

PAUSHAK

Your Strategic Source For Phosgene Derivatives



48TH ANNUAL REPORT 2020-21



Responsible Care[®]
OUR COMMITMENT TO SUSTAINABILITY

PAUSHAK LIMITED

Board of Directors

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

Chief Financial Officer

Ms. Kirti Shah

Company Secretary

Ms. Manisha Saraf

Statutory Auditors

Maloo Bhatt & Co.
Chartered Accountants
204-207, Parshwa Complex,
Near Cash n Carry,
Subhanpura Road, Ellorapark,
Vadodara – 390 023.

Manufacturing Facility

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

Registrar and Transfer Agents

Link Intime India Private Limited
B – 102 & 103, Shangrila Complex,
1st Floor, Opp. HDFC Bank,
Near. Radhakrishna Char Rasta,
Akota, Vadodara – 390 020.
Tel: +91 265 2356573, 6136000
Fax: +91 265 2356791
Email: vadodara@linkintime.co.in
Website: www.linkintime.co.in

Registered Office

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

Stock Exchange

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

NOTICE

NOTICE is hereby given that the **Forty Eighth Annual General Meeting** of the Members of **Paushak Limited** will be held on Tuesday, the 3rd August, 2021 at 4:00 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year 2020-21.
3. To appoint a Director in place of Mr. Chirayu Amin (DIN: 00242549), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

Re-appointment of Mr. Abhijit Joshi (DIN: 06568584) as a Whole-time Director and Chief Executive Officer (CEO) of the Company.

"**RESOLVED THAT** pursuant to the provisions of Sections 152, 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') (including any statutory modification(s) / amendment(s) / re-enactment(s) thereto) read with Schedule V to the Act and relevant rules framed thereunder and recommendation of the Nomination and Remuneration Committee, the approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Abhijit Joshi (DIN: 06568584) as Whole-time Director and Chief Executive Officer (CEO) of the Company, not liable to retire by rotation, for a period of 3 years w.e.f. 1st May, 2021 on such terms and conditions including remuneration as mentioned in the explanatory statement annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the remuneration and terms and conditions of said re-appointment to the extent recommended by the Nomination and Remuneration Committee, from time to time as may be considered appropriate, subject to the overall limits specified in the Act and as may be agreed to between the Board of Directors and Mr. Abhijit Joshi.

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

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

Continuation of Directorship of Mr. Chirayu Amin (DIN: 00242549), Director in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, notwithstanding that he has attained the age of 75 years.

"**RESOLVED THAT** pursuant to the provisions of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") and the applicable provision of the Companies Act, 2013 (including any statutory modification(s) / amendment(s) / re-enactment(s) thereto) and relevant rules framed thereunder and recommendation of the Nomination and Remuneration Committee, approval of the members be and is hereby accorded to the continuation of directorship of Mr. Chirayu Amin (DIN: 00242549) as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation, after his attaining 75 years of age on 4th December, 2021.

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

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

Payment of commission to Mr. Udit Amin (DIN: 00244235), Non-Executive Director of the Company.

"**RESOLVED THAT** pursuant to the provisions of Regulation 17(6)(ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") and the applicable provisions of the Companies Act, 2013, (the 'Act') (including any statutory modification(s) / amendment(s) / re-enactment(s) thereto) and relevant rules framed thereunder, recommendation of the Nomination and Remuneration Committee and subject to the maximum remuneration approved by the members at the 45th Annual General Meeting held on 6th August, 2018, approval of the members of the Company be and is hereby accorded for payment of commission of ₹145 Lacs amounting to 2.91% of the net profits of the Company, computed in accordance with the mechanism provided under Section 198 of the Act to Mr. Udit Amin (DIN: 00244235) for the financial year ending on 31st March, 2021, in addition to the sitting fees being paid by the Company for participating in the Board/Committee Meetings of the Company.

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

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

Ratification of Remuneration to the Cost Auditor for the financial year 2021-22:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) (including any statutory modification(s) / amendment(s) / re-enactment thereof) read with relevant rules framed thereunder, the remuneration payable to M/s. Santosh Jejurkar & Associates, Cost Accountants having Firm Registration No.102697 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2021-22 amounting to ₹0.36 Lacs plus applicable taxes, travelling and other out-of-pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 02/2021 dated 13th January, 2021 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the “Act”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations, 2015”) and MCA Circulars, the AGM of the Company will be held through VC / OAVM.
2. Since this AGM is being held through VC / OAVM, pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.**
3. In compliance with the aforesaid MCA Circulars and Securities and Exchange Board of India (“SEBI”) Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 read with SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report will also be available on the Company’s website www.paushak.com, website of stock exchange i.e. BSE Limited at www.bseindia.com and website of National Securities Depository Limited (“NSDL”) at www.evoting.nsdl.com
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The explanatory statement and the resolution for the agenda item at sr. no. 4 shall also be treated as compliance with the requirement of Section 190 of the Act.
6. The details of the Directors seeking re-appointment at the AGM pursuant to the provisions of Regulation 36(3) of the SEBI Listing Regulations, 2015, para 1.2.5 of the Secretarial Standards on General Meetings (SS-2) and other applicable provisions are provided in Annexure - A to this Notice.
7. All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send a request from their registered Email Id mentioning their name, DP ID and Client ID / Folio No., PAN, Mobile No. to the Company at investors@paushak.com
8. The Register of Members and the Share Transfer Books of the Company will remain closed from 28th July, 2021 to 3rd August, 2021 (both days inclusive), for the purpose of payment of dividend.
9. The dividend when sanctioned will be made payable on or before 7th August, 2021, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be despatched to the registered addresses. To avoid delay in receiving the dividend, members are requested to update their bank details by following the process mentioned at point no.14.
10. In accordance with the prevailing provisions of the Income Tax Act, 1961, the Company would be required to deduct tax at source (TDS) at the prescribed rates on the dividend paid to its shareholders after 1st April, 2020. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Therefore, the members are requested to update their PAN to avoid deduction of tax at higher rate by complying with the process mentioned hereunder at point no.14.

Members are requested to visit the website of Company’s Registrar & Share Transfer Agent, Link Intime India Pvt. Limited (“LIPL”) and upload applicable documents such as Form 15G/15H, documents u/s. 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax Certificate at <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> in order to enable the Company to determine the appropriate TDS / withholding tax rate applicable.

11. As per the provisions of Section 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended ("IEPF Rules, 2016"), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund (IEPF), a fund constituted by the Government of India under Section 125 of the Act.

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

Members who have not claimed dividend for previous year(s) are requested to claim the same by approaching the Company or LIPL.

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

| Date of Declaration of Dividend | Dividend for Financial Year | Proposed Month and Year of Transfer to IEPF |
|---------------------------------|-----------------------------|---|
| 7 th August, 2014 | 2013-14 | September, 2021 |
| 13 th August, 2015 | 2014-15 | September, 2022 |
| 11 th August, 2016 | 2015-16 | September, 2023 |
| 2 nd August, 2017 | 2016-17 | September, 2024 |
| 6 th August, 2018 | 2017-18 | September, 2025 |
| 7 th August, 2019 | 2018-19 | September, 2026 |
| 4 th August, 2020 | 2019-20 | September, 2027 |

12. All the work related to share registry in terms of both physical and electronic are being conducted by LIPL, B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020 Tel: +91 265 6136000 I 2356573, Email ID: vadodara@linkintime.co.in. The Shareholders are requested to send their communication to the aforesaid address.
13. Additionally, the Company has designated an exclusive Email ID: investors@paushak.com for redressal of Shareholders'/ Investors' complaints/ grievances. In case you have any queries, complaints or grievances, then please write to us at the above mentioned e-mail ID.
14. Process for registration of Email ID for obtaining Annual Report, User ID and password for e-voting and updation of PAN and bank account mandate for receipt of dividend:
- In case shares are held in physical mode, members are requested to visit on the website of LIPL at https://linkintime.co.in/EmailReg/Email_Register.html and upload the documents required therein.
 - In case shares are held in demat mode, members are requested to update Email ID, PAN and bank account details either with their respective Depository Participants or by visiting on the web-link as mentioned at (i) above.
15. **Voting through Electronic Means and Declaration of Results:**

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, 2015 and in terms of SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9th December, 2020 in relation to e-Voting facility provided by Listed Companies, the Company is pleased to provide its members the facility of casting votes electronically ("remote e-voting"), through the e-voting services provided by NSDL on all the resolutions set forth in this Notice.

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

- Notice Board of the Company at its Registered Office;
- Company's website www.paushak.com;
- NSDL' website www.evoting.nsdl.com; and
- Stock exchange' website www.bseindia.com

The instructions for casting your vote electronically are as under:

- The remote e-voting period begins on 31st July, 2021 (9:00 a.m. IST) and ends on 2nd August, 2021 (5:00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in dematerialised form, as at the cut-off date of 27th July, 2021 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-voting facility either during the aforesaid voting period or during the AGM.

Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting then he /she can use his / her existing User ID and password for casting the vote.

In case of Individual shareholders holding securities in demat mode and who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “**Login method for remote e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**”

- ii. The members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- iii. Those members, who will be present in the AGM through VC / OAVM and have not casted their vote through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting facility during the AGM.
- iv. M/s. Samdani Shah & Kabra, Practising Company Secretaries, Vadodara has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- v. The details of the process and manner for remote e-voting and e-voting during the AGM are as under:

Step 1: Access to NSDL e-Voting system

A Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:

Pursuant to SEBI Circular No. SEBI/HO/ CFD/CMD/CIR/P/2020/242 dated 9th December, 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 account(s) in order to access e-Voting facility.

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

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. 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 options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual AGM & 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 held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual AGM & voting during the meeting. |

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, can login through their user ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest, the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once logged-in, 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. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual AGM & voting during the meeting. |

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

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

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800-1020-990 and 1800-224-430 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43 |

B Login method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

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

- 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, your Password / OTP and a Verification Code as shown on the screen.
- Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below :

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

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

Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system:

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "**EVEN 116077**" of the Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the AGM. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number from depository.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- i) Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, through their registered Email ID to the Scrutinizer at cssamdani@gmail.com with a copy marked to evoting@nsdl.co.in
- ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- iii) In case of any queries/grievances connected with e-voting, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of NSDL at www.evoting.nsdl.com or call on toll free no.: 1800-1020-990 and 1800-224-430 or send a request to Ms. Soni Singh at evoting@nsdl.co.in.

