in this Annual Report, as a part of the Report on Corporate Governance. The same is also available on the website of the Company at www.smruthiorganics.com.

32. RISK MANAGEMENT POLICY

The Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing / mitigating the same. The requirements of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with regard to the constitution of a Risk Management Committee are not applicable to our Company.

33. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of Directors has constituted a Corporate Social Responsibility ("CSR") Committee in terms of the provisions of Section 135 of the Act.

The Annual Report on CSR activities as required under Companies (Corporate Social Responsibility) Rules, 2014, including a brief outline of the Company's CSR Policy, is annexed to this Report as "Annexure IV". For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is available on the website of the company www.smruthiorganics.com.

There was one meeting of the CSR Committee held on 16th January 2021, which was attended by all members of the Committee.

34. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website on : <https://smruthiorganics.com/investor-relation/>

35. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Company had transferred a sum of Rs 1,12,368 during the financial year to the Investor Education and Protection Fund established by the Central Government (IEPF). The said amount represents Unclaimed Dividend for the year 2012-2013 with the Company for a period of 7 years from their respective due dates of payment.

Place : Solapur
Date : April 23, 2021

36. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

37. ACKNOWLEDGEMENTS

Your Directors wish to express their grateful appreciation for the co-operation and continued support received from customers, parent company, collaborators, vendors, investors, shareholders, financial institutions, banks, regulatory authorities and the society at large during the year. We also place on record our appreciation for the contribution made by our employees at all levels and for their commitment, hard work and support in driving the growth of the Company.

For and on behalf of the Board
Purushotham Eaga
Chairman & Managing Director
DIN:00033583

ANNEXURE I TO THE DIRECTORS REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,
Smruthi Organics Ltd
165 A Balaji Bhavan
Railway Lines Solapur – 413001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Smruthi Organics Ltd (CIN: L24119PN1989PLC052562) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information / representations provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, registers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on March 31, 2021 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 by-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018 except for delay of 10 days in implementation of bonus issue within stipulated time under regulation 295(1) of SEBI ICDR Regulations. The Company has already paid applicable fine to BSE Ltd and MSEI Ltd for Non-compliance with the above

- provisions of SEBI ICDR Regulations;
- d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during audit period);
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during audit period);
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period);
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during audit period);
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015;
- j. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; – (Not applicable to the Company during audit period);
- k. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- vi. I have also examined compliance with the applicable clauses of the following:
- a. The Drugs and Cosmetics Act, 1940, and
- b. Narcotic Drugs, and Psychotropic Substances Act, 1985 the Rules/orders made thereunder as applicable.
- c. Secretarial Standards issued by The Institute of Company Secretaries of India as in force from time to time.
- d. The Listing Agreements entered into by the Company with Metropolitan Stock Exchange of India, Mumbai , and BSE Limited., Mumbai.
- During the period under review the Company has filed forms / returns within stipulated time period and has complied with the provisions of the Act, Rules, Regulations and Guidelines, Standards etc. mentioned above except minor delay in filing of (i) MSME Form (Oct 2019– March 2020 period). However, for delay in filing Form DPT-3 for FY 2019-2020 and Form IEPF-7, company shall apply to ROC for obtaining immunity certificate under Companies Fresh Start Scheme, 2020 in due course.
- I further report that:
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.
- Adequate notice of at least seven days was given to all 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 clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Ministry of Corporate Affairs (MCA) vide its general circulars no.14/20 dated April 08, 2020 and no.20/2020 dated May 05, 2020 has granted relaxation under Companies Act,2013 that company can hold Board Meetings through audio visual means. Considering relaxation allowed by the MCA the Company has conducted its Board Meetings and AGM by video conferencing during the year.

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit period, consent of the members was accorded by way of Postal ballot on March 03, 2021 for Bonus Issue of 76,30,860 equity shares of Rs. 10/- each in the ratio of 2 (two) new bonus shares for every 1 (one) share .

Place : Mumbai
Date : April 23, 2021

H. R. Thakur
F.C.S : 2090 C.P: 3193
UDIN: F002090C000168841

The Members,
Smruthi Organics Ltd
165 A Balaji Bhavan
Railway Lines Solapur –413001

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Mumbai
Date : April 23, 2021

H. R. Thakur
F.C.S : 2090 C.P: 3193
UDIN: F002090C000168841

ANNEXURE II TO THE DIRECTORS REPORT

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO, as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014.

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A. CONSERVATION OF ENERGY

The company has taken several measures towards energy conservation in FY 2020 – 21 incurring a capital expenditure of Rs. 31.2 Lakh. Some of the important measures are listed below:

1. Boilers

- 1.1. Redesigned two multifuel boilers to improve fuel efficiency.
- 1.2. Replaced Boiler ID fan, which improved burning efficiency of the fuel.
- 1.3. Increased recycling of boiler condensate from 5 to 15 kL / day, which helps in reducing energy consumed to pre-heat boiler feed water.

2. Lighting

- 2.1. Installed about 210 LED lights, which has reduced energy consumption for lighting by 56,108 kWh annually.
- 2.2. Installed sensor operated streetlights to save power in 80 % of total streetlight fittings.

3. Cooling Systems

- 3.1. 4 No of natural draft cooling tower replaced by induced draft cooling tower resulting in reduction in heat

load, evaporation losses & water consumption.

- 3.2. Conversion of chilling plant from freon to ammonia resulting in power savings & better cooling efficiency saving 2,42,496 KWH annually.

4. Others

- 4.1. Time cycle of processes was reduced by process development resulting in reduction in Utility power consumption.
- 4.2. Most systems use Variable Frequency Drive (VFD) in the plant owing to continued installations over the previous years. Installed 2 VFD to process equipment to save power in FY 2020 – 21.

B. TECHNOLOGY ABSORPTION

1. The Efforts Made Towards Technology Absorption

The Company's R & D Laboratories at Hyderabad and Solapur are recognised by the Department of Scientific & Industrial Research, Government of India. Continuous efforts are made at these centres to develop new products, to improve the quality of products and to make the manufacturing process safe, cost effective and environment friendly. The major achievements from the efforts for technology absorption are:

- 1.1 The company has launched 3 products on a commercial scale

and developed 5 API on the lab scale.

- 1.2 The company has fully adopted software based documentation system in quality control (QC) and has reduced paper based documents in QC by up to 85%.
- 1.3 The company has also extended the scope of its ERP usage to make several business processes paperless.

2. The Benefits Derived Like Product Improvement, Cost Reduction, Product Development Or Import Substitution

The company has modified several processes, which have been implemented at the plant level and have delivered lower raw material and manufacturing costs.

3. In Case Of Imported Technology (imported During The Last Three Years Reckoned From The Beginning Of The Financial Year)

NIL

4. The Expenditure Incurred On Research And Development

(Rs. in lakhs)

Sr.No.	Particulars	2020 - 21	2019 - 20
	Expenditure on R&D		
A	Capital		
	Solapur R& D Center	6.13	4.92
	Hyderabad R & D Center	35.64	165.45
	Total Capital Expenditure	41.77	170.37
B	Operating		
	Solapur R&D Center	150.29	67.67
	Hyderabad R & D Center	162.67	126.32
	Total Operating Expenditure	312.96	193.99
C	Gross Total of Expenditure on R & D	354.73	364.36
	Total R&D Expenditure as a Percentage of total Turnover	2.85%	2.82%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in lakhs)

	2020 - 21	2019 - 20
Foreign exchange outgo	2664.13	2921.71
Foreign exchange earned	5782.45	4763.28

For and on behalf of the Board

Purushotham Eaga

Chairman & Managing Director

DIN:00033583

Place : Solapur
Date : April 23, 2021

ANNEXURE III TO THE DIRECTORS REPORT

DETAILS PERTAINING TO REMUNERATION

as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- The ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year 2020-2021:

Name of the Directors	Ratio to median Remuneration
*Non-Executive Directors	
Mrs. Vaishnavi Eaga Non- Executive Director	Nil
Mr. Jayant H.Ranade Non- Executive & Independent Director	Nil
Dr. K. Ramaswamy Non- Executive & Independent Director	Nil
Mr. Kashinath R. Dhole Non- Executive & Independent Director	Nil
Executive Directors	
Mr. Purushotham Eaga Chairman and Managing Director	71.64
Mr. Swapnil Eaga Whole time Director and Chief Financial Officer	41.79

*Sitting fees paid to Non-Executive Directors not considered as remuneration.

- The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial Year
Mr. Purushotham Eaga Chairman and Managing Director	-
Mr. Swapnil Eaga Whole time Director and Chief Financial Officer	-
Ms. Urvashi D. Khanna Company Secretary	18.75%

- The percentage increase in the median remuneration of employees in the financial year: 16.54%
- The number of permanent employees on the rolls of Company: 239

5. 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: NA
6. Affirmation that the remuneration is as per the remuneration policy of the Company: It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.
7. Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- Employed throughout the financial Year under review and in receipt of remuneration for the Financial year in the aggregate of not less than Rs 1,02,00,000/- per annum or not less than Rs. 8,50,000/- per month during any part of the Financial Year:

Name	Designation	Remuneration (Rs p.a.)	Qualification and Experience	Date of Commencement of Employment	Age (Years)	Last Employment Held
Mr. E. Purushotham	Managing Director	1,44,00,000 p.a	MSC (Org. Chem.) 36 years	09/09/1994	63	Someswara Organics Pvt. Ltd. as a Technical Director
Mr E. Swapnil	Whole time Director	*1,20,00,000 p.a	B.S(CHEM) USA, MBA Spain (Technical and Business Development) 12 years	06/04/2009	37	NA

*includes arrears of salary Rs 36,00,000

Place : Solapur
Date : April 23, 2021

For and on behalf of the Board
Purushotham Eaga
Chairman & Managing Director
DIN:00033583

ANNEXURE IV TO DIRECTORS' REPORT

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES to be included in the Board's Report for financial year commencing on or after 1st day of April, 2020

- A brief outline of the Company's Corporate Social Responsibility (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.

Company operates CSR Policy in the areas education, healthcare, sanitation and hygiene. Arising from this the focus areas that have emerged are Education, Health care, Sustainable livelihood and espousing social causes.

The projects shall be identified and adopted as per the activities included and amended from time to time in Schedule VII of the Companies Act, 2013. The company endeavors to make CSR a key business process for sustainable development.

The Corporate Responsibility Policy is disclosed on the Company's website <https://smruthiorganics.com/investor-relation/>
- Composition of the CSR committee shared above and is available on the Company's website on <https://smruthiorganics.com/investor-relation/>

CSR Policy
<https://smruthiorganics.com/investor-relation/>

CSR Projects
https://smruthiorganics.com/investor-relation/#Investor_Relation_CSR
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable : Not Applicable

2. The Composition of the CSR Committee

Name	Designation	Category	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. Purushotham Ega	Managing Director	Executive	1	1
Mr. Jayant H. Ranade	Independent Director	Non-Executive	1	1
Dr. K. Ramaswamy	Independent Director	Non-Executive	1	1

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
	-	Nil	Nil

6. Average Net Profit (loss) of the company as per section 135(5): Rs. 4,03,18,536/-
7. 7.1 Two percent of average net profit of the Company as per section 135(5): Rs 8,06,371/-
- 7.2 Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- 7.3 Amount required to be set off for the financial year, if any: NIL
- 7.4 Total CSR obligation for the financial year (7a+7b-7c): Rs 8,06,371/-
8. 8.1 CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs)	Amount Unspent (Rs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
8,06,371	NIL	-	-	NIL	--

- 8.2 Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

8.3 Details Of CSR Amount Spent Against Other Than Ongoing Projects For The Financial Year

Sr No.	Name of The Project	Item in Schedule VII to The Act	Local Area (Yes/No)	Location of The Project	Amount Spent for The Project (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
							Name	CSR registration number
1	Donation of building for school	(ii)	Yes	Solapur Maharashtra	4,00,000	Yes	-	-
2	Donation to a Hospital for purchase of Beds for treatment of poor patients	(i)	Yes	Solapur Maharashtra	1,20,000	Yes	--	--
3	Donation to 4 needy students for pursuing Engineering Graduate Degree paid to Shree Siddheshwar Women's College of Engineering	(ii)	Yes	Solapur Maharashtra	1,40,000	Yes	--	--
5	Donation to Bitla Prashala for children play ground equipment at School premises paid to Padmashali Shikshan Sanstha, Solapur	(ii)	Yes	Solapur Maharashtra	1,30,000	Yes	--	--
6	Donation to underprivileged students for vocational training	(ii)	Yes	Solapur Maharashtra	9,400	Yes	--	--
7	Donation to students to purchase books, instruments etc.	(ii)	Yes	Solapur Maharashtra	6,971	Yes	--	--
	Total				8,06,371			