16. Instructions for members for attending the AGM through VC / OAVM:

- i) Members will be able to attend the AGM through VC / OAVM or view the live webcast of the AGM provided by NSDL at <https://www.evoting.nsdl.com> following the steps mentioned above for access to NSDL e-Voting system. After successful login, you can see link of VC / OAVM placed under Join General Meeting menu against company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu.

Members who do not have the User ID and password for e-voting or have forgotten the User ID and password may retrieve the same by following the remote e-voting instructions mentioned in this Notice.

- ii) Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for members on first come first served basis. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered Email ID mentioning their name, DP ID and Client ID / Folio No., PAN, Mobile No. to the Company at investors@paushak.com from 27th July, 2021 to 30th July, 2021. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. Further, Members who would like to have their questions / queries responded to during the AGM, are requested to send such questions / queries in advance within the aforesaid date, by following similar process as mentioned above. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.
- iii) Members who need assistance before or during the AGM, can contact Ms. Soni Singh, Assistant Manager, NSDL on evoting@nsdl.com / 1800-1020-990 and 1800-224-430.

17. Recommendation to the members:

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

By Order of the Board,

Manisha Saraf
Company Secretary

Date: 10th May, 2021
Place: Vadodara

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

Item No. 4

Mr. Abhijit Joshi (DIN: 06568584) was appointed as the Whole-time Director & CEO of the Company for a period of three years with effect from 1st May, 2018 to 30th April, 2021 by the members at the 45th Annual General Meeting held on 6th August, 2018. Accordingly, the present term of his office has come to an end on 30th April, 2021.

Mr. Abhijit Joshi has done his Masters in Organic Chemistry and Production Management. He has vast experience of 40 years in the fields of basic research, tech-transfer, production and manufacturing site administration, etc. Keeping in view, the contribution made by Mr. Abhijit Joshi to the growth of the Company, the Board of Directors at its meeting held on 29th January, 2021, based on the recommendation of Nomination and Remuneration Committee and subject to member's approval, approved the re-appointment of Mr. Abhijit Joshi as Whole-Time Director and CEO for a period of three years w.e.f. 1st May, 2021.

Remuneration will consist of Basic Salary, Perquisites and other allowance/benefits (as per the rules of the Company) up to maximum CTC of Rs. 90 Lacs per annum, as may be determined by the Board of Directors of the Company based on the recommendation of Nomination & Remuneration Committee for each financial year within the above referred limit.

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

None of the Directors, Key Managerial Personnel and their relatives other than Mr. Abhijit Joshi, has any concern or interest, financial or otherwise, in the resolution set forth at Item No. 4 of this Notice.

Item No. 5

Mr. Chirayu Amin (DIN: 00242549), Non-Executive Non-Independent Director of the Company would be attaining the age of 75 years on 4th December, 2021. In view of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the continuation of Mr. Chirayu Amin as a Non-Executive Director beyond 4th December, 2021, consent of the members would be required by way of a Special Resolution.

Mr. Chirayu Amin has rich and varied experience in the Industry and has been involved in the operations of the Company for over four decades. The Company has achieved stability and growth under his leadership, management and guidance and his continued services will be beneficial to the Company in the long run. It is in the interest of the Company to continue to avail his valuable expertise.

The Board of Directors at its meeting held on 10th May, 2021, based on the recommendation of Nomination and Remuneration Committee and subject to member's approval, approved the continuation of directorship of Mr. Chirayu Amin as a Non-Executive Non-Independent Director of the Company.

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

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

Item No. 6

The Company had obtained approval from its members by way of a Special Resolution passed at the 45th Annual General Meeting held on 6th August, 2018 enabling the Board of Directors to pay commission of upto 3% of the net profits of the Company, computed in accordance with the mechanism provided under Section 198 of the Companies, Act 2013 to Mr. Udit Amin (DIN: 00244235), Non-Executive Director for a period of 5 years w.e.f. the financial year ending 31st March, 2018.

Pursuant to Regulation 17(6)(ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is also required to obtain approval of shareholders by way of a special resolution, for approving the payment of the above referred remuneration.

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

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

None of the Directors, Key Managerial Personnel and relatives thereof other than Mr. Chirayu Amin and Mr. Udit Amin and their relatives, have any concern or interest, financial or otherwise, in the resolution set forth at Item No. 6 of this Notice.

Item No. 7

In accordance with the provisions of Companies (Cost Records and Audit) Rules, 2014, the Company is required to get its cost records audited from a qualified Cost Accountant. The Board of Directors at its meeting held on 10th May, 2021, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Santosh Jejurkar & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2021-22.

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

Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year 2021-22 as set out in the resolution for aforesaid services to be rendered by them.

The Board of Directors recommends the resolution as set forth at Item No. 7 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof has any concern, interest, financial or otherwise in the resolution set forth at Item No. 7 of this Notice.

By Order of the Board,

Manisha Saraf
Company Secretary

Registered Office: Alembic Road, Vadodara – 390 003

CIN: L51909GJ1972PLC044638

Tel: +91 265 2280550

Website: www.paushak.com

Email ID: investors@paushak.com

Date: 10th May, 2021

Place: Vadodara

ANNEXURE A

Details of the Directors seeking re-appointment at the AGM, pursuant to the provisions of Regulation 36(3) of the SEBI Listing Regulations, 2015, para 1.2.5 of SS-2 and other applicable provisions are as under:

| Name of the Director | Mr. Chirayu Amin | Mr. Abhijit Joshi |
|---|--|--|
| Age | 74 years | 64 years |
| Qualification | B.Sc. & M.B.A | M.A. (Masters in Organic Chemistry and Production Management) |
| Experience | 53 years | 40 years |
| Terms and Conditions of re-appointment along with details of remuneration sought to be paid | The details are provided in the resolution at Item No. 5 of this Notice. | The details are provided in the resolution at item no. 4 of this Notice. |
| Nature of expertise in specific functional areas | Management & Leadership | Manufacturing, Management & Leadership |
| Date of first appointment on to the Board | 18 th August, 2005 | 1 st May, 2013 |
| Directorship in other companies as on 31 st March, 2021 | 1. Alembic Pharmaceuticals Limited 2. Alembic Limited 3. Shreno Limited 4. Nirayu Limited | 1. Alembic Limited |
| Chairmanship / Membership of Committees of other Board | <p>Alembic Pharmaceuticals Limited</p> <ul style="list-style-type: none"> - Member of Nomination and Remuneration Committee - Chairman of Corporate Social Responsibility Committee <p>Alembic Limited</p> <ul style="list-style-type: none"> - Member of Nomination and Remuneration Committee <p>Shreno Limited</p> <ul style="list-style-type: none"> - Member of Nomination and Remuneration Committee - Chairman of Stakeholders Relationship Committee - Chairman of Corporate Social Responsibility Committee <p>Nirayu Limited</p> <ul style="list-style-type: none"> - Chairman of Corporate Social Responsibility Committee | NIL |

For other details such as number of meetings of the board attended during the year, remuneration drawn no. of Shares held in the Company as on 31st March, 2021 and relationship with other directors and key managerial personnel in respect of above Directors, please refer Corporate Governance Report which is part of this Annual Report.

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting their 48th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2021.

1. Operations and State of Affairs of the Company:

(₹ in Lacs)

| Particulars | Year ended on 31 st March, 2021 | Year ended on 31 st March, 2020 |
|--|---|---|
| Revenue from Operations | 14,099.97 | 13,790.50 |
| Other Income | 613.47 | 459.95 |
| Profit for the year before Interest, Depreciation & Amortization and Tax | 5,659.74 | 4,741.31 |
| Less: | | |
| Interest (net) | 4.91 | 7.67 |
| Depreciation & Amortization expense | 495.95 | 438.21 |
| Profit before Exceptional Items and Tax | 5,158.88 | 4,295.42 |
| Add: | | |
| Exceptional Items | - | 241.89 |
| Profit before Tax | 5,158.88 | 4,537.32 |
| Less: | | |
| Tax Expenses | 1,429.05 | 1,046.11 |
| Profit after Tax | 3,729.82 | 3,491.21 |
| Other Comprehensive Income | 897.40 | 1,662.18 |
| Total Comprehensive Income | 4,627.22 | 5,153.39 |

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

2. Transfer to Reserve:

The Company has transferred an amount of ₹1,000 Lacs from the net profits of the Company to General Reserve for the financial year ended 31st March, 2021.

3. Dividend:

The Board of Directors at their meeting held on 10th May, 2021 has recommended Dividend of ₹6/- (60%) per equity share having face value of ₹10/- each for the financial year 2020-21 as against ₹6/- (60%) per equity share having face value of ₹10/- each for the financial year ended 2019-20.

4. Management Discussion and Analysis Report:

The Management Discussion and Analysis Report as required under Regulation 34 read with Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015'), forms part of this Annual Report and is annexed herewith as Annexure A. Certain Statements in the said report may be forward-looking. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

5. Corporate Governance Report:

The Report on Corporate Governance as required under Regulation 34 read with Schedule V of the SEBI Listing Regulations, 2015 forms part of this Annual Report.

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

6. Directors:

The Board of Directors at its meeting held on 29th January, 2021 had re-appointed Mr. Abhijit Joshi (DIN: 06568584) as Whole-Time Director & Chief Executive Officer of the Company for a period of three years, effective from 1st May, 2021, subject to approval of the members at the ensuing Annual General Meeting.

Mr. Chirayu Amin (DIN: 00242549), Non-Executive Non-Independent Director of the Company will attain the age of 75 years on 4th December, 2021. In accordance with the provisions of Regulation 17(1A) of the SEBI Listing Regulations, 2015, the Board of Directors at its meeting held on 10th May, 2021, based on the Recommendation of the Nomination and Remuneration Committee approved the continuation of directorship of Mr. Chirayu Amin as a Non-Executive Non-Independent Director of the Company after attaining 75 years of age subject to member's approval by way of special resolution.

In accordance with the provisions of the Section 152 and other applicable provisions, if any, of the Act and the Articles of Association of the Company, Mr. Chirayu Amin, Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

7. Key Managerial Personnel:

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

8. Meetings of the Board:

Four (4) Board Meetings were held during the financial year ended 31st March, 2021. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report.

9. Independent Directors:

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

10. Performance Evaluation:

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

The following were the Evaluation Criteria:

(a) **For Independent Directors:**

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

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

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

(c) **For Executive Directors:**

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

The Directors expressed their satisfaction with the evaluation process.

11. Audit Committee:

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

12. Vigil Mechanism:

In compliance with requirements of Section 177(9) & (10) of the Act and SEBI Listing Regulations, 2015, a Vigil Mechanism or Whistle Blower Policy for directors, employees and other stakeholders to report genuine concerns has been established. The same is uploaded on the website of the Company and the web-link as required under SEBI Listing Regulations, 2015 is as under:

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

13. Internal Control Systems:

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

14. Corporate Social Responsibility:

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

In compliance with requirements of Section 135 of the Act, the Company has laid down a CSR Policy. The composition of the Committee, contents of CSR Policy and report on CSR activities carried out during the financial year ended 31st March, 2021 in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure B.

15. Policy on Nomination and Remuneration:

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

The web-link as required under the Act is as under:

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

The salient features of the NRC Policy are as under:

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

16. Related Party Transactions:

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

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

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

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

17. Loans, Guarantees or Investments:

During the year under review, the Company has neither granted any Loans nor given any Guarantees falling within the purview of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. The details of Investments made under the said Section are provided in Notes to Financial Statements at Note No. 3 & 6 of Notes to Financial Statements of the Company.

18. Listing of Shares:

The equity shares of the Company are listed on BSE Limited ('BSE') with security ID / symbol of PAUSHAKLTD. The Company confirms that the annual listing fees to BSE for the financial year 2021-22 has been paid.

19. Auditors:**(a) Statutory Auditors:**

In compliance with the provisions of the Companies (Audit and Auditors) Rules, 2014, M/s. Maloo Bhatt & Co., Chartered Accountants having Firm Registration No. 129572W has been appointed as Statutory Auditors of the Company by the members at their 47th Annual General Meeting ("AGM") held on 4th August, 2020 to hold office for their second term of 5 (five) years i.e. till the conclusion of AGM for the financial year 2024-25.

The Auditor's Report for financial year 2020-21 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the financial statements in this Annual Report.

(b) Secretarial Auditors:

The Board of Directors of the Company appointed M/s. Samdani Shah & Kabra, Practising Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2021-22.

The Secretarial Audit Report of M/s. Samdani Shah & Kabra, Practising Company Secretaries for the financial year 2020-21 is annexed herewith as Annexure C. The Secretarial Auditor's Report does not contain any qualification, reservation or adverse remark.

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

(c) Cost Auditors:

M/s. Santosh Jejurkar & Associates, Cost Accountant, has been appointed as Cost Auditor of the Company for conducting audit of the cost records maintained by the Company relating to organic and inorganic chemicals for the financial year 2021-22.

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

(d) Internal Auditors:

The Board of Directors has appointed M/s. Sharp & Tannan Associates, Chartered Accountants as Internal Auditors of the Company for the financial year 2021-22.

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

20. Particulars of employees and related disclosures:

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

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

21. Business Responsibility Report:

The Business Responsibility Report as required under Regulation 34 of the SEBI Listing Regulations, 2015, forms part of this Annual Report.

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

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

23. Annual Return:

A copy of the Annual Return as required under Section 92(3) and Section 134(3)(a) of the Act has been placed on the Company's website. The web-link as required under the Act, is as under:

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

24. Material Changes:

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31st March, 2021. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

25. Other Disclosures:

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

26. Directors' Responsibility Statement:

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- a) in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) they have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

On behalf of the Board of Directors,

Chirayu Amin
Chairman
(DIN: 00242549)

Registered Office: Alembic Road, Vadodara – 390 003
CIN: L51909GJ1972PLC044638
Tel: +91 265 2280550
Website: www.paushak.com
Email ID: investors@paushak.com
Date: 10th May, 2021
Place: Vadodara

MANAGEMENT DISCUSSION AND ANALYSIS

The Company's management provides its own perspective on the operating and financial performance of the Company during financial year 2020-21 and an outlook of the business performance in the coming years as follows:

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

2020 has been a challenging year for mankind impacting the society, business and life across the globe while changing the way we think or work. The same has been true for Paushak where it got impacted at the beginning of the financial year due to nationwide lockdown and operations were shut. However, due to our unique position as largest phosgene based specialty chemicals manufacturer in India, serving pharmaceutical companies, we were allowed to commence after few weeks and continued our operations for the remaining year. Despite these challenges, revenue from operations had a marginal year-on-year growth of 2% where we were supported by price increase across products & improved raw material cost, offsetting lower volume growth & higher fixed cost. One of key reasons for your company's strong operating efficiency is minimal dependence on imports/ China along with strategic backward integration. The customers also trusted us by offering contracts to ensure their supply chains in these difficult times and your company fulfilled those expectations by timely delivery of the products and maintained its domestic market leadership in majority of its product portfolio.

Your Company became 56th company in India to receive permission to use "Responsible Care" logo (RC) in 2019 from Indian Chemical Council (ICC), the nodal agency in India. You would be pleased to know that your Company has been granted permission to continue using the logo till November 2023 after another rigorous audit by ICC, demonstrating our commitment to sustainability & validate the substantial improvements taken at the site. This has been further aided by more automation & improvement in infrastructure.

Your Company also received approval from the Government of India for expanding Phosgene capacity from 4800 MT/Year to 14400 MT/Year after all necessary legal compliances and approvals. Your Company had planned a capex programme of ₹120 Cr. to expand and accelerate the growth with identified opportunities. You would be pleased to know that your Company is the midst of project implementation for enhancing Phosgene Capacity and also one large derivatives plant as downstream with associated infrastructure of utilities, etc. Your Company has also hired the services of one of the globally renowned design consultants to ensure that these plants are as per global standards of engineering, design & safety practices and would be state of the art facilities with full automation while benchmarking with global standards.

Although we remain optimistic about future, uncertainties prevailing due to Covid-19 may impact our operations, future plan & timelines. Rising crude prices may also put pressure on the margins which we always strive to pass on to the customers. Although customers are preferring domestic suppliers, improving situation within China is expected to increase pricing pressure while our entry into products resulting in import substitution or is also likely to intensify competition from Chinese suppliers.

(B) Outlook:

Production and revenue is expected to be impacted in financial year 2021-22, given the non-availability of industrial oxygen amid the second wave of the Covid-19 pandemic. However, we remain optimistic about our growth with the commissioning of the upstream, and downstream capacities over the medium term, supported by healthy volume growth and retention of key customers. With change in geopolitical situation, the demand from domestic as well as global customers will also open new avenues for us. Paushak will continue to invest & expand its capabilities & capacities to accelerate the growth of business in domestic as well international market.

(C) Financial Performance:

The gross revenue of the Company is ₹14,713.44 Lacs for the year under review as compared to ₹14,250.45 Lacs for the previous year. The Company registered a net profit of ₹3,729.82 Lacs for the year under review as compared to net profit of ₹3,491.21 Lacs for the previous year.

(D) Key Financial Ratios:

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

| Particulars | 31.03.2021 | 31.03.2020 |
|-------------------------|-------------------|-------------------|
| Operating Profit Margin | 35.06% | 30.14% |
| Net Profit Margin | 25.35% | 24.50% |
| Return on Net Worth | 20.20% | 23.39% |
| Earnings Per Share | 121.02 | 113.27 |
| Debt Equity Ratio | - | - |
| Receivables days | 73 | 59 |
| Inventory days | 53 | 60 |
| Current Ratio | 1.88 | 2.82 |

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

For the year, Return on Net worth is lower on account of higher Capital Work in Progress (CWIP) of ₹6,797.73 Lacs. The second wave of Covid-19 also resulted in delay in receivables resulting in higher receivable days and lower current ratio. Since the Company had no debt at the end of the year, interest coverage ratio has not been provided.

(E) Internal Control Systems and Adequacy:

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

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

(F) Human Resource - Developing Human Capital:

Paushak has continued investing in high calibre talents to accelerate the growth and keep on adding resources despite of pandemic. Your Company takes higher expense in employee cost as an investment for building future and will focus more to add more resources in technicals.