8.4 Amount spent in Administrative Overheads: Nil

8.5 Amount spent on Impact Assessment, if applicable: Nil

8.6 Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 8,06,371/-

8.7 Excess amount for set off, if any:

Sr. No.	Particular	Amount (in Rs.)
1	Two percent of average net profit of the company as per section 135(5)	8,06,371
2	Total amount spent for the Financial Year	8,06,371
3	Excess amount spent for the financial year [(ii)-(I)]	-
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. 9.1 Details of Unspent CSR amount for the preceding three financial years:

Sr No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
	—	NIL	—	—	NIL	—	—

9.2 Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr No.	No. Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project – Completed / Ongoing
	-	-	-	-	NIL	NIL	NIL	--

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year(asset-wise details):
- 10.1 Date of creation or acquisition of the capital asset(s) : None
- 10.2 Amount of CSR spent for creation or acquisition of capital asset : NIL
- 10.3 Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
- 10.4 Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable

Place : Solapur
Date : April 23, 2021

For and on behalf of the Board

Purushotham Eaga
Chairman & Managing Director
DIN:00033583

REPORT ON CORPORATE GOVERNANCE

Pursuant to Schedule V (C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is given below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company believes in abiding by the Code of Governance so as to be a responsible corporate citizen and to serve the best interests of all the stakeholders, viz., the employees, shareholders, customers, vendors and the society at large. The Company seeks to achieve this goal by being transparent in its business dealings, by disclosure of all relevant information in an easily understood manner, and by being fair to all stakeholders, by ensuring that the Company's activities are managed by a professionally competent and independent Board of Directors.

2. BOARD OF DIRECTORS

2.1 Composition

The Board of Directors comprises of six Directors as detailed below as on 31st March, 2021

Category of Directors	Name of Directors
Promoters Executive	Mr. Purushotham Eaga, Mr. Swapnil Eaga
Promoters Non- Executive	Mrs. Vaishnavi Eaga
Independent Non- Executive	Mr. J. H. Ranade, Dr. K. Ramaswamy, Mr. K. R. Dhole

Executive and Non-Executive Promoter Directors are related to each other as Husband / Wife / Son.

The Company has an optimum combination of Executive and Non-Executive / Independent Directors which is in conformity with the Companies Act, 2013 and the Listing Regulations. The number of Independent Directors on the Board is in conformity with the requirement of Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. None of the Independent Non- Executive Directors have any material pecuniary relationship or transactions with the company. None of the Directors on the Board are members of more than 10 committees or chairman of more than 5 committee as specified in Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amongst all companies in which they are Directors.

2.2 Meetings and Attendance

Five Board Meetings were held during the Financial Year on the following dates:

- June 29, 2020
- July 27, 2020
- October 19, 2020
- January 16, 2021
- March 18, 2021

Details regarding attendance of the Directors at the Board Meetings held during the Financial Year 2020–2021 and at the last Annual General Meeting held on 11th September 2020 are given below:

Sr. no.	Name	Designation & DIN	Status	No.of Board Meetings attended through video conferencing	Attended last AGM through video conferencing
1	Mr. Purushotham Eaga	Chairman & Managing Director DIN - 00033583	Executive	5	YES
2	Mr. Swapnil Eaga	Executive Director & Chief Financial Officer DIN - 01241535	Executive	5	YES
3	Mrs. Vaishnavi Eaga	Director DIN - 00033669	Non-Executive	5	YES
4	Mr. Kashinath R. Dhole	Independent Director DIN - 01076675	Non-Executive	5	YES
5	Mr. Jayant H. Ranade	Independent Director DIN - 00004814	Non-Executive	5	YES
6	Dr. K. Ramaswamy	Independent Director DIN - 05273930	Non-Executive	5	YES

2.3 Number of Board of Directors or Committees (other than the Company) in which the Director is a Chairman / Member (excluding private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013) as on March 31, 2021, is as follows:

Sr. no.	Name	No. of Directorship held in other Companies	Attended last AGM	No. of Committee positions held in other Companies	
				Chairman of Committee	Member of Committee
1	Mr. Purushotham Eaga	1	YES	Nil	Nil
2	Mr. Swapnil Eaga	0	YES	Nil	Nil
3	Mrs. Vaishnavi Eaga	0	YES	Nil	Nil
4	*Mr. K. R. Dhole	3	YES	1	Nil
5	Mr. Jayant H. Ranade	15	YES	Nil	Nil
6	Dr. K. Ramaswamy	0	YES	Nil	Nil

*Names of listed entities where director is a director and category of directorship (Pursuant to SEBI Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018:

Mr. K. R. Dhole: Independent Non-Executive Director in Balaji Amines Limited (CIN:L24132MH1988PLC049387).

2.4 Number of meetings of the Board held and dates on which held during the year are given in Clause 2.2 above. Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board meetings in FY 2021 were held through Video Conferencing.

2.5 Disclosure of Shareholding of Non-Executive Directors

Name of the Directors	Shares held as on 31.3.2021
Mrs. Vaishnavi Eaga	17,29,425
Mr. Kashinath R. Dhole	Nil
Mr. Jayant H. Ranade	Nil
Dr. K. Ramaswamy	25,800

2.6 Familiarization Programmes to Independent Directors

Details of familiarization programme imparted to Independent Directors is available on Company's website: www.smruthiorganics.com

2.7 A Chart / Matrix setting out the skills / expertise / competence of the Board of Directors

Competency is defined as the experience, knowledge, skills, attitudes, values and beliefs of the person (member).

A list of core skills/ expertise/ competencies identified by the Board, as required in the context of its business(es) and sector(s) for it to function effectively, is as follows:

Competencies

Sr. No.	Competency	Status
1	Strategic Expertise	Ability to understand, review and guide Strategy by analyzing the company's competitive position and benchmarking taking into account market and industry trends
2	Business and Finance	Demonstrate Techno-Commercial and Business perspective, Ability to comprehend, interpret and guide on Financial Statements, Audit Committee presentations and matters of business
3	Risk Management	Experience in providing guidance on major risks, compliances and various Legislations
4	Building High Performance Teams	Build and nurture talent to create strong and competent future business leaders
5	Industry Knowledge	Experience in similar industries

Personal Qualities

Sr. No.	Personal quality	Status
1	Integrity	Fulfilling a Director's duties and responsibilities, putting the organization's interests above personal interests, acting ethically
2	Curiosity and Courage	Must have the curiosity to ask questions and the courage to persist in asking or to challenge management and fellow board members where necessary
3	Interpersonal skills	Must work well in a group, listen well, be tactful but able to communicate his/her point of view frankly
4	Instinct	Good business instincts and acumen, ability to get the crux of the issue quickly
5	An Active Contributor	The member must be one who participates and contributes actively & must allocate quality time to the organization's affairs

Skills/ Expertise/ Competencies Possessed By The Directors

who were part of the board as on march 31, 2021, are as follows

Name	Age	Qualifications	Industry Experience	Expertise
Mr. Purushotham Eaga	63	MSC (Org.)	Organic Chemistry & Handling Overall Management of The Company	Organic Chemistry & Handling Overall Management of The Company
Mr. Swapnil Eaga	37	B.S(CHEM) USA, MBA Spain	Technical and Business Development	Technical and Business Development
Mrs. Vaishnavi Eaga	59	B.A	Administration	Administration
Mr. Kashinath R. Dhole	72	M.SC., Chemistry	Technical and overall management	Technical and overall management
Mr. Jayant H. Ranade	66	B.Com., LL.B. FCS & MBA	Finance & Legal	Finance & Legal
Dr. K. Ramaswamy	66	M.D	Medical Practitioner	Medical Practitioner

2.8 The Board hereby confirms that in its opinion, the Independent Directors of the Company fulfil the conditions as specified in the SEBI Listing Regulations and are independent of the management.

2.9 Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided – During the year, no Independent Director resigned before the expiry of his/ her tenure.

3. CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Board has laid down the Code of Conduct for all Board members and Senior Managerial Personnel of the Company and the compliance of such Code has been affirmed by them. The Code of Conduct is available on the website of the Company at www.smruthiorganics.com. The Annual Report contains a declaration to this effect signed by the Managing Director and Chief Financial Officer.

4. AUDIT COMMITTEE

The Audit Committee constituted on December 30, 2005 enjoys all powers / terms of reference as mentioned in Regulation 18 of (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Section 177(4) of the Companies Act 2013. The scope of the Audit Committee includes all matters stated in Regulation 18 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations.

The Audit Committee acts in accordance with the terms of reference specified by the Board which includes the recommendation for appointment, remuneration and terms of appointment of auditors of the Company, review and monitor the auditor's independence and performance and effectiveness of the audit process, examination of the financial statements and the auditor's report thereon, approval or any subsequent

modification of transactions of the Company with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the Company wherever it is necessary, evaluation of internal financial controls and risk management systems, monitoring the end use of funds raised through public offers and related matters.

Composition Of Audit Committee

The details of composition of the Committee and their attendance at the meetings are given below. The committee conforms to the required listing regulations.

Name	Designation	Category	No. of Meetings attended
Mr. Jayant H. Ranade	Chairman	Independent	5
Dr. K. Ramaswamy	Member	Independent	5
Mr. Kashinath R. Dhole	Member	Independent	5

During the Financial year 2020–2021, Five Meetings of Audit Committee were held through video conferencing which are as under:

- June 29, 2020
- July 27, 2020
- October 19, 2020
- January 16, 2021
- March 18, 2021

Audit Committee meetings were attended by the Chairman and Managing Director. Statutory Auditors and Company Secretary were invited for such meeting. Members of the Audit Committee have requisite financial and management expertise. Chairman of the Audit Committee was present at the Annual General Meeting held on 11th September, 2020.

5. NOMINATION AND REMUNERATION COMMITTEE

The Remuneration Committee was constituted on April 24, 2006 for the purpose of approving remuneration of the managerial personnel as envisaged under the provisions of Companies Act, 2013 and Listing Regulations.

Terms Of Reference

The role, broad terms and reference of the committee includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The Committee Members

Name	Designation	Category	No. of Meetings attended
Mr. Jayant H. Ranade	Chairman	Independent	1
Dr. K. Ramaswamy	Member	Independent	1
Mrs. Vaishnavi Eaga	Member	Non-Executive	1
Mr. Kashinath R. Dhole	Member	Independent	1

All the members of the Nomination and Remuneration Committee are Non-Executive Directors.

During the Financial year 2020-2021, one Meeting of the Committee was held on 19th October, 2020 through video conferencing.

The Committee also evaluates performance of the Independent Directors on the basis of their involvement in the Board functioning and discharge of their responsibilities as contemplated under Companies Act, 2013 and SEBI Listing Regulations.

6. REMUNERATION OF DIRECTORS

6.1 Remuneration Policy

The Company has adopted a Remuneration Policy for its Directors, Key Managerial Personnel and other employees. The Remuneration Policy has laid down the criteria for determining qualifications, positive attributes, Independence of Director and Board diversity. The Policy lays down the factors for determining remuneration of Whole-time Directors, Non-Executive Directors, Key Managerial Personnel, and other employees. The policy also lays down the evaluation criteria of the Independent Directors and the Board.

6.2 Remuneration to Key Managerial Personnel

Remuneration to Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

6.3 Remuneration to Executive Directors

(Amount in Rs.)

Particulars	Mr. Purushotham Eaga Managing Director	Mr. Swapnil Eaga Whole time Director & Chief Financial Officer
Salary & Other Allowances	1,44,00,000	*1,20,00,000
Contribution to Provident & Other Funds	17,28,000	14,40,000
Commission	-----	-----

*includes arrears of salary Rs 12,00,000 for FY 2018-2019 & Rs 24,00,000 for FY 2019-2020

6.4 Remuneration to Non-Executive Directors : Nil

The sitting fees payable to the Non- Executive Directors is as under: (Amount in Rs.)

Name	Board	Audit Committee Meeting	Nomination & Remuneration Committee Meeting	Independent Directors Meeting	Stakeholder relationship committee	CSR Meeting	Total
Mrs.Vaishnavi Eaga	1,00,000	—	15,000	—	45,000	—	1,60,000
Dr. K. Ramaswamy	1,00,000	60,000	15,000	15,000	---	15,000	2,05,000
Mr. Jayant H. Ranade	1,00,000	60,000	15,000	15,000	—	15,000	2,05,000
Mr. K. R. Dhole	1,00,000	60,000	15,000	15,000	---	—	1,90,000

7. STAKEHOLDERS RELATIONSHIP COMMITTEE

In our Company, the Stakeholders' Grievance Committee is known by the name of Stakeholders' Relationship Committee. The Committee reviews all matters connected with Shareholders complaints, if any, like transfer of shares, non-receipt of Balance Sheet, non-receipt of dividend etc. During the financial year 2020-2021 three (3) meetings were held on the following dates:

- December 4, 2020
- March 18, 2021
- March 25, 2021

The Committee Members

Name	Designation	Category
Mrs. Vaishnavi Eaga	Chairperson	Non-Executive (Promoter)
Mr. Purushotham Eaga	Member	Executive (Promoter)
Mr. K. R. Dhole	Member	Independent

During the year, one complaint was received from a shareholder of the company and the same was resolved.

8. INDEPENDENT DIRECTORS MEETING

The Independent Directors of the Company have been appointed in accordance with the provisions of Section 149 of the Companies Act, 2013 and applicable provisions of SEBI Listing Regulations.

Separate meeting of Independent Directors

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI Listing Regulations, 1 (one) separate meeting of the Independent Directors was held during the year i.e. on March 27, 2021.

The meeting of the Independent Directors was without the attendance of Non-Independent Directors and members of management.

The Independent Directors At Their Meetings Also Considered

- a Review of the performance of the Non-Independent Directors and the Board as a whole;
- b Review of the performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non-Executive Directors;
- c Assessing the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Name of the Director	Number of meetings of the Independent Directors attended during the year ended March 31, 2021
Mr. Jayant H. Ranade	1
Mr. Kashinath R. Dhole	1
Dr. K. Ramaswamy	1

9. GENERAL BODY MEETINGS

9.1 Details Of The Annual General Meetings Held During The Preceding 3 Years

Financial Year	Date & Time	Venue	No.of Directors present
2019 - 20	September 11, 2020 at 12.30 pm	Held through Video Conferencing	5
2018 - 19	July 29, 2019 at 12.30 pm	Hotel City Park, Solapur	5
2017 - 18	August 11, 2018 at 12.30 pm	Hotel City Park, Solapur	4

9.2 Details of Special Resolutions Passed

2019–20: No special resolutions were passed during the year.

2018–19

1. Revision in remuneration of Mr E. Purushotham, Managing Director with effect from October 1, 2018 during the remaining period of his appointment i.e until March 31, 2022
2. Re-appointment of Mr. K. R. Dhole as Independent Director for a second term of five years.
3. Re-appointment of Dr. K. Ramaswamy as Independent Director for a second term of five years
4. Re-appointment of Mr. Jayant H. Ranade as Independent Director for a second term of five years
5. Waiver of excess remuneration paid to Mr E. Purushotham, Managing Director during the financial years 2010–11, 2011–12, 2012–13 & 2013–14

2017 - 18

1. Adoption of new set of Articles of Association of the Company

9.3 Postal Ballot

1. No Special Resolution was passed last year through Postal Ballot.
2. During the year, postal ballot was conducted by the Company on March 3, 2021. The following resolutions were passed through Postal Ballot:
 - 2.1 Reclassification of un issued Non-Convertible Cumulative Redeemable Preference Shares into Equity Shares of the Company
 - 2.2 Increase in the Authorised Share Capital of the Company
 - 2.3 Amendment in Clause V of Memorandum of Association of the Company
 - 2.4 Amendment in Article II (1.) of Articles of Association of the Company
 - 2.5 Issue of Bonus Shares by way of capitalisation of reserves
3. As at March 31, 2021, no Special Resolution is proposed to be conducted through Postal Ballot.
4. Postal Ballot whenever conducted will be carried out as per the procedure mentioned in Rule 22 of Companies (Management and Administration) Rules, 2014, including any amendment there of.

10. MEANS OF COMMUNICATION

1. Quarterly Results: The quarterly results are published in accordance with the applicable provisions of the SEBI Listing Regulations.
2. Newspaper in which results are normally published: Generally the results are published in The Free Press Journal / Navashakti, Active Times / Mumbai Lakshdeep, Daily Sakal / Sanchar and Divya Marathi (Local News Paper).
3. Website www.smruthiorganics.com

11. GENERAL SHAREHOLDER INFORMATION

11.1 Annual General Meeting

The ensuing AGM of the Company will be held on Friday July 16, 2021 at 12:30 pm through video conferencing or other audio visual means.

11.2 Tentative Financial Calendar April 2021 to March 2022

Particulars of Meetings	Date
Un-audited Quarterly Result for the quarter ended June 30, 2021	2nd week of Aug 2021
Un-audited Quarterly Result for the quarter ended September 30, 2021	2nd week of Nov. 2021
Un-audited Quarterly Result for the quarter ended December 31, 2021	2nd week of Feb.2022
Audited Financial Result for the quarter – ended March 31, 2022	Last week of May, 2022

11.3 Date Of Book Closure

July 03, 2021 to July 16, 2021 (Both days inclusive)

11.4 Dividend Payment Date

On or before August 14, 2021

11.5 Listing on Stock Exchanges

The Equity Shares of the Company are listed at BSE Limited and Metropolitan Stock Exchange of India Limited.

DEMAT : ISIN Number: INE172E01011

CIN : L24119PN1989PLC052562

Company has paid Annual Listing Fees to each of the Stock Exchanges where it is listed.

11.6 Stock Code

Stock Exchange	Code
BSE Ltd.	540686
Metropolitan Stock Exchange of India Limited	SMRUTHI

11.7 Stock Prices

High/ Low of market price of the Company's shares traded on the BSE Ltd during the year ended March 31, 2021 is furnished below:

Month & Year	High Rs.	Low Rs.
April - 2020	131.25	73.90
May - 2020	109.90	84.25
June - 2020	121.00	95.00
July - 2020	188.95	111.10
August - 2020	260.45	168.05
September-2020	309.75	229.50
October - 2020	335.25	251.75
November-2020	341.95	267.90
December- 2020	477.35	321.00
January - 2021	699.75	493.05
February - 2021	686.65	480.15
*March - 2021	796.95	215.00

*** Additional Information on Stock Price :**

Stock Exchange	High	Low
Before Bonus issue (cum bonus date) – 15/03/2021	796.95	785.00
After Bonus issue (ex – bonus date) – 16/03/2021	264.00	250.85

No trading took place of company's shares on Metropolitan Stock Exchange of India during the financial year.

11.8 Stock Performance

Performance of the Company's Stock in comparison to broad-based indices such as BSE Sensex was as below:

Month	Company's Closing Price on BSE (Rs.)	BSE Sensex Close
April – 2020	111.00	33,717.62
May – 2020	93.55	32,424.10
June – 2020	119.90	34,915.80
July – 2020	180.85	37,606.89
August – 2020	250.00	38,628.29
September–2020	280.00	38,067.93
October – 2020	319.00	39,614.07
November–2020	334.00	44,149.72
December– 2020	477.35	47,751.33
January – 2021	503.00	46,285.77
February – 2021	659.75	49,099.99
*March – 2021	222.30	49,509.15

*** Additional Information on Stock Performance :**

Stock Exchange	Company's Closing Price on BSE (Rs.)
Before Bonus issue (cum bonus date) – 15/03/2021	796.95
After Bonus issue (ex – bonus date) – 16/03/2021	264.00

11.9 Registrar And Transfer Agents

M/s. Adroit Corporate Services Pvt.Ltd., 19, JaferbhoyIndl. Est., Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059.

Tel. No.: +91 (0)22 42270423

Fax: +91 (0)22 28503748

E-mail: info@adroitcorporate.com

11.10 Share Transfer System

Presently, the Share Transfers which are received in physical form are processed by the Registrars and Share Transfer Agents and approved by the Committee and the share certificates are returned within a period of 20 to 25 days from the date of lodgment, subject to the transfer instrument being valid and complete in all respects.

11.11 Reconciliation Of Share Capital Audit

The Company Secretary in practice carried out reconciliation of share capital audit which confirms that Issued / Paid-up Capital is in agreement with the aggregate of the total number of shares in Physical & Demat Form.

11.12 Share Distribution Schedule

Shareholding of Nominal Value of Shareholders share amount (as on 31.03.2021)

Shares	Number	% to total	Total Shares	Rs.	% to total
Upto-500	3686	78.29	303332	3033320	2.65
501-1000	321	6.82	229295	2292950	2.00
1001-2000	367	7.80	541672	5416720	4.73
2001-3000	136	2.89	368322	3683220	3.22
3001-4000	26	0.55	89666	896660	0.78
4001-5000	27	0.57	119747	1197470	1.05
5001-10000	81	1.72	590646	5906460	5.16
10001 & above	64	1.36	9203610	92036100	80.41
TOTAL	4708	100.00	11446290	114462900	100.00

11.13 Shareholding Pattern

Category	No. of Shares	% to share capital
Promoter & Promoter Group (A)	72,55,473	63.39
Public (B)		
Individuals	33,54,763	29.31
NRI	1,42,491	1.24
Bodies Corporate	5,50,551	4.81
Clearing Members	29,255	0.26
IEPF	1,13,757	0.99
Total (B)	41,90,817	36.61
Total	1,14,46,290	100.00

11.14 Dematerialization Of Shares And Liquidity

1,06,71,075 shares have been dematerialized as on March 31, 2021 constituting 93.22% of total Paid up Share Capital.

11.15 Subsidiary Company

The Company does not have any Subsidiary Company.

11.16 Outstanding Gdrs / Adrs / Warrants And Other Convertible Instruments, Conversion Dates And Likely Impact On Equity:

The Company has not issued any GDRs / ADRs / Warrants and other Convertible instruments.

11.17 Plant Locations

Unit- I : Plot No.273,274, MIDC, Akkalkot Road, Solapur – 413006.

Unit-II : Plot No. A-27, MIDC Chincholi, Solapur – 413255.

11.18 Address For Correspondence

Registered: 165-A, Balaji Bhavan, 1st Floor,
Railway Lines, Solapur – 413001.
Tel. No. : 0217-2310267, 367
Fax No.: 0217-2310268
Email id: changale@smruthiorganics.com; cs@smruthiorganics.com;
eaga@smruthiorganics.com
website: www.smruthiorganics.com

11.19 Credit Ratings

Brick work Rating Agency, Previous Rating: BB, Revised Rating : BBB-

12. OTHER DISCLOSURES

12.1 There were no transactions, which were materially significant during the year with promoters, directors or their relatives that have potential conflict with the interest of the Company. Transactions with related parties are disclosed under notes to accounts in the annual report.

12.2 Instances of non-compliance of any matter related to the capital markets during the last three years:

FY 2020-2021: Fine paid to BSE Ltd and MSEI Ltd for Delay in implementation of bonus issue within two months as provided under regulation 295(1) of SEBI (ICDR) Regulations, 2018.

FY 2019-2020: Penalty levied by Metropolitan Stock Exchange of India for delayed filing of Voting Results of AGM held for FY 2019-2020 in XBRL Format .