On behalf of the Board of Directors,

Date: 10th May, 2021
Place: Vadodara

Chirayu Amin
Chairman
DIN: 00242549

Annual Report on CSR Activities for the financial year ended 2020-21

1. Brief outline on CSR Policy of the Company:

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

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

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|------------------|--------------------------------------|--|--|
| 1. | Mr. Amit Goradia | Chairman | 1 | 1 |
| 2. | Mr. Atul Patel | Member | 1 | 1 |
| 3. | Mr. Udit Amin | Member | 1 | 1 |

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

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

4. 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 (attach the report):

Not Applicable

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:

Not Applicable

6. Average net profit of the Company as per section 135(5): ₹ 3,626.81 Lacs

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 72.54 Lacs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c): ₹ 72.54 Lacs

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (Rs. in Lacs) | Amount Unspent (Rs. in Lacs) | | | | |
|---|---|------------------|---|--------|------------------|
| | 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 |
| 72.54 Lacs | Nil | - | - | Nil | - |

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(Rs. in Lacs)

| (1) Sl. No. | (2) Name of the Project | (3) Item from the list of activities in schedule VII to the Act | (4) Local area (Yes/ No) | (5) Location of the project | | (6) Amount spent for the project | (7) Mode of implementation - Direct (Yes/ No) | (8) Mode of implementation - Through implementing agency | |
|----------------|---|--|-----------------------------|--------------------------------|----------|-------------------------------------|--|---|----------------------|
| | | | | State | District | | | Name | CSR Registration No. |
| 1. | Village Development Programs | Rural Development Projects | Yes | Gujarat | Vadodara | 52.41 | No | Alembic CSR Foundation | CSR00002984 |
| 2. | School education / development of students of school run by Rural Development Society | Education | Yes | Gujarat | Vadodara | 18.83 | No | Alembic CSR Foundation | CSR00002984 |
| | Total | | | | | 71.24 | | | |

- (d) **Amount spent in Administrative Overheads:** 1.30 Lacs
 (e) **Amount spent on Impact Assessment, if applicable:** Not Applicable
 (f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** 72.54 Lacs
 (g) **Excess amount for set off, if any:** Nil

| Sl. No. | Particulars | Amount (Rs. in Lacs) |
|---------|---|----------------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 72.54 |
| (ii) | Total amount spent for the Financial Year | 72.54 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 0.00 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | 0.00 |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 0.00 |

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** Not Applicable
 (b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Not Applicable
 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):** 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

On behalf of the Board of Directors,

On behalf of the CSR Committee,

Chirayu Amin
 Chairman
 DIN: 00242549

Amit Goradia
 Chairman- CSR Committee
 DIN:00074478

Date: 10th May, 2021
 Place: Vadodara

Secretarial Audit Report

For the Financial Year ended March 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015]

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

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that, in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2021 ('period under review'), complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the period under review, according to the provisions of:

- i. The Companies Act, 2013 ('Act') and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
 - (d) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

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

- (a) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
- (c) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (d) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013;
- (e) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

vi. Other sector specific laws as follows:

- (a) The Chemical Weapon Convention Act, 2000;
- (b) The Disaster Management Act, 2005;
- (c) The Static Mobile Pressure Vessels (Unfired) Rules, 2016;
- (d) The Chemical Accident (Emergency) Planning Preparedness & Response Rules, 1998;
- (e) The Environment (Protection) Act, 1986;

We have also examined compliance with the applicable Clauses / Regulations of the following:-

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) Listing Agreement entered into by the Company with BSE Limited read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that;

- A. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review;
- B. Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting;
- C. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded;
- D. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all the applicable Laws, Rules, Regulations and Guidelines;
- E. During the period under review, there were no specific instances / actions in pursuance of the above referred Laws, Rules, Regulations, Guidelines etc., having major bearing on the Company's affairs.

S. Samdani

Partner

Samdani Shah & Kabra

Company Secretaries

ICSI Peer Review UIN: P2008GJ016300

FCS No. 3677; CP No. 2863

UDIN: F003677C000248735

Place: Vadodara

Date: May 10, 2021

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

Appendix A

The Members,

Paushak Limited
Alembic Road,
Vadodara – 390003,
Gujarat, India.

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

- i. Maintenance of secretarial records and compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the management of the Company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these secretarial records and compliances based on such verification and audit.
- ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records and we believe that the processes and practices we followed provide a reasonable basis for our opinion.
- iii. Wherever required, we have obtained the management representation about the Compliance of Laws, Rules and Regulations, happening of events, etc.
- iv. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
ICSI Peer Review UIN: P2008GJ016300
FCS No. 3677; CP No. 2863
UDIN: F003677C000248735

Place: Vadodara,
Date: May 10, 2021

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

Ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary, in the financial year.

| Name | Ratio to median remuneration Employees | % increase in remuneration in the financial year |
|--|---|---|
| Mr. Abhijit Joshi – Whole-time Director & CEO | 1:0.05707 | 7:00 |
| Mr. Udit Amin, Non-Executive Director | 1:0.02758 | 16.00 |
| Ms. Kirti Shah, CFO | - | 18.06 |
| Ms. Manisha Saraf, Company Secretary | - | 18.39 |
| None of the other Directors receive any remuneration other than sitting fees. | | |
| Percentage increase in the median remuneration of employees in the financial year | | 8.60 |
| Number of permanent employees on the rolls of company | | 283 |
| 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 | | 9.70 (Non- Managerial Personnel) 7.00 (Managerial Personnel) |

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

On behalf of the Board of Directors,

Date: 10th May, 2021
Place: Vadodara

Chirayu Amin
Chairman
DIN: 00242549

Annexure - E

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

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

- All electrical motors changed to energy efficient motors of Class IE2 and IE3 as per site conditions, resulting into energy saving of 4-5%.
- Utility equipment and control systems upgraded to improve efficiency, resulting in lower TR and power consumption by 8-10%.
- Obtained supply of potable water from Governmental sources, resulting in reduced water softener operations.
- Installation of Automatic Power Factor Correction panel (APFC) for improvement of power factor.

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

- The Company is exploring use of solar energy for certain site operations.
- The Company has since long installed a wind-mill and it is operating well.

(iii) Capital Investment on energy conservation equipments:

- Improvement in specific energy consumption by converting critical manual operations to automated, based on close loop control system with Supervisory Control and Data Acquisition (SCADA) having multiple layers of safety, thereby improvement in yield. Operations will be consistent in terms of quality and quantity.
- Energy efficient transformers and Intelligent Motor Control Center (IMCC) panels installed.

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

- Upgradation of Phosgene reactors.
- Strengthen online sensor systems for CO, Chlorine and Phosgene, with zone wise installation in plants for immediate and effective detection and alarm.
- DCS system installation under progress for all upcoming plants.
- Upgraded CO generation system.
- Improved technology w.r.t. waste generation.
- DG backup strengthen to avoid power interruption.
- UPS backup for critical operations and controls.

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

- Enhanced Scrubber system strengthen from 3 stages to 4 stages to reduce caustic consumption and HTDS effluent generation.
- The initiative to become water positive was initiated at site whereby 40% of water requirement is being met by recycling.
- Focused preventive maintenance led to improvement in Mean Time Between Failure (MTBF).
- Fume hood upgraded with effective control of emission in the atmosphere.

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

During the year under review, the Company has incurred expenses of ₹200.35 Lacs as compared to ₹161.56 Lacs for the previous year on Research and Development.

(C) Foreign Exchange Earnings and Outgo:

Foreign exchange earned in terms of actual inflows during the financial year 2020-21 was ₹2,387.36 Lacs.

Foreign exchange outgo in terms of actual outflows during the financial year 2020-21 was ₹456.84 Lacs.

On behalf of the Board of Directors,

Date: 10th May, 2021
Place: Vadodara

Chirayu Amin
Chairman
DIN: 00242549

Report on Corporate Governance

1. Company's Philosophy:

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

2. Board of Directors:

▪ Composition of the Board:

The Board of Directors consists of 1 Professional Executive Director, 2 Promoter Non-Executive Directors and 4 Independent Non-Executive Directors. The Chairman of the Board is Promoter Non-Executive Director. As on 31st March, 2021 and on the date of this report, the Board meets the requirement of having at least one woman director and not less than 50% of the Board strength comprising of Non-Executive Directors as 4 out of 7 Directors are Independent Non-Executive Directors including 1 Woman Director.

▪ Number of Board Meetings held and the dates of the Board Meetings:

Four (4) Board Meetings were held during the year ended on 31st March, 2021 on 19th May, 2020, 4th August, 2020, 27th October, 2020 and 29th January, 2021. The time gap between any two meetings was not exceeding one hundred and twenty days.

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

| Name of the Director | Category | No. of Board Meetings held & attended during the Financial Year | Attendance at last AGM | No. of Equity shares held in the Company [#] |
|--|------------------------|---|------------------------|---|
| Mr. Chirayu Amin, Chairman | Promoter Non-Executive | 4 out of 4 | Yes | 89,686 ^{AS} |
| Mr. Udit Amin | Promoter Non-Executive | 4 out of 4 | Yes | 25,846 ^S |
| Mr. Amit Goradia | NED (I)* | 4 out of 4 | Yes | Nil |
| Mr. Vijay Gandhi | NED (I)* | 4 out of 4 | Yes | Nil |
| Mr. Atul Patel | NED (I)* | 4 out of 4 | Yes | Nil |
| Dr. Shamita Amin | NED (I)* | 4 out of 4 | No | 16 ^S |
| Mr. Abhijit Joshi Whole-time Director & CEO | Professional Executive | 4 out of 4 | Yes | Nil |

[#]The Company has not issued any convertible instruments.

^AIncludes 15,423 Equity Shares held in the name of Chirayu Amin in representative capacity of Karta of Chirayu Ramanbhai Amin HUF.

^SShares held as First holder

^{*}NED (I) means Non-Executive Director (Independent).

▪ Number of other board of directors or committees in which a Director is a Director / Member / Chairperson¹:

| Name of the Director | No. of Directorships | No. of Committee Memberships | | No. of Committee Chairmanships | |
|----------------------|----------------------|------------------------------|--|--------------------------------|--|
| | | All committees | Only Audit & Stakeholders Relationship Committee | All committees | Only Audit & Stakeholders Relationship Committee |
| Mr. Chirayu Amin | 4 | 7 | 1 | 4 | 1 |
| Mr. Udit Amin | 2 | 1 | 1 | - | - |
| Mr. Atul Patel | 7 | 5 | 2 | 1 | 1 |

| | | | | | |
|-------------------|---|---|---|---|---|
| Mr. Amit Goradia | 5 | - | - | - | - |
| Dr. Shamita Amin | 2 | - | - | - | - |
| Mr. Vijay Gandhi | - | - | - | - | - |
| Mr. Abhijit Joshi | 1 | - | - | - | - |

¹ Public limited companies.

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

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

Pursuant to the provisions of Section 165(1) of the Companies Act, 2013 (the 'Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015'), none of the Directors holds directorships in more than 20 companies (Public or Private), 10 public companies and membership of board committees (Audit & Stakeholders Relationship Committees) in excess of 10 and Chairmanship of Board Committee (Audit & Stakeholders Relationship Committees) in excess of 5. None of the directors serve as Independent director in more than 7 listed companies. None of the director who serve as Whole-Time Director in any listed company, serve as Independent Director in more than 3 listed companies.