12.3 The Company has followed accounting treatment as prescribed in Accounting Standards applicable to the Company.

- 12.4 The Company has a Vigil mechanism called Whistle Blower policy, all employees have been provided to access direct to the Audit committee.
- 12.5 The company has complied with the mandatory corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI LODR regulations 2015.
- 12.6 The Company does not have a material subsidiary as defined under Regulation 16 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- 12.7 Related party Transactions: The Company did not enter into any materially significant related party transactions, which had potential conflict with the interest of the Company at large. The related party transactions entered into with the related parties as defined under the Companies Act, 2013 and as per Listing Regulations during the financial years were in the ordinary course of business and the same have been approved by the Audit Committee/ Board of Directors Transactions with the related parties are disclosed under Notes forming part to the financial statements in the Annual Report. The Board of Directors have approved a policy of related party transactions which has been uploaded on the website of the Company www.smruthiorganics.com.
- 12.8 Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under regulation 32 (7A) :NA
- 12.9 Certificate from Mr. H.R. Thakur Practicing Company Secretary, Mumbai about non-debarment /disqualification of Directors of the Company is attached.
- 12.10 Total fees for all services paid by the listed entity to the statutory auditor: Rs 1,50,000/-
- 12.11 Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- a. Number of complaints filed during the financial year 2020-21: Nil
 - b. Number of complaints disposed of during the financial year 2020-21: Nil
 - c. Number of complaints pending as on end of the financial year 2020-21: Nil
- 12.12 Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.

Details of any non-compliance of any requirement of corporate governance report of sub-para (2) to (10) :

All the mandatory requirements have been complied with as stated in this report on Corporate Governance.

There is no non-compliance with any requirement of corporate governance report of sub-para (2) to (10) of the Corporate Governance report as given in Schedule V(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (the Regulations), have been made in this Corporate Governance report.

13. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

NA

14. RISK MANAGEMENT

Company has defined Risk Management Policy. The Audit Committee reviews Risk Management strategy of the Company to ensure effectiveness of risk management policies and procedures.

15. CEO/CFO CERTIFICATION

The Managing Director and CFO have furnished the requisite certificate to the Board of Directors as required under Regulation 17 (8) of the SEBI Listing Regulations, 2015.

16. CODE OF ETHICS / VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The objective of the Policy is to explain and encourage the directors and employees to raise any concern about the Company's operations and working environment, including possible breaches of Company's policies and standards or values or any laws within the country or elsewhere, without fear of adverse managerial action being taken against such employees. The details of the policy is also listed on the company's website: www.smruthiorganics.com.

17. SECRETARIAL DEPARTMENT

The Company's Secretarial Department headed by the Company Secretary who is also Compliance Officer is situated at the Registered Office. Investors may contact the department for any assistance.

For and on behalf of the Board

Place : Solapur
Date : April 23, 2021

Purushotham Eaga
Chairman & Managing Director
DIN:00033583

COMPLIANCE WITH CODE OF BUSINESS CONDUCT

As required under Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2021.

For and on behalf of the Board

Place : Solapur
Date : April 23, 2021

Purushotham Eaga
Chairman & Managing Director
DIN:00033583

**Independent Auditors' Certificate on Compliance with
the Corporate Governance requirements under SEBI
(Listing Obligations & Disclosure Requirements) Regulations, 2015**

To
The Members of Smruthi Organics
Ltd.,
Solapur

We have examined the compliance of conditions of Corporate Governance by Smruthi Organics Limited ("the Company") for the year ended 31st March 2021 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination is limited to procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions

of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given by us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the Regulations referred above.

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

M/s. N. R. Waghchaure & Associates
Chartered Accountants,
FRN : 114999W

N. R. Waghchaure
Proprietor
ICAI Membership No : 048890

Place : Solapur
Date : April 23, 2021

UDIN : 21048890AAAACS9198

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Based on my verification of the records maintained by Smruthi Organics Ltd(CIN:L24119PN 1989PLC052562) (hereinafter called 'the Company') including declarations / notice received from its Directors and also information / record available on the website(s) of the Ministry of Corporate Affairs, Securities and Exchange Board of India and Stock Exchanges where the equity shares of the Company are

listed, I hereby certify that, during the Financial year 2020-21, none of the Directors on the Board of the Company were debarred or disqualified from being appointed or continuing as directors of the Company the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

This certificate is being issued as per the requirements of Schedule V (C) {10} (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

Place : Mumbai
Date : April 23, 2021

H. R. Thakur
F.C.S : 2090 C.P : 3193
UDIN: F002090C000168949

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Smruthi Organics Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of Smruthi Organics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive Income), the Cash Flow Statement and the statement of changes of equity for the year ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE 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 Standalone Ind AS financial statements that give a true and fair view of the financial position, profit or loss (financial performance) including other comprehensive Income and cash flows and changes in the equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Standalone Ind AS financial statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies

used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Ind AS of the state of affairs (Financial Position) of the Company as at March 31, 2021, and its profit (Financial performance including other comprehensive Income) and its cash flows and the changes in equity for the year ended on that date

1. in case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2021
2. in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
3. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act (hereinafter referred to the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and

explanations given to us, we give in Annexure A, a statement on matters specified in paragraphs 3 and 4 of the said order.

2. As Required By Section 143 (3) Of Act

We report that

- 2.1 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.
- 2.2 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.
- 2.3 The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.
- 2.4 In our opinion, the afore said standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 2.5 In the course of our audit we have not come across any transactions or matters which have any adverse effects on the functioning of the company.
- 2.6 On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- 2.7 With respect to the adequacy of the internal financial control over financial reporting of the company and operating effectiveness of such controls. As required by Section 143 (3) (i) of the Companies Act, 2013, refer to our separate Report in Annexure –B.
- 2.8 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:
- 2.8.1 The Company has disclosed the impact of pending litigations on its financial position in Standalone Ind AS financial statement.
- 2.8.2 In our opinion and as per the information and explanations provided to us, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 2.8.3 There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

M/s. N. R. Waghchaure & Associates
Chartered Accountants,
FRN :.114999W

N. R. Waghchaure
Proprietor
ICAI Membership No :048890

Place : Solapur.
Date : April 23, 2021

UDIN : 21048890AAAACS9198

ANNEXURE A – TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under the heading of
 "Report on other legal and regulatory requirements of our report of even date
 "Report on Companies (Auditor's Report) Order, 2016 (the Order) issued by
 the Central Government in terms of section 143 (11) of the Companies Act, 2013

Smruthi Organics Limited,
 For the Year Ended March 31, 2021

Partnerships (LLP) or other parties
 covered in the register maintained
 under section 189 of the
 Companies Act, 2013.

1. FIXED ASSETS [CLAUSE 3(I)]

1.1 Proper Records: The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

1.2 Physical Verification: These fixed assets have been physically verified by the management at reasonable intervals;
 Any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account by the management at regular intervals : NA

1.3 Title Deed: The title deeds of immovable properties are held in the name of the company.

2. INVENTORY [CLAUSE 3(II)]

Physical verification: Physical verification of inventory has been conducted at reasonable intervals by the managements; Valuation of closing stock is taken as certified, valued and verified by the management by the Company
 No such material discrepancies were noticed on such verification.

3. LOAN GIVEN BY COMPANY [CLAUSE 3(III)]

3.1 The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability

3.2 Terms and Conditions: The terms and conditions of the grant of such loans are not prejudicial to the company's interest Not Applicable.

3.3 Regular Recovery : The schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular; Not Applicable.

3.4 Steps for Recovery : If the amount is overdue, state the total amount overdue for more than 90 days, and whether reasonable steps have been taken by the company for recovery of the principal and interest. Not Applicable.

4. LOAN TO THE DIRECTORS AND INVESTMENT BY COMPANY [CLAUSE 3(IV)]

The company has not granted or made any investments, guarantees, and security to the parties covered under section 185 and 186 of the Companies Act, 2013.

5. DEPOSITS [CLAUSE 3(V)]

The company has not accepted any deposits from the public within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.

6. COST RECORDS [CLAUSE 3(VI)]

The Central Government has specified maintenance of cost records under section 148 (1) of the Companies Act, 2013, and hence such accounts and records have been made and maintained.

7. STATUTORY DUES [CLAUSE 3(VII)]

Following matters shall be reported for statutory dues and disputes for tax and duties.

Statutory Dues for more than 6 Months: Whether the company is regular in depositing undisputed statutory dues with the appropriate authorities including:

- 7.1 Provident fund: No Such Dues
- 7.2 Employee's state insurance: No Such Dues
- 7.3 Income – tax: No Such Dues
- 7.4 Sales– tax: No Such Dues
- 7.5 Service tax: No Such Dues
- 7.6 Duty of customs: No Such Dues
- 7.7 Duty of excise: No Such Dues
- 7.8 Value Added Tax (VAT): No Such Dues
- 7.9 Cess: No Such Dues
- 7.10 Any other statutory dues: No Such Dues

If the company is not regular in depositing such statutory dues, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor. No such dues are pending.

8. REPAYMENT OF LOANS [CLAUSE 3(VIII)]

The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government.

9. UTILIZATION OF IPO AND FURTHER PUBLIC OFFER [CLAUSE 3(IX)]

The Company has not raised money by way of initial public offer or further public offer and Term Loans where applied for the purposes for which those are raised.

If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, are reported – Not applicable.

10. REPORTING OF FRAUD [CLAUSE 3(X)]

No fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

11. APPROVAL OF MANAGERIAL REMUNERATION [CLAUSE 3(XI)]

Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V part II of the Companies Act 2013.

12. NIDHI COMPANY [CLAUSE 3(XII)]

Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability and whether the Nidhi Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability; Not Applicable

13. RELATED PARTY TRANSACTION [CLAUSE 3(XIII)]

All transactions with the related parties are in compliance with sections 177 and 188 Companies Act, 2013. The details of such related party transaction have been disclosed in the Financial Statements as required under Indian

Accounting Standard (Ind AS) 24, related party disclosures specified under section 133 of the Act.

14. PRIVATE PLACEMENT OR PREFERENTIAL ISSUES [CLAUSE 3(XIV)]

The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly the provisions of Clause 3 (xiv) of the order are not applicable to the company.

15. NON- CASH TRANSACTIONS [CLAUSE 3(XV)]

The company has not entered into any non-cash transactions with directors or persons connected with him hence, reporting requirement on compliance with the provisions of Section 192 of the Companies Act, 2013 of [Clause 3(xv)] of the order are not applicable to the company.

16. REGISTER UNDER RBI ACT 1934 [CLAUSE 3 (XVI)]

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly provisions of Clause 3 (xvi) of the order are not applicable to the company.

17. The company has issued and allotted 76,30,860 (Seventy-Six Lacs Thirty Thousand and Eight Sixty) equity shares of Rs. 10/- each as fully paid-up bonus equity shares by capitalization of General Reserve, Securities Premium Account and Surplus in Profit & Loss Account, in the ration of 2 (two) new bonus shares for every 1 (one) equity share, to the eligible members whose names appeared in the register of members/ list of beneficial owners as on Wednesday, March 17, 2021 (record date).

M/s. N. R. Waghchaure & Associates
Chartered Accountants,
FRN :.114999W

N. R. Waghchaure
Proprietor
ICAI Membership No :048890

Place : Solapur.
Date : April 23, 2021

UDIN : 21048890AAAACS9198

ANNEXURE – B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2(g) under the heading of
"Report on other legal and regulatory requirements of our report of even date."

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Smruthi Organics Ltd ("the Company") as of 31st March 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI')(the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

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

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting. subject to balance confirmation of the all parties including the accounts during the year.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Place : Solapur
Date : April 23, 2021
UDIN : 21048890AAAACS9198

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

OPINION

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

M/s. N. R. Waghchaure & Associates
Chartered Accountants,
FRN :.114999W

N. R. Waghchaure
Proprietor
ICAI Membership No :048890

BALANCE SHEET AS ON 31.03.2021

(Figures in Rupees)

	Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
I	Assets			
	Non-Current Assets			
	Property, plant and equipment	1	30,99,97,747	31,70,27,058
	Capital work-in-progress	2	84,09,742	18,79,325
	Investment property		-	-
	Goodwill		-	-
	Intangible assets under development		-	-
	Biological assets other than bearer plants		-	-
	Financial assets	3	6,75,000	7,87,368
	- Non-Current investments	4	4,93,100	4,93,100
	- Long-term loans and advances	5	-	1,46,301
	- Trade Receivables	6	-	-
	- Others	7	78,37,379	2,67,28,668
	Deferred tax assets (Net)	16	-	-
	Other non-current assets		-	-
	Total Non Current Assets		32,74,12,968	34,70,61,820
	Current Assets			
	Inventories	8	18,12,93,308	17,08,55,367
	Financial assets			
	- Current investments		-	-
	- Trade and other receivables	9	21,34,60,906	24,57,39,736
	- Cash and cash equivalents & Bank Balances	10	16,14,21,499	3,57,26,087
	- Short term loans and advances		-	-
	Assets for current tax (net)		-	-
	Other current assets	11	3,46,18,275	7,81,18,071
	Non-current assets classified as held for sale		-	-
	Other Non-Current Assets		-	-
	Total Current Assets		59,07,93,988	53,04,39,261
	Total Assets		91,82,06,956	87,75,01,081
II	Equity And Liabilities			
	Equity			
	Equity Share capital	12	11,44,62,900	3,81,54,300
	Other Equity	13	49,04,55,443	38,64,81,177
	- Equity component of other financial instrument		--	--
	- Retained earnings @		--	--
	- Reserves		--	--
	- Reserves representing unrealised gains/ losses		--	--
	- Other reserves		--	--
	Money received against share warrants		-	-
	Others		-	-
	Share application money pending allotment			
	Total Equity		60,49,18,343	42,46,35,477
	Non-current liabilities			
	Financial liabilities			
	- Long term borrowings	14	1,66,11,911	2,01,33,460
	- Other financial liabilities (Trade Payable)	15	17,95,901	24,09,122
	Long term provisions		-	-
	Deferred tax liabilities (Net)	16	2,22,94,811	2,08,72,300
	Other non-current liabilities	17	2,46,53,585	3,04,12,600
	Total Non Current Liabilities		6,53,56,208	7,38,27,482

Current liabilities			
Financial liabilities			
- Short term borrowings	18	8,23,46,999	13,64,47,091
- Trade and other payables	19	14,70,37,648	22,17,56,206
- Other financial liabilities		-	-
Other current liabilities	20	1,85,47,758	1,89,61,636
Short-term provisions (IT Provision)		-	18,73,189
Liabilities for current tax (net)			
Total Current Liabilities		24,79,32,405	37,90,38,122
Liabilities associated with group(s) of assets held for disposal		-	-
Total Equity and Liabilities		91,82,06,956	87,75,01,081

The accompanying notes are an integral part of the financial statements as per our audit even date.

N. R. Waghchaure & Associates

Chartered Accountants,
FRN : 114999W

Nilkanth R Waghchaure
Proprietor
ICAI Membership No :048890

For & on behalf of Board of Directors

Eaga Purushotham
Managing Director
DIN : 00033583

Eaga Swapnil
Executive Director & CFO
DIN : 01241535

PLACE : Solapur
DATE : April 23, 2021

Urvashi Khanna
Company Secretary & Compliance Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2021

(Figures in Rupees)

Sr. No.	Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
I	Income			
	a) Revenue from operations	21	1,26,50,07,855	1,31,07,35,870
	b) Other income	22	56,12,733	4,42,14,190
	Total Revenue		1,27,06,20,588	1,35,49,50,060
II	Expenses			
	a) Cost of Materials Consumed	23	63,67,63,697	78,08,99,384
	b) Change in Inventory	24	2,78,22,603	5,39,38,323
	c) Employee Benefits Expense	25	15,64,11,853	13,57,14,148
	d) Finance Costs	26	1,09,33,701	3,18,05,241
	e) Other Expenses	27	15,86,79,393	18,78,16,243
	f) Depreciation and Amortization Expense	1	3,94,59,058	4,38,62,706
	Total Expenses		1,03,00,70,305	1,23,40,36,045
III	Profit / (Loss) before Tax		24,05,50,283	12,09,14,015
IV	Tax expense			
	(a) Current tax		4,15,80,206	2,11,26,097
	(b) Mat Credit Entitlement		2,64,73,208	86,53,972
	(c) Deferred tax		14,22,511	66,62,046
	Total		6,94,75,925	3,64,42,115
	Profit (Loss) for the Period after Tax		17,10,74,358	8,44,71,900
V	Other Comprehensive Income:			
	a) Items that will not be reclassified to statement of profit or loss:		-	-
	b) Income tax relating to items that will not be reclassified to statement of profit or loss – Foreign Currency Exchange Loss		-	-
	c) Items that will not be reclassified to statement of profit or loss:		-	-
	d) Income tax relating to items that will be reclassified to statement of profit or loss		-	-
VI	Total Comprehensive income for the period		17,10,74,358	8,44,71,900
VII	Earnings per equity share			
	a) Basic	Basic	14.95	22.14
	b) Diluted	Diluted	14.95	22.14

Note : Basic & Diluted earnings per share :- **Rs 44.84 per share** on pre bonus equity share capital as on March 31, 2021

The accompanying notes are an integral part of the financial statements as per our audit even date.

N. R. Waghchaure & Associates
Chartered Accountants,
FRN : 114999W

For & on behalf of Board of Directors

Nilkanth R Waghchaure
Proprietor
ICAI Membership No :048890

Eaga Purushotham
Managing Director
DIN : 00033583

Eaga Swapnil
Executive Director & CFO
DIN : 01241535

PLACE : Solapur
DATE : April 23, 2021

Urvashi Khanna
Company Secretary & Compliance Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021

Sr.No.	Particulars	Rs.	Rs.
A	CASH FLOW FROM OPERATING ACTIVITIES	31-03-2021	31-03-2020
	Profit before income tax	24,05,50,283	12,09,14,015
	Non cash adjustment to reconciled profit before tax to net cash flows	-	-
	Depreciation	3,94,59,058	4,38,62,706
	Misc Expenditure written off	-	-
	Interest Expenditure	1,09,33,701	3,18,05,241
	Interest Income	-56,12,733	-25,80,346
	Operating profit before working capital changes	28,53,30,309	19,40,01,616
	Movements in working capital		
	Increase/(Decrease) in trade payables	-7,47,18,558	-7,71,34,025
	Increase/(Decrease) in short term provisions	-18,73,189	3,28,278
	Increase/(Decrease) in other current liabilities	-4,13,878	-1,62,786
	Increase/(Decrease) in other long term liabilities	-57,59,015	-10,33,211
	Decrease/(Increase) in trade receivables	3,22,78,830	11,81,80,628
	Decrease/(Increase) in inventories	-1,04,37,941	5,61,05,582
	Decrease/(Increase) in long term loans & advances	1,91,49,958	1,13,51,663
	Decrease/(Increase) in short term loans & advances	-	-
	Decrease/(Increase) in other current assets	4,34,99,796	-5,72,99,702
	Decrease/(Increase) in other non-current assets	-	-
	Cash generated from / (used in) operations	28,70,56,312	24,43,38,044
	Direct taxes (net of refunds)	-5,88,44,906	-3,00,10,156
	Net cash flow from / (used in) operating activities (A)	22,82,11,406	21,43,27,888
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets, including intangible assets, CWIP & capital advances	-3,89,60,164	-4,68,62,409
	Proceeds of non current investments	-	-
	Increase/(Decrease) in trade payables Fixed Assets	-6,13,221	-9,44,445
	Purchase of current investments	-	-
	Investment in bank deposits (having original maturity of more than three months)	-	-
	Interest, DBK etc.	56,12,733	25,80,346
	Net Cash from / (used in) Investing Activities (B)	-3,39,60,652	-4,52,26,508
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds from issuance of share capital & preference share capital	-	-
	Proceeds from long term borrowings	-	-
	Repayment of long term borrowing	-35,21,549	-48,22,032
	Proceeds from short term borrowings	-5,41,00,092	-11,53,09,389
	Interest Paid	-1,09,33,701	-3,18,05,241
	Dividend paid on equity shares	-	-1,90,77,150
	Tax on equity dividend paid	-	-39,21,369
	Net cash flow from / (used in) Financing Activities (C)	-6,85,55,342	-17,49,35,181
	Net Increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)	12,56,95,412	-58,33,802
	Cash & Cash equivalents at the beginning of the period	3,57,26,087	4,15,59,889
	Cash & Cash equivalents at the end of the period	16,14,21,499	3,57,26,087

For & on behalf of Board of Directors

Eaga Purushotham

Managing Director

DIN : 00033583

Eaga Swapnil

Executive Director & CFO

DIN : 01241535

Urvashi Khanna

Company Secretary & Compliance Officer

PLACE : Solapur

DATE : April 23, 2021

Note 1 & 2 FIXED ASSETS FORMING PART OF BALANCE SHEET AS ON MARCH 31, 2021

Property, Plant and Equipment

Amount In Rs.

NOTES (SCHEDULES FOR FINANCIAL STATEMENT)

PARTICULARS	GROSS BLOCK (At Cost)			DEPRECIATION PROVIDED			NET BLOCK			
	Cost As On 01.04.2020	Addition During The Year 2020-21	Disposal /Adjustment	As On 31.03.2021 (2+3-4)	Up To 31.03.2020	For The Year 2020-21	Disposal /Adjustment	Upto 31.03.2021 (6+7-8)	As On 31.03.2020	As On 31.03.2021 (5-9)
1	2	3	4	5	6	7	8	9	10	11
Factory Land	3076385	0	0	3076385	429053	17640	0	446693	2647332	2629692
Agricultural Land	587094	0	0	587094	0	0	0	0	587094	587094
Building	178550309	3759218	0	182309527	116189774	6118426	0	122308200	62360534	60001326
Ownership Flats	9445084	0	0	9445084	7640740	171474	0	7812214	1804344	1632870
Plant & Machinery	67427703	20274243	0	694551946	472252404	25571536	0	497823940	202025299	196728006
Electrical Installation/Equip.	30816661	279671	0	31096333	22433595	1010103	0	23443698	8383065	7652633
Vehicles	17552170	103000	0	17655170	16656402	16457	0	16672859	895768	982311
Office Equipments	3226022	77476	0	3303498	2626950	225782	0	2852732	599072	450766
Computer	8339000	294365	0	8633366	7625874	303445	0	7929319	713126	704047
Furniture & Fixture	12755956	144491	0	12900446	11668078	166688	0	11834766	1087878	1065680
Laboratory Equipments	33008419	911399	0	33919818	25447832	1858365	0	27306197	7560587	6613621
Other Factory Equipments	18359845	1966755	0	20326599	11006770	993911	0	12000681	7353075	8325918
Computer Formulation	0	198958	0	198958	0	28599	0	28599	0	170359
Trade Mark Formulation	0	243600	0	243600	0	9150	0	9150	0	234450
T O T A L = A	989994647	28253175	0	1018247822	693977472	36491576	0	730469048	296017172	287778772
B) Research & Devp. Solapur										
i) Research & Devp. Equip.	28669879	612768	0	29282647	22927790	723634	0	23651424	5742089	5631223
ii) Research & Devp. G.Block Building	5734508	0	0	5734508	4588553	108905	0	4697458	1145955	1037050
Research & Devp. Hyderabad										
1) Electrical Installation (HYD R&D)	720169	36198	0	756367	87949	78062	0	166011	632220	590356
2) Furniture & Fixtures (HYD R&D)	2943251	134145	0	3077396	761906	575187	0	1337093	2181345	1740303
3) Research & Devp. Equip. (HYD R&D)	12881398	3393456	0	16274854	1573120	1481694	0	3054814	11308278	13220040
T O T A L = B	50949204	4176569	0	55125772	29939318	2967482	0	32906800	21009886	22218972
Grand Total (A+B)	1040943851	32429743	0	1073373594	723916790	39459058	0	763375848	317027058	309997744
C) Capital Work in Progress										
Building (WIP)	0	645772	0	645772	0	0	0	0	0	645772
Plant & Machinery – Boiler	1879325	0	0	1879325	0	0	0	0	1879325	1879325
Plant & Machinery (WIP)	0	4591259	0	4591259	0	0	0	0	0	4591259
Electrical Installation (WIP)	0	1293386	0	1293386	0	0	0	0	0	1293386
Furniture & Fixture (WIP- R&D Hyd)	0	0	0	0	0	0	0	0	0	0
Plant & Machinery (WIP GMM Reactor)	0	0	0	0	0	0	0	0	0	0
Research & Development Equipt (WIP- R & D Hyd.)	0	0	0	0	0	0	0	0	0	0
TOTAL = C	1879325	6530417	0	8409742	0	0	0	0	1879325	8409742
TOTAL (A+B+C)	1042823178	38960161	0	1081783336	723916790	39459058	0	763375848	318906383	318407486
Previous Year	997144644	64495300	18816765	1042823178	680846550	43862706	792456	723916791	316298092	318906383