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

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

▪ **Familiarisation programmes for Independent Directors:**

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

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

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

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

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

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

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

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

3. Audit Committee:

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

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

The Statutory Auditors, Internal Auditors and other relevant Senior Management Persons are invited to attend the Meetings of the Audit Committee. The Company Secretary of the Company acts as Secretary to the Committee. Mr. Amit Goradia, Chairman of Audit Committee was present at the last Annual General Meeting held on 4th August, 2020.

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

There were Four (4) meetings of the Audit Committee held during the year ended 31st March, 2021 on 19th May, 2020, 4th August, 2020, 27th October, 2020 and 29th January, 2021.

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

| Name of Director | No. of meetings held | No. of meeting attended |
|------------------|----------------------|-------------------------|
| Mr. Amit Goradia | 4 | 4 |
| Mr. Atul Patel | 4 | 4 |
| Mr. Vijay Gandhi | 4 | 4 |

4. Nomination and Remuneration Committee:

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

The Nomination and Remuneration Committee of Directors comprises of 4 Directors with Mr. Atul Patel as Chairman, Mr. Amit Goradia, Mr. Chirayu Amin and Mr. Vijay Gandhi as members. The terms of reference of the Committee cover the matters specified for Nomination and Remuneration Committee under the SEBI Listing Obligations, 2015 and the Act. Mr. Atul Patel, Chairman of Nomination and Remuneration Committee was present at the last Annual General Meeting held on 4th August 2020.

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

There were Two (2) meetings of the Nomination and Remuneration Committee held during the year ended 31st March, 2021 on 19th May, 2020 and 29th January, 2021.

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

| Name of the Director | No. of meetings held | No. of meetings attended |
|----------------------|----------------------|--------------------------|
| Mr. Atul Patel | 2 | 2 |
| Mr. Chirayu Amin | 2 | 2 |
| Mr. Amit Goradia | 2 | 2 |
| Mr. Vijay Gandhi | 2 | 2 |

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

The performance evaluation criteria for Independent Directors are disclosed at point no. 10 in the Board's Report.

5. Details of Remuneration paid to Directors:

▪ **Executive Directors:**

The details of all elements of remuneration package i.e. salary, benefits, bonus, pension, etc. paid to the Executive Director for the financial year 2020-21 are given below:

(₹ in Lacs)

| Name & Designation of the Executive Directors | Tenure | Fixed Salary & Perquisites | Variable Performance Incentive | Total |
|---|---|----------------------------|--------------------------------|--------------|
| Mr. Abhijit Joshi Whole- time Director & CEO | 3 years w.e.f. 1 st May, 2021 | 58.29 | 7.01 | 65.30 |

Notes:

- (a) The criteria for Variable Performance Incentive includes Company Performance, Periodical Reviews, Skills and Competence.
- (b) The Executive Director and the Company are entitled to terminate the service contracts by giving not less than 3 months' notice in writing to the other party. There is no provision for payment of severance fees. The Company does not have any Stock Options Scheme.

Non-Executive Directors:

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

The details of payment made to Non-Executive Directors during the financial year 2020-21 are as under:

(₹ in Lacs)

| Name of Directors | Sitting fees for Board Meetings | Sitting fees for Committee Meetings | Total Fees Paid |
|-------------------|---------------------------------|-------------------------------------|-----------------|
| Mr. Chirayu Amin | 1.00 | 0.20 | 1.20 |
| Mr. Udit Amin | 1.00 | 0.10 | 1.10 |
| Mr. Amit Goradia | 1.00 | 1.00 | 2.00 |
| Mr. Atul Patel | 1.00 | 1.00 | 2.00 |
| Dr. Shamita Amin | 1.00 | 0.50 | 1.50 |
| Mr. Vijay Gandhi | 1.00 | 1.30 | 2.30 |

Mr. Udit Amin, Non-Executive Director, will be been paid commission of ₹145 Lacs for the financial year 2020-21 which is within the limit approved by the members of the Company at the 45th Annual General Meeting of the Company held on 6th August, 2018. Further, the same is subject to approval of the members at the Annual General Meeting for the financial year 2020-21.

The remuneration to Non-Executive Directors is based on the Nomination and Remuneration Policy of the Company.

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

- a. Mr. Atul Patel, where other Companies under the same management have paid a total of ₹39.91 Lacs to an entity, Enviro Infrastructure Company Limited in which Mr. Atul Patel is a Director.
- b. Mr. Vijay Gandhi, where other Companies under same management have paid a total of ₹3.46 Lacs to M/s. V. H. Gandhi & Co., Chartered Accountant as fees for professional services provided by the firm to those companies. Mr. Vijay Gandhi is proprietor of the said firm.

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

6. Stakeholders Relationship Committee:

The Stakeholders' Relationship Committee comprises of 3 Directors with Mr. Vijay Gandhi as Chairman, Dr. Shamita Amin and Mr. Abhijit Joshi as members. The terms of reference of the Committee cover the matters specified for Stakeholders' Relationship Committee under the SEBI Listing Obligations, 2015 and the Act. Mr. Vijay Gandhi was present at the last Annual General Meeting held on 4th August 2020.

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

Details of No. of Shareholders' complaints received: 10 (Ten)

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

No. of pending complaints: Nil

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

Four (4) meetings of the Stakeholders Relationship Committee were held during the year on 19th May, 2020, 4th August, 2020, 27th October, 2020 and 29th January, 2021.

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

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

7. General Body Meetings:

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

| Financial Year | Location | Date | Time | No. of Special Resolutions passed |
|----------------|--|------------------------------|------------|-----------------------------------|
| 2019-20 | N.A. ¹ | 4 th August 2020 | 12.30 p.m. | 1 |
| 2018-19 | "Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003 | 7 th August, 2019 | 12.30 p.m. | 1 |
| 2017-18 | "Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003 | 6 th August, 2018 | 12.30 p.m. | 7 |

¹ AGM held through Video Conferencing / Other Audio Visual Means.

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

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

8. Means of Communication:

| | | |
|---|---|---|
| • Quarterly Results | : | The results will be published in the newspapers having wide coverage. |
| • Newspapers wherein results are normally published | : | Business Standard (English), Loksatta (Gujarati) or any other leading newspaper |
| • Website where the results, official news releases and presentations made to institutional investors or to analysts are displayed. | : | www.paushak.com |

9. General Shareholder Information:

| | | |
|----|--|---|
| a) | Annual General Meeting, Date, Time and Venue | Tuesday, 3 rd August, 2021 at 4:00 p.m. IST The meeting will be held through VC / OAVM. |
| b) | Financial Year | 2020-21 |
| c) | Dividend Payment Date | On or before 7 th August, 2021 |
| d) | Listing on Stock Exchanges | BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 The Company confirms that the annual listing fees to the stock exchange for the F.Y. 2021-22 has been paid. |
| e) | Stock Code | The equity shares of the Company are listed on BSE Limited with Security ID/ Symbol: 532742 / PAUSHAKLTD ISIN: INE111F01016 |
| f) | Market price data – high, low during each month in last financial year | Please see Annexure 'I' |
| g) | Share Performance of the Company in comparison to BSE Sensex | Please see Annexure 'II' |
| h) | In case the securities are suspended from trading, the directors report shall explain the reason thereof | Not applicable |

| | | |
|----|--|---|
| i) | Registrar and Share Transfer Agents | Link Intime India Pvt. Limited B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara-390020 Tel: +91 265 2356573 6136000 Email ID: vadodara@linkintime.co.in |
| j) | Share Transfer System | SEBI has mandated that w.e.f. 1 st April, 2019, shares shall be transferred only in demat form. The request for share transfer in physical form received upto 31 st March, 2019 were processed and transferred by Registrar and Share Transfer Agents in accordance with SEBI circulars in this regard and the share certificates were returned within the stipulated period, if the documents were accurate in all respects. No fresh requests for transfer of shares in physical form can be lodged by the shareholders. Stakeholders' Relationship Committee has delegated powers to Registrar and Share Transfer Agents to effect requests for transmission, name deletion, duplicate share certificates, etc. |
| k) | Distribution of Shareholding / Shareholding Pattern as on 31 st March, 2021 | Please see Annexure 'III' |
| l) | Dematerialization of Shares and Liquidity | As on 31 st March, 2021, 28,77,814 shares (93.37%) are held in dematerialised form by the shareholders. |
| m) | Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity | Nil |
| n) | Commodity price risk or foreign exchange risk and hedging activities | The Company faces commodity risk in certain key raw materials as well as finished products. The Company is net foreign exchange earner and like most companies having both imports and exports, faces foreign currency fluctuation risk. The disclosure pertaining to exposure and commodity risks is not applicable to the Company. |
| o) | Plant Location | Panelav, Tal. Halol, Dist. Panchmahal – 389350, Gujarat. |
| p) | Address for Correspondence / Investor Correspondence | 1. Company Secretary & Compliance Officer Paushak Limited, Alembic Road, Vadodara – 390 003 Tel. : +91 265 2280550 E-mail ID: investors@paushak.com 2. Link Intime India Private Ltd B-102&103, Shangrila Complex, 1 st Floor, Opp. HDFC Bank, Radha Krishna Char Rasta, Akota – Vadodara-390020 Tel.:+91 265 2356573 6136000 E-mail ID: vadodara@linkintime.co.in |
| q) | List of all credit ratings obtained by the entity | The credit rating details are given hereunder: |

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

10. Other Disclosures:

(i) **Related Party Transactions:**

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

(ii) **Compliance:**

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

(iii) **Whistle Blower Policy:**

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

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

(iv) **Details of Compliance with Mandatory requirements and adoption of Non-mandatory requirements:**

▪ **Mandatory requirements:**

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

▪ **Non-Mandatory requirements:**

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

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

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

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

Not Applicable

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

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

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

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

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

The total fees for all services paid to the Statutory Auditors of the Company is mentioned at Note 29(l) of the Accounts. The Company has not availed any services from the network firm/network entity of which the Statutory Auditors is a part.

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

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

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

(xi) Independent Directors' Meeting:

The Independent Directors met on 10th May, 2021 to carry out the evaluation for the financial year 2020-21 and inter alia, discussed the following:

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

During the financial year 2020-21, the Independent Directors meeting was held on 19th May 2020

All Independent Directors were present at the aforesaid Meetings.

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

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

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

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

(xiii) Details of Unclaimed Suspense Account:

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

Annexure – 'I'

Market price data of the Company's shares traded on BSE Limited (BSE) during the financial year 2020-21:

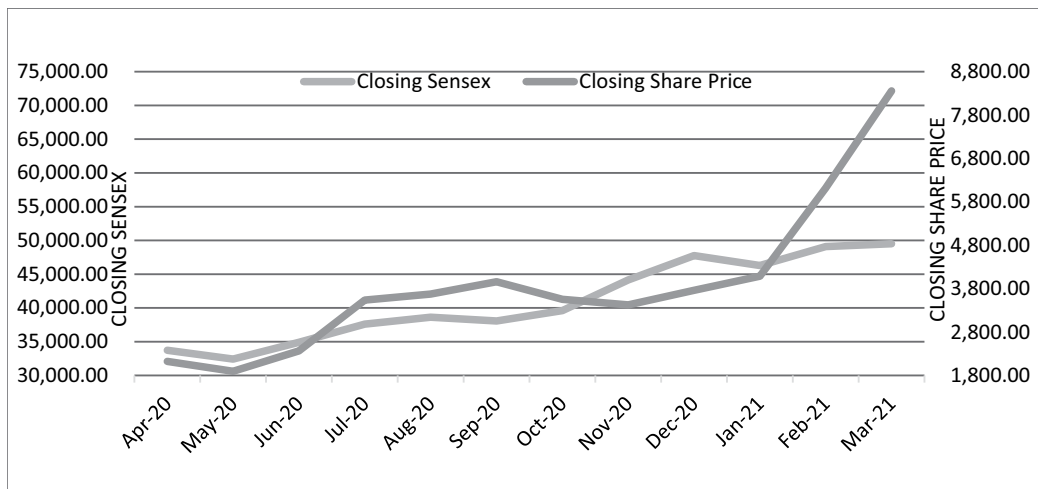
(Amount in ₹)

| Month – Year | BSE | |
|------------------|------------|-----------|
| | High Price | Low Price |
| April – 2020 | 2,294.40 | 1,700.00 |
| May – 2020 | 2,090.00 | 1,790.00 |
| June – 2020 | 2,510.00 | 1,871.00 |
| July – 2020 | 4,220.00 | 2,312.60 |
| August – 2020 | 4,550.00 | 3,450.00 |
| September – 2020 | 4,550.00 | 3,565.00 |
| October – 2020 | 4,069.70 | 3,541.00 |
| November – 2020 | 3,749.95 | 3,320.00 |
| December – 2020 | 3,890.00 | 3,205.00 |
| January – 2021 | 4,398.50 | 3,630.00 |
| February – 2021 | 6,300.00 | 3,970.00 |
| March – 2021 | 9,479.00 | 5,965.00 |

On 31st March, 2021, the closing price of the shares of the Company on BSE was ₹8,356.75.

Annexure –‘II’

Share Performance of the Company in comparison to BSE Sensex:



Annexure – ‘III’

The distribution of shareholding as on 31st March, 2021 is as under:

| Number of Shares | Number of Shareholders | % of total Shareholders | Number of Shares | % of total Shares |
|------------------|------------------------|-------------------------|------------------|-------------------|
| 1-500 | 9,912 | 97.64 | 3,99,551 | 12.96 |
| 501-1000 | 131 | 1.29 | 97,055 | 3.15 |
| 1001-2000 | 52 | 0.51 | 73,516 | 2.39 |
| 2001-3000 | 12 | 0.12 | 30,490 | 0.99 |
| 3001-4000 | 11 | 0.11 | 37,795 | 1.23 |
| 4001-5000 | 2 | 0.02 | 9,565 | 0.31 |
| 5001-10000 | 9 | 0.09 | 60,327 | 1.96 |
| 10001 and above | 23 | 0.23 | 23,73,815 | 77.02 |
| Total | 10,152 | 100.00 | 30,82,114 | 100.00 |

Annexure ‘III’

Shareholding pattern as on 31st March, 2021

| Sr. No. | Category | No. of Shares Held | % of total Shares |
|---|--|--------------------|-------------------|
| (A) Shareholding of Promoter & Promoter Group | | | |
| (1) | Indian | 20,38,120 | 66.13 |
| (2) | Foreign | 25,846 | 0.84 |
| | Total Shareholding of Promoter and Promoter Group | 20,63,966 | 66.97 |
| (B) Public Shareholding | | | |
| (1) | Institutions | 83 | 0.00 |
| (2) | Non-institutions | 10,18,065 | 33.03 |
| | Total Public Shareholding | 10,18,148 | 33.03 |
| (C) Shares held by Custodians and against which Depository Receipts have been issued | | | |
| (1) | Promoter and Promoter Group | - | - |
| (2) | Public | - | - |
| | Total (A) + (B) + (C) | 30,82,114 | 100.00 |

PAUSHAK LIMITED

Annexure IV

Details of Unclaimed Suspense Account as per the provisions of Schedule V of the SEBI Listing Regulations, 2015:

| Particulars | No. of shareholders | No. of shares |
|--|---------------------|---------------|
| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year | 116 | 5,371 |
| Number of shareholders who approached the Company for transfer of shares from suspense account during the year | 1 | 100 |
| Number of shareholders to whom shares were transferred from suspense account during the year | 1 | 100 |
| Number of shareholders whose shares were transferred to the Investor Education and Protection Fund | 26 | 1,297 |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year | 89 | 3,974 |

On behalf of the Board of Directors,

Date: 10th May, 2021
Place: Vadodara

Chirayu Amin
Chairman
DIN: 00242549

CODE OF CONDUCT

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

"We hereby confirm that:

As provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the code of conduct of the Company for the year ended 31st March, 2021 and the copy of the code of conduct is placed on the website of the Company at www.paushak.com

On behalf of the Board of Directors

Abhijit Joshi

Whole time Director & CEO

DIN: 06568584

Corporate Governance Compliance Certificate

[For the Financial Year ended March 31, 2021 pursuant to Schedule V -Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Members

Paushak Limited

We have examined the compliance of the conditions of Corporate Governance by Paushak Limited ('Company') for the Financial Year ended March 31, 2021 ('period under review'), as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Governance. It is neither an audit nor an expression of an opinion on the Financial Statements of the Company.

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

We state that in respect of investor grievances received during the period under review, no such grievance is pending against the Company, as per the records maintained by the Company and presented to the Stakeholders Relationship Committee.

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

S. Samdani

Partner

Samdani Shah & Kabra

Company Secretaries

ICSI Peer Review UIN.: P2008GJ016300

FCS No. 3677; CP No. 2863

UDIN: F003677C000248781

Place: Vadodara

Date: May 10, 2021

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company: L51909GJ1972PLC044638
2. Name of the Company: Paushak Limited
3. Registered Address: Alembic Road, Vadodara – 390 003
4. Web: www.paushak.com
5. Email Id: investors@paushak.com
6. Financial Year reported: 1st April, 2020 to 31st March, 2021
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

| Industrial Group | Description |
|------------------|--|
| 201* | Speciality Chemicals and Intermediates |

* As per National Industrial Classification (NIC) 2008.

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

Section B: Financial Details of the Company

1. Paid up Capital (INR): ₹308.21 Lacs
2. Total Turnover (INR): ₹14,713.44 Lacs
3. Total profit after taxes (TCI) (INR): ₹4,627.22 Lacs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): The total CSR spend for the year was ₹72.54 Lacs which is 20% of the average net profit of the Company made during the immediately three preceding financial years.
5. List of activities in which expenditure in 4 above has been incurred:-
 - (a) Education
 - (b) Rural development projects

Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?
No.
2. Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):
Not Applicable.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate on the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30%-60%, More than 60%]:
No.

Section D: BR Information

1. Details of Director/Directors responsible for BR

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

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

(b) Details of the BR head

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

2. Principle-wise (as per NVGs[^]) BR policy/policies

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

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

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

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

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

3. Governance related to BR

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

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

Section E: Principle-wise performance

Principle 1: Ethics, Transparency and Accountability

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

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

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

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

Principle 2: Product Sustainability

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

We strive to innovate and incorporate social and/or environmental concerns in all our products. Design of higher capacity new phosgene plant having different layers of safety, New derivative plant with better design, controls through DCS and safety layers and overall electrical infrastructure which includes efficient transformers, IMCC and complete DG back up with auto changeover system. This ensures zero impact on environment and as well as our internal and external stake holders safety.

Paushak is determined to design and adopt best technologies from operation and safety perspective.

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

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

Upgraded utility system thereby reduction in power norms per unit TR. Optimized process operation through automation and heat loss through good insulation to reduce required TR per unit production. Improved batch cycle time to increase throughput. Water recycling up to 40% of total generated waste water after treatment has substantially saved natural resource.

Substantial reduction in water rejection in RO/DM water generation and cooling tower blowdowns achieved by using low TDS water.

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

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

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

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

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

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

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

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

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

Paushak has mechanism for recycling of products, solvents as well as waste. Majority part of total effluent generated is recycled or treated since the company operates in a zero-discharge zone.

Domestic effluent is treated in STP and its outlet is 100% used for gardening in company premises to reduce fresh water. The Company has developed in-house treatment facility with help of R&D to treat lachrymatory residue which reduce environmental cost. Residue is being explored as co-processing in cement industry as their inputs

Principle 3: Employees' Well-Being

1. Total number of employees: 283
2. Total number of employees hired on temporary/contractual/casual basis: 215
3. Number of permanent women employees: 5
4. Number of permanent employees with disabilities: 0
5. Do you have an employee association that is recognized by management: No
6. What percentage of your permanent employees is members of this recognized employee association? Not Applicable
7. Number of complaints related to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees: 96.46%
- (b) Permanent Women Employees: 80%
- (c) Casual/Temporary/Contractual Employees: 92%
- (d) Employees with disabilities: N.A.