Notes 3 NON CURRENT – FINANCIAL ASSETS

	Particulars	As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	Un paid Balances with Banks (Unpaid Dividend)	-		1,12,368	
2	Balance with banks to the extent held as margin money against bank Guarantee with MPCB etc	6,75,000		6,75,000	
	TOTAL		6,75,000		7,87,368

Notes 4 NON CURRENT INVESTMENTS

	Particulars	As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	49,310 equity shares of Rs. 10/- each fully paid up in Greenfield CET Plant Pvt. Ltd. Solapur	4,93,100		4,93,100	
	TOTAL		4,93,100		4,93,100

Notes 5 LONG TERM LOANS & ADVANCES

	Particulars	As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	Advance against Capital Goods	-		1,46,301	
2	Sundry Debtors (More than 1 year)				
	Less : Debtors Advance more than one year				
	TOTAL		-		1,46,301

Notes 6 NON-CURRENT RECEIVABLES

	Particulars	As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	Secured – Considered Good				
2	Unsecured – Considered Good				
3	Bad	-		-	
	Total	-		-	
	Less: Bad	-		-	
	Net Total		-		-

Notes 7 OTHER FINANCIAL ASSETS

Particulars		As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	Loans shall be Classified as				
	a) Security Deposit				
	b) Loan To Related Parties				
	c) Other Loan (Fixed Assets advance)				
2	Above Loans are sub-classified as				
	Secured- Considered Good				
	Unsecured- Considered Good				
	All Business Deposits	78,37,379		78,66,055	
	VAT, Sales Tax Income Tax Refunds			17,36,824	
	MAT Credit Entitlement (2018-19)			1,71,25,789	
	Total	78,37,379		2,67,28,668	
	Doubtful				
	Total	78,37,379		2,67,28,668	
	Less: Doubtful				
	Net Total		78,37,379		2,67,28,668

Notes 8 INVENTORIES

Particulars		As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	Inventories-(at cost except otherwise stated and as certified by Board of Director)				
1)	Raw Materials and Spares (at cost)	9,47,06,493		5,68,46,516	
2)	Packing Materials (at cost)	26,51,643		22,51,076	
3)	Work in Process (at cost)	2,57,44,897		5,46,01,124	
4)	Finished Goods (at lower of cost and net realisable value)	5,81,90,275		5,71,56,651	
	TOTAL		18,12,93,308		17,08,55,367

Notes 9 CURRENT TRADE RECEIVABLES

Particulars		As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	Secured - Considered Good				
2	Unsecured - Considered Good	21,34,60,906		24,57,39,736	
3	Doubtful				
	Total	21,34,60,906		24,57,39,736	
	Less: Doubtful				
	Net Total		21,34,60,906		24,57,39,736

Notes 10 CASH & BANK BALANCES

	Particulars	As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
	Cash and cash equivalents				
1	Cash on hand	73,483		1,21,700	
	Balances with banks				
1	Bank Balance (EEFC, SBI Saraswat etc.)	2,22,920		62,79,387	
2	FD with SBI	14,75,50,096		-	
3	Demand Deposits with SBI	1,35,75,000		2,93,25,000	
	Total		16,14,21,499		3,57,26,087

Notes 11 OTHER CURRENT ASSETS

	Particulars	As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	(Unsecured Considered Good) Advances recoverable in cash or in kind or for value to be received				
1	Staff & Other Advances	5,46,037		6,64,977	
2	Pre-Paid Insurance	44,54,162		2,29,737	
3	Pre-Paid Custom Duty	-		14,23,635	
4	INPUT SGST CGST IGST	35,84,694		1,49,46,326	
5	Prepaid Fees & Forms	-		-	
6	Interest Accrued but not due	34,96,745		20,18,840	
7	Insurance Claim Receivable from SBI Gen Insur (Fire 17.11.19)	-		4,09,36,754	
8	Pre-Paid Interest	-		-	
9	Export Incentive on FMS Receivable	1,27,91,544		18,25,186	
10	Advances to Creditors of General Material & Expenses	-		1,37,84,026	
11	IGST ON EXPORT REFUNDABLE	75,65,580		-	
12	Advance Income Tax & TDS	3,88,587		-	
13	Duty Draw Back Incentive Receivable	14,86,259		17,52,840	
14	Pre-Paid Exp (Fees & Forms, Bank charges etc.)	3,04,667		5,35,750	
	Total		3,46,18,275		7,81,18,071

Notes 12 SHARE CAPITAL

	Particulars	As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	AUTHORISED SHARE CAPITAL 1,20,000,00 Equity Shares of Rs. 10/- each (Previous Year Rs. 5 Crore Authorised Equity & Rs. 5 Crore Non-Convertible Preference Share of Rs. 10/- each)	12,00,00,000		5,00,00,000	
			12,00,00,000	5,00,00,000	10,00,00,000
2	ISSUED, SUBSCRIBED & PAID UP SHARE 11446290 Equity Shares of Rs. 10/- each fully paid (Bonus Shares of Rs. 10/- each issued to Shareholders in the proportion of 2 (Two) new equity shares for every 1 (one) share held)	11,44,62,900		3,81,54,300	
			11,44,62,900		3,81,54,300
	Details of Shareholders holding more than 5% shares in the company				
		No.of Shares	%holding in the class	No.of Shares	%holding in the class
1	Mr. Eaga Purushotham	46,31,805	40.47	15,29,235	40.08
2	Mrs. Eaga Vaishnavi	17,29,425	15.11	5,76,475	15.11

Notes 13 OTHER EQUITY

	Particulars	As At 31-03-2021 Rs.	As At 31-03-2020 Rs.
1	Securities premium	-	20,00,000
2	Capital Reserve & Incentive	21,08,600	21,08,600
3	General Reserve	1,02,33,427	5,02,33,427
4	Retained Earnings	47,81,13,416	33,21,39,150
	TOTAL	49,04,55,443	38,64,81,177

13 A OTHER EQUITY

Particulars	Reserve & Surplus						Total Equity
	Securities premium	Capital Reserve & Incentive	General Reserve	Retained Earnings	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	
As at 1st April 2020	20,00,000	21,08,600	5,02,33,427	33,21,39,150	-	-	38,64,81,177
Exercise of share options							-
Share-based payments							-
Profit for the year				17,10,74,358	-	-	17,10,74,358
Transfer to Share Capital	-20,00,000		-4,00,00,000	-3,43,08,600			-7,63,08,600
Reduction In Income Tax Refund				-	-	-	-
Remeasurement of the net defined benefit							-
Dividend & Tax paid				-			-
Short IT Provision for FY 2019-20				-1,38,911			-1,38,911
Mat Credit Excess Prov. In 19-20				93,47,419			93,47,419
Movement in cash flow hedge	-				-	-	-
As at 31st March 2021	-	21,08,600	1,02,33,427	47,81,13,416	-	-	49,04,55,443

Notes 14 LONG - TERM BORROWINGS

	Particulars	As At 31-03-2021 Rs.	As At 31-03-2020 Rs.
1	Deferral Sales Tax Loan PSI 1993 Expansion **	32,06,851	66,35,506
2	Unsecured Loans - Directors	1,34,05,060	1,34,97,954
	TOTAL	1,66,11,911	2,01,33,460
<p>Mortgage / hypothecation charge of State Bank of India, IFB Mumbai on Land & building and Plant and Machinery owned by the company situated at Plot No.273 & 274 MIDC, Akkalkot Road, Solapur 413006 & Plot No.A-27, MIDC Chincholi, Solapur- 413 255, N.A. Plots GAT No. 230/2/B/2, 233/2/B, 231/2/B, 230/2/A/2 situated at Village Chincholi, Taluka Mohol, Dist. Solapur as per Sanction Letter.</p> <p>Personal guarantee of Mr E Purushotham, Managing Director and Mrs. E Vaishnavi Director.</p> <p>** Deferred Sales Tax Loan is interest free and payable in yearly in 5 installment of each financial year after completion of 10 years and the final installment will due on 25.04.2023</p>			

Notes 15 OTHER FINANCIAL LIABILITIES (TRADE PAYABLES)

	Particulars	As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	Non Current Other Financial Liabilities (S. Crs FA)	17,95,901		24,09,122	
	TOTAL		17,95,901		24,09,122

Notes 16 DEFERRED TAX LIABILITY / (DEFERRED TAX ASSETS)

	Particulars	As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	Opening Balance	2,08,72,300		1,42,10,254	
2	Less: C.Y. Excess DTA over DTL	14,22,511		66,62,046	
	TOTAL		2,22,94,811		2,08,72,300

Notes 17 OTHER NON CURRENT LIABILITIES

	Particulars	As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	Gratuity Payable	2,46,53,585		3,04,12,600	
2	Sundry Creditors (More than -1 year)	-		-	
	TOTAL		2,46,53,585		3,04,12,600

Notes 18 SHORT – TERM BORROWINGS

	Particulars	As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	Loans Repayable on Demand * – From Bankers – From Other Parties	8,23,46,999		13,64,47,091	
2	Loans From Related Parties	-		-	
3	Deposit	-		-	
4	Others	-		-	
	TOTAL		8,23,46,999		13,64,47,091

* 1st mortgage / hypothecation charge of State Bank of India, IFB Mumbai on Land & building and Plant and Machinery owned by the company situated at Plot No.273 & 274 MIDC, Akkalkot Road, Solapur 413006 & Plot No.A-27, MIDC Chincholi, Solapur- 413 255, N.A. Plots GAT No. 230/2/B/2, 233/2/B, 231/2/B, 230/2/A/2 situated at Village Chincholi, Taluka Mohol, Dist. Solapur as per Sanction Letter.

*Personal guarantee of Mr E Purushotham , Managing Director and Mrs. E Vaishnavi Director.

Notes 19 TRADE AND TRADE PAYABLES

	Particulars	As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	Sundry Creditors	14,70,37,648		22,17,56,206	
2	Sundry Creditors (Small Scale Undertaking)	-		-	
	TOTAL		14,70,37,648		22,17,56,206

Notes 20 OTHER CURRENT LIABILITIES

	Particulars	As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
A	Revenue Received in Advance				
I	Other Statutory Liabilities (VAT, TDS, PF etc)	69,71,488	69,71,488	55,28,583	55,28,583
II	Other				
1	Salary & Wages Payable	72,99,852		62,51,879	
2	Audit & Consultancy Fees Payable	8,47,762		6,72,274	
3	Interest Payable (CC)	-		13,52,060	
4	Sales Tax Payable	-		1,29,546	
5	Unpaid Dividend - Axis Bank	-		1,12,368	
6	Defferal Sales Tax Repayment within one year (old)	-		-	
7	Defferal Sales Tax Repayment within one year (new)	34,28,656		49,14,926	
			1,15,76,270		1,34,33,053
8	Short Term Provision (Provision for Income Tax)		-		18,73,189
	TOTAL		1,85,47,758		2,08,34,825

Notes 21 REVENUE FROM OPERATIONS

Particulars		As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	Income from Operations				
1	Sales – Bulk Drugs & Drug Intermediates	1,24,28,91,995		1,29,23,95,907	
			1,24,28,91,995		1,29,23,95,907
2	Other Operating Income – Export Incentives				
1	Duty Draw Back	73,13,410		66,30,580	
2	Export Incentive on Focus Marketing Scheme (FMS)	1,48,02,450		1,17,09,383	
			2,21,15,860		1,83,39,963
	TOTAL		1,26,50,07,855		1,31,07,35,870