Principle 4: Stakeholders Engagement

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

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

Principle 5: Human Rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company's policy on human rights covers the entire Alembic Group.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

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

Principle 6: Environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company's policy on environment covers the entire Alembic Group.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

No.

3. Does the Company identify and assess potential environmental risks?

Yes. Environment Risk is assessed from the design stage of the project & adequate steps are taken to reduce environmental impact at construction & operational stage. The Company also identifies and assesses potential environmental risks for its existing and new products.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Yes, Clean Development Mechanism measure has been part of our continuous endeavor of excellence.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for webpage etc.

The Company has taken various initiatives on conservation of energy and technology absorption as mentioned in Annexure E to the Board's Report. Wind Power is one of the areas where the Company has invested for clean energy. <http://www.paushak.com/annual-report.aspx>

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil.

Principle 7: Advocacy

1. Is your Company a member of any trade and chamber of association? If Yes, Name only those major ones that your business deals with:

The Company is a member of various trade bodies and chamber of associations inter alia:-

- (a) Federation of Gujarat Industries
- (b) Indian Chemical Council
- (c) National Safety Council
- (d) Chemexcil
- (e) Gujarat Employers' Organization.

3. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes. The Company has advocated on various areas concerning economic reforms, best practices, new standards or regulatory development pertaining to speciality chemicals industry through the associations, from time to time.

Principle 8: Community Development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
Alembic Group has been proactively carrying out various community development activities since more than fifty years. Alembic Group has established, nurtured and promoted various Non - Profit Organisation focusing on three major areas – Education, Healthcare and Rural Development. The details are mentioned in Annexure B to the Board's Report.
Paushak has been providing gainful employment opportunities to the local population from in and around the manufacturing facilities.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?
The Company undertakes programmes/projects directly/through various Non - Profit Organisation viz. Alembic CSR Foundation, Rural Development Society, Bhailal Amin General Hospital, Uday Education Society and others.
3. Have you done any impact assessment of your initiative?
Yes.
4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken:
The details are mentioned in Annexure B to the Board's Report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.
The Company conducts impact assessment of its CSR initiatives through feedbacks collected from the beneficiaries of projects undertaken. Various projects are undertaken with Government and Semi-Government agencies that have their monitoring mechanisms and impact assessment systems.

Principle 9: Customer Value

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
Nil.
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information):
No. The Company follows all legal statues with respect to product labeling and displaying of product information.
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
No.
4. Did your Company carry out any consumer survey/ consumer satisfaction trends?
Yes.

On behalf of the Board of Directors,

Abhijit Joshi
Whole-time Director & CEO and BR Head
DIN: 06568584

INDEPENDENT AUDITOR'S REPORT

To the Members of

Paushak Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Paushak Limited, which comprise the Balance Sheet as at 31st March, 2021, and the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (The Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer item B of Note 29 to Financial Statements.
 - ii. The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Maloo Bhatt & Co
Chartered Accountants
(FRN : 129572W)

CA. Yash Bhatt
Partner
M. No. 117745
UDIN: 21117745AAAACL1963

Place: Vadodara
Date: 10th May, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(referred to paragraph 1 under "report on other legal and regulatory requirements" of our report of even date on the accounts for the year ended on 31st March, 2021 of Paushak Limited)

1. In respect of its fixed assets :
 - (a) The Company has maintained records showing particulars, including quantitative details and general location of fixed assets.
 - (b) During the year, part of the fixed assets has been physically verified by the management in accordance with a phased programme of verification which, in our opinion is reasonable and to cover all the items of fixed assets over a period of three years having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, there was no material discrepancies noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the company.
2. As explained to us, all the inventory of the Company has been physically verified by the management at reasonable intervals and at the year-end. In our opinion, the frequency of the verification is reasonable. According to the information and explanations given to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
5. According to information and explanations given to us, the Company has not accepted any deposits during the year.
6. To the best of our knowledge and explanations provided by the management, the maintenance of cost records has been prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 and are maintained accordingly.

7. According to the information and explanations given to us in respect of statutory and other dues :
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident fund, Employees' state Insurance, Income Tax, Goods & Services Tax, duty of customs, cess and other statutory dues to the appropriate authorities during the year. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of statutory dues which has remained outstanding as at 31st March, 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis the records produced before us by the Company, except for the cases stated below, there are no undisputed amounts payable in respect of income tax / sales tax / Service tax / customs duty / wealth tax / excise duty / cess, which have not been deposited on account of any dispute.

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

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

For Maloo Bhatt & Co
Chartered Accountants
(FRN : 129572W)

CA. Yash Bhatt
Partner
M. No. 117745

Place: Vadodara
Date: 10th May, 2021

UDIN: 21117745AAAAACL1963

BALANCE SHEET

₹ in Lacs

| Particulars | Notes | As at | |
|--|-------|------------------------------|------------------------------|
| | | 31 st March, 2021 | 31 st March, 2020 |
| I. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, Plant and Equipment | 2 | 5,085.16 | 4,066.39 |
| (b) Capital Work-in-progress | 2 | 6,797.73 | 1,590.23 |
| (c) Other Intangible Assets | 2 | 18.62 | 7.22 |
| (d) Financial Assets - Investments | 3 | 11,042.19 | 9,858.18 |
| (e) Other Non - Current Assets | 4 | 443.04 | 408.35 |
| Total Non Current Assets | | 23,386.75 | 15,930.36 |
| (2) Current assets | | | |
| (a) Inventories | 5 | 1,378.76 | 1,625.43 |
| (b) Financial Assets | | | |
| - Investments | 6 | 4,378.46 | 6,477.82 |
| - Trade Receivables | 7 | 3,291.61 | 2,617.91 |
| - Cash and Cash Equivalents | 8 | 18.04 | 79.88 |
| - Bank Balance other than cash and cash equivalents | 9 | 40.75 | 40.04 |
| (c) Other Current Assets | 10 | 381.47 | 171.12 |
| (d) Current Tax Assets (Net) | 11 | 0.60 | 40.14 |
| Total Current Assets | | 9,489.68 | 11,052.32 |
| TOTAL ASSETS | | 32,876.43 | 26,982.70 |
| II. EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 12 | 308.21 | 308.21 |
| Other Equity | 13 | 26,858.26 | 22,415.97 |
| Total Equity | | 27,166.48 | 22,724.18 |
| Liabilities | | | |
| (1) Non-Current Liabilities | | | |
| (a) Provisions | 14 | 88.33 | 100.97 |
| (b) Deferred Tax Liabilities (Net) | 15 | 2,903.52 | 2,535.46 |
| Total Non-Current Liabilities | | 2,991.85 | 2,636.43 |
| (2) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| - Trade Payables | 16 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 64.70 | 129.86 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,197.93 | 1,244.58 |
| - Other Financial Liabilities | 17 | 1,264.75 | 64.86 |
| (b) Other Current Liabilities | 18 | 145.22 | 144.45 |
| (c) Provisions | 19 | 45.51 | 38.34 |
| Total Current Liabilities | | 2,718.11 | 1,622.09 |
| Total Liabilities | | 5,709.95 | 4,258.52 |
| TOTAL EQUITY AND LIABILITIES | | 32,876.43 | 26,982.70 |

Significant Accounting Policies and Other Explanatory Notes and 1 & 28 Information

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

As per our report of even date

For Maloo Bhatt & Co

Chartered Accountants
Firm Registration No. 129572W

CA. Yash Bhatt

Partner
Membership No. 117745
Vadodara, 10th May, 2021

For and on behalf of the Board

Chirayu Amin
Chairman
DIN No.:00242549

Amit Goradia
Director
DIN No.:00074478

Manisha Saraf
Company Secretary

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

Kirti Shah
CFO

Vadodara, 10th May, 2021

STATEMENT OF PROFIT AND LOSS

₹ in Lacs

| Particulars | Notes | For the Year ended 31 st March, 2021 | For the Year ended 31 st March, 2020 |
|--|-------|--|--|
| I. INCOME | | | |
| Revenue from operations | 20 | 14,099.97 | 13,790.50 |
| Other income | 21 | 613.47 | 459.95 |
| Total income | | 14,713.44 | 14,250.45 |
| II. EXPENSES | | | |
| Cost of materials consumed | 22 | 2,929.33 | 4,422.09 |
| Changes in inventories of Finished Goods, Semi-Finished Goods and Work in progress | 23 | 480.94 | 119.34 |
| Employee benefits expense | 24 | 1,999.46 | 1,788.31 |
| Financial costs | 25 | 4.91 | 7.67 |
| Depreciation and amortisation expense | 2 | 495.95 | 438.21 |
| Other expenses | 26 | 3,643.97 | 3,179.39 |
| Total Expenses | | 9,554.56 | 9,955.02 |
| III. Profit before Exceptional Items and Tax (I - II) | | 5,158.88 | 4,295.42 |
| IV. Exceptional Items: | | | |
| Sale of Land | | - | 241.89 |
| V. Profit before Tax (III + IV) | | 5,158.88 | 4,537.32 |
| VI. Tax expense: | | | |
| Current Tax | | 1,335.00 | 780.00 |
| Less: Excess Provision of Income Tax | | 0.30 | 11.65 |
| Current Tax | | 1,334.70 | 768.35 |
| Deferred Tax | | 94.35 | 277.76 |
| VII. Profit/(Loss) for the period (V - VI) | | 3,729.82 | 3,491.21 |
| VIII. Other Comprehensive Income | 27 | | |
| A (i) Item that will not be reclassified to profit or loss | | 1,121.71 | 319.94 |
| (ii) Income tax relating to item that will not be reclassified to profit or loss | | (259.11) | (71.69) |
| B (i) Item that will be reclassified to profit or loss | | 49.39 | 1,487.74 |
| (ii) Income tax relating to item that will be reclassified to profit or loss | | (14.60) | (73.81) |
| IX. Total Other Comprehensive Income | | 897.40 | 1,662.18 |
| X. Total Comprehensive Income for the period (VII + IX) | | 4,627.22 | 5,153.39 |
| XI. Earning per equity share: (FV ₹ 10/- each) | | | |
| - Basic & Diluted [Refer Note 28 (G)] | | 121.02 | 113.27 |