Notes 22 OTHER INCOME

Particulars		As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	Interest on TDR (Bank Deposits)	42,25,291		21,14,232	
2	Rate difference in Foreign Currency	6,67,846		–	
3	Insurance Claim expected from SBI Gen Insurance(Fire17.11.19)	–		4,09,36,754	
4	Interest from Others	7,19,596		4,66,114	
5	MSEB Discount	–		5,16,610	
6	Insurance Claim Received	–		1,80,480	
			56,12,733		4,42,14,190
	TOTAL		56,12,733		4,42,14,190

Notes 23 COST OF MATERIAL CONSUMED

Particulars		As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	Op.Stock of Stores Raw material	4,89,41,462		5,38,15,350	
2	Add : Purchases				
3	Purchase of Packing material	1,96,83,371		2,30,13,176	
4	Purchase of Raw material	60,33,42,265		69,39,05,827	
5	Custom Duty	2,11,99,554		2,26,55,568	
6	Freight Inward	1,59,17,141		1,79,52,261	
7	GST Set off Reversal on Damage FG (Fire17.11.2019)	–		57,25,464	
8	Job Work Charges	1,55,41,500		1,27,73,200	
9	Less Closing Stock of Stores Raw material	-8,78,61,596		-4,89,41,462	
	TOTAL		63,67,63,697		78,08,99,384

Notes 24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROCESS AND STOCK IN TRADE

	Particulars	As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	Inventory Change				
a)	Add : Opening Stock				
1	Work in Process (Bulk Drugs & Drug Intermediates)	5,46,01,124		9,85,33,223	
2	Finished Goods (Bulk Drugs & Drug Intermediates)	5,71,56,651		6,71,62,875	
			11,17,57,775		16,56,96,098
b)	Less : Closing Stock				
1	Work in Process (Bulk Drugs & Drug Intermediates)	-2,57,44,897		-5,46,01,124	
2	Finished Goods (Bulk Drugs & Drug Intermediates)	-5,81,90,275		-5,71,56,651	
			-8,39,35,172		-11,17,57,775
	TOTAL		2,78,22,603		5,39,38,323

Notes 25 EMPLOYEE'S BENEFIT EXPENSES

	Particulars	As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	Salaries and Wages Including Bonus	14,63,85,794		12,50,09,576	
2	Contribution to P. F. and other funds	72,42,408		67,38,863	
3	Staff Welfare expenses	27,83,651		39,65,709	
	TOTAL		15,64,11,853		13,57,14,148

Notes 26 FINANCE COST

	Particulars	As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	Interest on Cash Credit	43,64,180		2,23,37,062	
2	Interest to Others	21,37,769		30,85,976	
3	Bank Commission & Charges	44,31,752		63,82,203	
	TOTAL		1,09,33,701		3,18,05,241

Notes 27 OTHER EXPENSES

	Particulars	As At 31-03-2021 Rs.		As At 31-03-2020 Rs.	
1	Power and Fuel	8,86,45,933		10,62,78,188	
2	Stores and Consumables	1,87,11,245		1,84,44,007	
3	Laboratory Expenses	71,11,598		77,56,178	
4	Sales Commission & Promotion	85,83,959		1,01,70,398	
5	Travelling & Conveyance	88,54,746		1,03,91,211	
6	Research & Development Exp	40,47,460		45,33,666	
7	Rate Difference in Foreign Currency	-		65,32,383	
8	Other Expenses	2,27,24,452		2,37,10,212	
	TOTAL		15,86,79,393		18,78,16,243

NOTES TO STANDALONE FINANCIAL STATEMENT AS ON 31.03.2021

1. CORPORATE INFORMATION

Smruthi Organics Limited ('the company') is a company limited by shares, incorporated and domiciled in India under the provisions of the Companies Act 1956. The shares of the company are listed on BSE Ltd. and MSEI Ltd. The company is engaged in the manufacture of Active Pharmaceutical ingredients (API's) i.e. Bulk Drugs and Drug Intermediates unless other wisestated. The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented.

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of Smruthi Organics Limited ("the Company") have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Significant accounting policies

3. SYSTEM OF ACCOUNTING

Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of

contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

3.1 Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April 2020 and use that carrying value as the deemed cost of the property, plant and equipment.

3.2 Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1st April 2020 and use that carrying value as the deemed cost of intangible assets.

3.3 Ind AS 102 Share based payment has not been applied to equity instruments in share based.

3.4 Till the date of audit, confirmation from some Debtors, creditors and others accounts are yet confirm including the accounts closed during the year.

3.5 Ministry of Corporate Affairs (MCA) has granted relaxation under section 173 (2) of the Companies Act 2013, regarding Company can hold Board Meeting through Audio / Visual means (Video Conferencing). Considering relaxation allowed by MCA, the Company has conducted its Board Meeting and AGM by Video Conferencing during the year.

4. HISTORICAL COST CONVENTION

The financial statements have been prepared on a historical cost basis, except for the followings:

- 4.1 Certain financial assets and liabilities that are measured at fair value; (refer accounting policy regarding financial instruments)
- 4.2 Defined benefit plans – plan assets measured at fair value
Current and non-current classification

An asset is classified as current if:

- 4.2.1 it is expected to be realized or sold or consumed in the Company's normal operating cycle;
 - 4.2.2 It is held primarily for the purpose of trading;
 - 4.2.3 It is expected to be realized within twelve months after the reporting period; or
 - 4.2.4 It is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

5. LIABILITY IS CLASSIFIED AS CURRENT IF

- 5.1 It is expected to be settled in normal operating cycle;
- 5.2 It is held primarily for the purpose of trading;
- 5.3 It is expected to be settled within twelve months after the reporting period;
- 5.4 It has no unconditional right to defer the settlement of the liability for at least twelve months after reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalents. Based on the nature of products and time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

6. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The chairman and Managing Director has been identified as being the Chief Operating Decision Maker.

During the year Company has spent for new segment business viz. Formulation Rs. 28,45,202/- . (including advance). The commercial operation of formulation business did not start in FY 2020 – 21.

7. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Indian Rupees, which is also the functional currency of the Company. All financial information presented in Indian Rupees has been rounded to the nearest Rupee.

The segment results are as under:
(Rs. in Lakhs)

Sr.No.	Particulars	Total
1	Gross revenue	14,271
2	Net Revenue	12,706
3	Segment expenses	10,301
4	Profit before interest, depreciation & tax	2,909
5	Segment Profit/Loss before tax	2,406
6	Tax Expenses (DTL)	695
7	Profit /Loss (-) after tax	1,711

8 FOREIGN CURRENCY TRANSACTIONS

8.1 Functional and Presentation Currency

Item included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') the financial statements are presented in Indian Rupee (Rs.), which is Smruthi Organics functional and presentation currency.

8.2 Transactions and Balances

Foreign Exchange Transactions are translated into the functional currency using the exchange rate of the dates of the transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary liabilities denominated in foreign currencies at year end exchange rate are generally recognized in statement of profit and loss.

Non-monetary items that are measured in items of historical cost in a foreign currency, using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on liabilities carried at fair value are reported as part of the fair value gain or loss.

9. EARNINGS / EXPENDITURE IN FOREIGN CURRENCY

Expenditure in Foreign Currency

Particulars	For the year ended 31st March 2021 (\$)	For the year ended 31st March 2020 (\$)
Purchase of Raw Materials / Packing Materials	34,83,260	40,39,268
Other expenses	1,07,512	94,348
Total \$	35,90,772	41,33,616

Earnings Foreign Currency

Particulars	For the year ended 31st March 2021 (\$)	For the year ended 31st March 2020 (\$)
FOB Value of Exports	76,00,005	64,27,320
Foreign Exchange Gain	9,148	0.00
Total	76,09,153	64,27,320

10. REVENUE RECOGNITION

10.1 Revenue From Sale of Goods

Revenue from Sale of Goods is recognized when all the significant risk and rewards of ownership have been transferred to the buyer, revenue can be measured reliably, the costs incurred can be measured reliably, it is probable that the economic benefits associated to

the transaction will flow to the entity and there is no continuing management involvement with the goods. Transfer or risks and rewards vary depending on the individual terms of contract of sale. Revenue from sale if goods are stated inclusive of GST and net of returns, trade allowances, rebates, GST and amounts collected on behalf of third parties.

Revenue From Operations

(Rs. In Lakhs)

Particulars	31/03/2021	31/03/2020
Revenue from :		
Export Sales	5782.46	4763.29
Domestic Sales	6646.46	8160.67
Other Operating Revenue	221.16	183.40
Total Revenue from operations	12650.08	13107.36

10.2 Interest Incomes

For all financial instruments measured at amortizes cost, interest income recognized using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period where appropriate, to the net carrying amount of the financial asset. Interest income is included in Other Income in the Statement of Profit and Loss.

normal income tax rates applicable to domestic companies having gross turnover below Rs. 250.00 crores.

Income Tax is computed after adjustments of Other Comprehensive income (Foreign Exchange fluctuation amount).

Deferred income tax is provided in full, using the liability method, on temporal difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws)

10.3 Other Income

(Rs. In Lakhs)

Particulars	31/03/2021	31/03/2020
Interest Income	49.45	25.80
Foreign Exchange Gain	6.67	0.00
Fire Insurance Claim from SBI General Insurance against Fire damage at factory place on 17.11.2019	0.00	409.37
Miscellaneous Income	0.00	6.97
Total	56.12	442.14

11. INCOME TAXES

The income tax expense or credit for the period is the tax payable on the current period taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated as the company is under

that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and un used tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses
Deferred tax liabilities are not

recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary difference between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balance relate to the same taxation, authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the assets and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively

Deferred Tax Assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly MAT is recognized as deferent tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future entomic benefit associated with the

asset will be realized. During the year Deferred Tax Liability is calculated and Rs. 14.23 lakhs is debited to Profit and Loss account by crediting the Deferred Tax Liability.

12. IMPAIRMENT

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss will be recognized for the amounts by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash in flows from other assets or group of assets (cash- generating units). Non- financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

13. CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowing in current liabilities in the balance sheet.

14. TRADE RECEIVABLES

Trade receivables are recognized initially at fair value and subsequently

measured at amortized cost using the effective interest method, less provision for impairment.

The Company's credit period for

customers generally ranges from 60–90 days. The aging of trade receivables that are past due but not impaired is given below

Particulars Period (in days)	As of 31 March (Rs. In Lakhs)	
	2021	2020
1 – 90	1779.27	1717.89
90 – 180	79.68	391.61
More than 180	275.66	347.90
Total	2134.61	2457.40

15. INVENTORIES

Cost of raw materials and stores comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials labour and an appropriate preparation of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also included all other cost incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated costs of completion and the estimated necessary to make the sale. Items held for use in production of inventory are not written below cost if the finished product in which there will be incorporated are expected to be sold at or above cost.

16. The fire insurance claim received of Rs. 379.56 lakhs on 23.09.2020 against of Rs. 409.37 lakhs. The balance of Rs. 29.81 lakhs is transferred to Profit and Loss account on account of loss .
17. The company has applied for export incentive with Famous Market Scheme up to December, 2020 as eligible and balance is receivable up to 31.03.2021 of Rs. 127.92 lakhs.
18. The company has filled legal action case for recovery against defaulted debtors amounting to Rs. 320.00 lakhs. Out of defaulted debtors, Rs. 56.00 lakhs

recovered and Rs. 25.00 lakhs have been deposited with H'ble High Court .

19. The company has made payment of Rs. 141600 in favour of JIGS Chemical Limited Ahmadabad. But the cheque is honored for Rs. 441600 in favour of M D Abuzar. As informed by the management the amount mentioned in the cheque is altered by courier/others and it is cleared for Rs.441600 by SBI of instead Rs. 141600. Proper legal action to be initiated to recover this amount with interest from SBI and others.

20. INVESTMENTS AND OTHER FINANCIAL ASSETS

20.1 Classification

The company classifies its financial assets in the following measurements categories:

- 20.1.1 Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- 20.1.2 Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair values, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instrument, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the company has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The company reclassifies debt investments when and only when its business model for managing those assets changes.

20.2 Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair at its value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

20.3 Impairment of Financial Assets

For trade receivable only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

21 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the balance sheet where there is a legally enforceable right to offset the recognized amount and there is an intention to settle on a net basis or realize the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on further events and must be enforceable in the normal courses of business and in the event of default, insolvency or bankruptcy of the company or the counter party.

Set out below, is a comparison by class of the carrying amounts and fair value of the Financial instruments, other than those with carrying amounts that are reasonable approximations of fair values

(Rs. In Lakhs)

Particulars	Carrying Value			Fair Value		
	Mar-21	Mar-20	Mar-19	Mar-21	Mar-20	Mar-19
Financial assets						
Cash and cash equivalents	1614.21	357.26	415.60	1614.21	357.26	415.60
Trade receivables	2134.62	2457.40	3639.20	2134.62	2457.40	3639.20
Other Financial assets	2159.11	2489.73	2872.87	2159.11	2489.73	2872.87
Total	5907.94	5304.39	6927.68	5907.94	5304.39	6927.68
Financial liabilities	653.56	738.27	739.65	653.56	738.27	739.65
Borrowings	823.47	1364.47	2517.56	823.47	1364.47	2517.56
Trade payables	1470.37	2217.56	2988.90	1470.37	2217.56	2988.90
Other Financial liabilities	185.48	208.35	206.70	185.48	208.35	206.70
Total	3132.88	4528.65	6452.81	3132.88	4528.65	6452.81

Rs. 56.00 lakhs is recovered against suit filled cases and for balance of Rs. 264.00 lakhs legal action is obtained by the company for recovery and subject to Foreign exchange rate difference at the time of realization of exchange for Export receivable, import payable and bank loan.

22. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment
Leasehold land is carried at historical costs. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Cost includes cost of acquisition, installation or construction, other direct expenses incurred to bring the assets to its working condition and finance costs incurred up to the date the asset is ready for its intended use and excludes GST eligible for credit / setoff.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the same are depreciated separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest. All identifiable Revenue expenses including interest incurred in respect of various projects / expansion, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress. Capital expenditure on tangible assets for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in the case of the retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

23. INTANGIBLE ASSETS

Identifiable intangible assets are recognised at cost and when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. The asset is reviewed at the end of each reporting period is tested for impairment.

Depreciation for Company

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Property, plant and equipment are provided on written down value method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of the land is beyond the life of the building. In other cases, building constructed on leasehold lands are amortised over the primary lease period of the lands. The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is

greater than its estimated recoverable amount.

24. TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are

recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

25. BORROWINGS

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowings

(Rs. In Lakhs)

Particulars	31/03/2021		31/03/2020	
	Current	Non Current	Current	Non Current
Secured Borrowings:				
Working Capital Facilities (includes of FD-OD)	823.47	0.00	1364.47	0.00
Other Short term Borrowings	0.00	0.00	0.00	0.00
Total	823.47	0.00	1364.47	0.00

26. PROVISION AND CONTINGENCIES

Provisions are measured at the present value of management's best estimate of the liabilities based on the facts known at the balance sheet date. Expenditure required to settle the present obligation at the end of the reporting period. The

discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expenses.

The following are the details of contingent liabilities and commitments:

Particulars	31/03/2021	31/03/2020
Contingent Liabilities (Rs. in lakhs)		
a) Claims against the company/disputed liabilities not acknowledged as debts	0.00	0.00
b) Guarantees	0.00	0.00
Bank Guarantees	39.00	27.00
Total	39.00	27.00

27. MSME

As per notification dated 22nd January 2019, Disclosure of payable to MSMEs

under section 22 of the Companies Act 2013, additional information of the accounts with respect to the amount due the MSMEs

(Rs. In lakhs)

Particulars	As at March 31,2021
Trade Payables	
Non – current	17.96
Due to other than micro, small & medium enterprises	
Total non – current	17.96
Current	
a) Due to micro, small & medium enterprises	33.26
b) Due to other than micro, small & medium enterprises	1441.97
Total Current Trade Payables	1475.23
<p>The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act 2006. The disclosure pursuant to the said Act is as under:</p>	
Principal amount due to suppliers under MSMED Act	33.26
Interest accrued and due to suppliers under MSMED Act on the above amount	0.27
Payment made to suppliers (other than interest) beyond appointed day during the year.	Nil
Interest paid to suppliers under MSMED Act	Nil
Interest due and payable to suppliers under MSMED Act towards payments already made	Nil
Interest accrued and remaining unpaid at the end of the accounting year.	Nil
<p>Note: The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.</p>	

28. EMPLOYEE BENEFITS

28.1 Short-Terms Obligations

Liabilities for wages and salaries, bonus, ex-gratia etc. that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognized in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

28.2 Other Long-Term Employee Benefit Obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are to be measured as the present value of expected future payments to be made in respect of service provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of the reporting period that have terms approximating to the terms related obligations. The company has provided earned leave amount of Rs.1731139/- on the basis of unutilized leave of employees at the year end.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period,

regardless of when the actual settlement is expected to occur. Defined benefit liability and employer contributions:

The company has purchased insurance policy to provide for payment of gratuity to the employees. Forth year the insurance company carries out a funding valuation based on the latest employee data provided by the company. Balance fund of gratuity is to be payable by the company of Rs.24653785/- for further payment obligations. During the year under audit the company has paid Rs. 9580836/- to LIC Group Gratuity Fund. The company has to be provide actuarial valuation amount given by LIC for gratuity and earned leave salary as per accounting standard. During the year provision for gratuity is Rs. 38,21,821/-.

Post-employment obligations:

The company operates the following post-employment schemes:

- a) Defined benefit plans such as gratuity and;
- b) Defined contribution plans such as provident fund

28.3 Defined Contribution Plans

The company pays provident fund contributions to publicly administered funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined en they are due.

29 DIVIDEND

During The Year, The Company Has Not Declared Any Dividend.

30. CONTRIBUTION TO EQUITY

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Bonus shares are issued during the year.

31. EARNINGS PER SHARE

31.1 Basic earnings per share on pre-bonus equity share capital Rs.44.84 & on post bonus equity share capital Rs. 14.95 is calculated by dividing paid equity shares.

31.1.1 The profit attributable to owners of the company

31.1.2 By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

31.2 Diluted earnings per share on pre-bonus equity share capital Rs.44.84 & on post bonus equity share capital Rs. 14.95 is calculated by dividing paid equity shares.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

31.2.1 After income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

31.2.2 The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

32. GST

GST collected on sales is excluded in Gross Sales. Value of closing stock of finished goods excludes the GST paid/payable on such stock wherever applicable.

33. RESEARCH AND DEVELOPMENT

Revenue Expenditure on research and development is expensed in the period in which it is incurred. Capital expenditure on research and development is shown as additional fixed assets.

Expenditure details on R&D for FY2020-21 and 2019-20 (Rs in lakhs)

Particulars	2020 - 21	2019 - 20
a) Capital		
i) Solapur R&D Center	6.13	4.92
ii) Hyderabad R&D Center	35.64	165.45
Total Capital	41.77	170.37
b) Recurring		
i) Solapur R&D Center	150.29	67.67
ii) Hyderabad R&D Center	162.67	126.32
Total Recurring	312.96	193.99
Gross Total of R&D Expenditures	354.73	364.36
Total R&D Expenditure as a Percentage of total turnover:	2.85%	2.82%

34. ADDITIONAL INFORMATION PERTAINING TO STATEMENT OF PROFIT AND LOSS

Sr. No.	Nature of Income / Expenses	Current Year		Previous Year	
		Amount In Foreign Currency (USD)	Amount In (INR)	Amount In Foreign Currency (USD)	Amount In (INR)
1	Export Earning	76,00,005	57,82,45,319	64,27,320	47,63,28,489
2	Sales Commission	71,580	53,07,257	22,912	15,98,911
3	Travelling Expenses	00.00	00.00	16,481	10,04,310
4	Import Raw Material	34,83,260	25,84,07,383	40,39,268	28,56,83,551

35. RELATED PARTY TRANSACTION

Name of the related party	Relationship	Nature of Transaction	Transaction value in Rs.	Balance O/S - Receivable/ (-) Payable as on date of Balance sheet Rs	Amount written off/back
Mr. E. Purushotham	Managing Director of the Company	Unsecured Loan Interest paid	9,16,584		NIL
		Outstanding Loan Balance	21,53,607 -21,53,607	- 98,05,060	
		Remuneration	1,44,00,000	NIL	NIL
Smruthi Chemicals & Intermediates (Proprietor Mrs. E.Vaishnavi)	Director in Company and wife of Managing Director	Job work done by SC&I	1,67,72,636	NIL	NIL
		Job Work done by SOL	2,99,464	NIL	NIL
		Raw Material purchase (High seas / Local from SOL)	52,21,294	24,78,000	NIL
Mrs. E. Vaishnavi	Director in Company and wife of Managing Director	Interest paid on Unsecured Loan	3,36,531		NIL
		Outstanding Loan Balance	3,57,685 -4,50,579	-36,00,000	
		Car EMI paid	10,12,132	NIL	NIL
Mr. Eaga Swapnil	Director of the Company and Son of Managing Director	Car Rent paid	4,88,202	NIL	NIL
		Remuneration	1,20,00,000	NIL	NIL
Mrs. Eaga Rimika Swapnil	Daughter -in -law of Managing Director	Remuneration	33,00,000	NIL	NIL

36. CONTINGENT LIABILITY AND COMMITMENTS

A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

A present obligation arising from past events, when no reliable estimate possible;

A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

37. CRITICAL ESTIMATES AND JUDGMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Managements also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity and of item which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statement.

The areas involving critical estimates or judgments are:

- 37.1 Estimation of current expense and payable
- 37.2 Estimation of defined benefit obligations
- 37.3 Allowance for uncollected accounts receivable and advances—Trade receivable do not carry any interest and are stated

at their nominal value as reduced by appropriate allowances for estimated irrevocable amounts. Individual trade receivable are written off when management deems them not to be collectible.

Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

38 CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

The Company has incurred towards CSR of Rs. 8.06 Lakhs during the year.

39. RISK EXPOSURE

Through its defined benefit plans, the company is exposed to a number of risk, the most significant of which are detailed below;

Interest Rate Risk: The plan exposes the Company to the risk of change in interest rate of the borrowings

Salary Escalation Risk: The present value of the defined benefit is not calculated with the assumption of salary increase rate of plan participants in future.

Demographic Risk: The Company has to use certain mortality and attrition in assumption in valuation of the liability. The company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Asset Liability Mismatching or Market Risk: The Company operates internationally and a major portion of the business is transacted in several

currencies and consequently the company is exposed to foreign exchange risk to the extent that there is mismatch between the currencies in which its sales and purchases from overseas suppliers in various foreign currencies. Market Risk is the risk that changes in market prices such as foreign exchange rates will effect groups income or value of its holding financial assets / instruments.

Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks, market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operation and financial assets includes trade receivables and other receivables etc. that arise from its operations

Credit Risk

Credit risk refers to the risk of default on its obligation by the customer / counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is carrying value of respective financial assets. Trade receivables and unbilled revenue are typical unsecured and are derived from revenue earned from customers. Credit risk has always been managed by each business segment through credit approvals establishing credit limits and

continuously monitoring the credit worthiness of customers to which the Company grants credit terms in normal course of business. On account of adoption of Ind AS 109 the Company uses expected credit loss model to assess the impairment loss or gain. Liquidity Risk

The Company's principle sources of liquidity are cash and cash equivalents, current investments and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived. The Company closely monitors its liquidity position and maintains adequate source of funding.

40 COVID

The operations of the Company were impacted for about 3 to 4 months due to COVID 19 pandemic. The Company has resumed operations in a phased manner as per directives from the Government and local authorities. Evaluation of this pandemic on business operations and financial position has revealed that there will be no significant impact on company's financial results as at March 31, 2021. However, the impact assessment of COVID-19 will be a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor such impact to future economic conditions.

N. R. Waghchaure & Associates
Chartered Accountants,
FRN : 114999W

Nilkanth R Waghchaure
Proprietor
ICAI Membership No :048890

PLACE : Solapur
DATE : April 23, 2021

For & on behalf of Board of Directors

Eaga Purushotham
Managing Director
DIN : 00033583

Eaga Swapnil
Executive Director & CFO
DIN : 01241535

Urvashi Khanna
Company Secretary & Compliance Officer



Smruthi Organics Limited

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