Significant Accounting Policies and Other Explanatory 1 & 28 Notes and Information

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

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

For and on behalf of the Board

Chirayu Amin
Chairman
DIN No.:00242549

Amit Goradia
Director
DIN No.:00074478

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

CA. Yash Bhatt
Partner
Membership No. 117745
Vadodara, 10th May, 2021

Manisha Saraf
Company Secretary

Kirti Shah
CFO

Vadodara, 10th May, 2021

STATEMENT OF CHANGES IN EQUITY

A Equity Share Capital:

| Particulars | No. of Shares | ₹ in Lacs |
|---|------------------|---------------|
| Equity Shares of ₹ 10/- each issued, subscribed and fully paid | | |
| Balance as at 1st April, 2019 | 3,082,114 | 308.21 |
| Change in equity share capital during the year | - | - |
| Balance as at 31st March, 2020 | 3,082,114 | 308.21 |

| | | |
|---|------------------|---------------|
| Equity Shares of ₹ 10/- each issued, subscribed and fully paid | | |
| Balance as at 1st April, 2020 | 3,082,114 | 308.21 |
| Change in equity share capital during the year | - | - |
| Balance as at 31st March, 2021 | 3,082,114 | 308.21 |

B Other Equity

₹ in Lacs

| Particulars | Reserves and Surplus | | | | FVOCI - Equity Investment Reserve | FVOCI - Debt Investment Reserve | Total |
|---|----------------------|----------------------------|-----------------|------------------|-----------------------------------|---------------------------------|-----------|
| | Capital Reserve | Capital Redemption Reserve | General Reserve | Retained Earning | | | |
| Balance as at 1st April, 2019 (I) | 4.25 | 313.66 | 3,534.08 | 7,488.38 | 5,102.29 | 1,005.70 | 17,448.36 |
| Profit for the period | - | - | - | 3,491.21 | - | - | 3,491.21 |
| Re-measurement of post employment benefit obligation (net of tax) | - | - | - | (22.70) | - | - | (22.70) |
| Other Comprehensive Income for the year | - | - | - | - | 270.95 | 1,413.93 | 1,684.88 |
| Total Comprehensive Income for the year (II) | - | - | - | 3,468.51 | 270.95 | 1,413.93 | 5,153.39 |
| Dividend paid including Tax on Dividend | - | - | - | (185.78) | - | - | (185.78) |
| Inter transfer from FVOCI Equity Investment Reserve to FVOCI Debt Investment Reserve (net of tax) (Refer Note 28 (K)) | - | - | - | - | (1,981.13) | 1,981.13 | - |
| Any other changes: | | | | | | | |
| - Transfer from Retained Earning to General Reserve | - | - | 1,000.00 | (1,000.00) | - | - | - |
| Transaction for the year (III) | - | - | 1,000.00 | (1,185.78) | (1,981.13) | 1,981.13 | (185.78) |
| Balance as at 31st March, 2020 (I + II + III) | 4.25 | 313.66 | 4,534.08 | 9,771.11 | 3,392.11 | 4,400.76 | 22,415.97 |

| Particulars | Reserves and Surplus | | | | FVOCI - Equity Investment Reserve | FVOCI - Debt Investment Reserve | Total |
|---|----------------------|----------------------------------|--------------------|---------------------|--|--|------------------|
| | Capital Reserve | Capital Redemption Reserve | General Reserve | Retained Earning | | | |
| Balance as at 1st April, 2020 (I) | 4.25 | 313.66 | 4,534.08 | 9,771.11 | 3,392.11 | 4,400.76 | 22,415.97 |
| Profit for the period | - | - | - | 3,729.82 | - | - | 3,729.82 |
| Re-measurement of post employment benefit obligation (net of tax) | - | - | - | (9.14) | - | - | (9.14) |
| Other Comprehensive Income for the year | - | - | - | - | 871.75 | 34.79 | 906.54 |
| Total Comprehensive Income for the year (II) | - | - | - | 3,720.68 | 871.75 | 34.79 | 4,627.22 |
| Dividend paid | - | - | - | (184.93) | - | - | (184.93) |
| Any other changes: | | | | | | | |
| - Transfer from Retained Earning to General Reserve | - | - | 1,000.00 | (1,000.00) | - | - | - |
| Transaction for the year (III) | - | - | 1,000.00 | (1,184.93) | - | - | (184.93) |
| Balance as at 31st March, 2021 (I + II + III) | 4.25 | 313.66 | 5,534.08 | 12,306.86 | 4,263.85 | 4,435.56 | 26,858.26 |

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

CA. Yash Bhatt
Partner
Membership No. 117745
Vadodara, 10th May, 2021

For and on behalf of the Board

Chirayu Amin
Chairman
DIN No.:00242549

Amit Goradia
Director
DIN No.:00074478

Manisha Saraf
Company Secretary

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

Kirti Shah
CFO

Vadodara, 10th May, 2021

CASH FLOW STATEMENT

₹ in Lacs

| Particulars | For the Year ended 31 st March, 2021 | For the Year ended on 31 st March, 2020 |
|--|--|---|
| A CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit before tax | 5,158.88 | 4,537.32 |
| Adjustments for: | | |
| 1 Depreciation | 495.95 | 438.21 |
| 2 Interest Charged | 0.59 | 0.16 |
| 3 Interest Income | (1.70) | (0.08) |
| 4 Dividend Income | (213.43) | (323.44) |
| 5 Unrealised Foreign Exchange Loss (Net) | 11.88 | (13.68) |
| 6 Loss/(Profit) on Sales of Property, Plant & Equipment | (11.41) | (239.99) |
| 7 Sundry Balance written back | (0.29) | - |
| 8 Profit on Redemption of Investments | (196.74) | (116.76) |
| 9 Fair value change of Financial Investments | (189.43) | 4.75 |
| 10 Rent Income | (0.44) | (0.82) |
| Operating profit before change in working capital | 5,053.86 | 4,285.65 |
| Adjustments for (Increase)/Decrease in Operating Assets: | | |
| Inventories | 246.67 | 164.43 |
| Trade Receivables | (682.24) | 640.71 |
| Short Term Loans and Advances | (211.05) | 100.65 |
| Adjustments for (Increase)/Decrease in Operating Liabilities: | | |
| Trade Payables | (1,314.11) | 298.12 |
| Other Current Liabilities | 1,200.02 | (141.95) |
| Short Term Provisions | (5.73) | (3.54) |
| Long Term Provisions | (12.64) | 43.92 |
| Cash generated from operations | 4,274.78 | 5,388.01 |
| Income Tax Paid | (1,295.17) | (850.82) |
| NET CASH INFLOW FROM OPERATING ACTIVITIES | A 2,979.61 | 4,537.20 |
| B CASH FLOW FROM INVESTING ACTIVITIES: | | |
| 1 Purchase of Property, Plant & Equipment / CWIP | (5,576.43) | (2,113.70) |
| 2 Sale of Property, Plant & Equipment | 18.76 | 245.49 |
| 3 Net Proceeds from Investments | | |
| From Other Related Parties | - | (0.00) |
| From Mutual Funds | 2,485.53 | (2,783.22) |
| 4 Interest received | | |
| From Banks | 1.70 | 0.08 |
| 5 Dividend Received | | |
| From Related Parties | 213.13 | 140.22 |
| From Others | 0.29 | 183.22 |
| 6 Rent Income | 0.44 | 0.82 |
| NET CASH UTILISED IN INVESTING ACTIVITIES | B (2,856.57) | (4,327.09) |

| Particulars | For the Year ended 31st March, 2021 | For the Year ended on 31st March, 2020 |
|---|---|--|
| C CASH FLOW FROM FINANCIAL ACTIVITIES: | | |
| 1 Proceeds/ (Repayment) from Short Term Borrowings (Net) | - | (0.35) |
| 2 Interest Paid | (0.59) | (0.16) |
| 3 Dividend Paid | (184.29) | (152.46) |
| 4 Corporate Dividend Tax | - | (31.68) |
| NET CASH UTILISED IN FINANCIAL ACTIVITIES | C (184.87) | (184.65) |
| I Net Increase / (Decrease) in Cash and Cash Equivalents | A+B+C (61.84) | 25.46 |
| II Cash & Cash equivalents as at the beginning of the Year | 79.88 | 54.42 |
| III Cash & Cash equivalents as at the end of the Reporting Period (I+II) | 18.04 | 79.88 |
| IV Cash & Cash equivalents as at the end of the Reporting Period | | |
| Balances with Bank | 17.70 | 77.85 |
| Cash on Hand | 0.34 | 2.03 |
| Cash and Cash Equivalents | 18.04 | 79.88 |

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

CA. Yash Bhatt
Partner
Membership No. 117745
Vadodara, 10th May, 2021

For and on behalf of the Board

Chirayu Amin
Chairman
DIN No.:00242549

Amit Goradia
Director
DIN No.:00074478

Manisha Saraf
Company Secretary

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

Kirti Shah
CFO

Vadodara, 10th May, 2021

NOTES TO FINANCIAL STATEMENTS

1 Company Overview and Significant Accounting Policies:

1.1 Description of business

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

1.2 Basis of preparation of Financial Statements

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

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

1.3 Composition of financial statements

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

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

1.4 Key accounting judgments, estimates and assumptions

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

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

1.5 Significant Accounting Policies and other explanatory notes

a) Revenue recognition

Sales are disclosed net of sales returns and GST.

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

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

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

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

b) Foreign Currency Transactions

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

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

NOTES TO FINANCIAL STATEMENTS

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

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

c) Employee benefits

i) Defined Benefit Obligation Plans

Gratuity

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

Provident Fund

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

Compensated absences

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

Sick Leave

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

ii) Defined Contribution plan

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

d) Property, plant and equipment

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

e) Intangible Assets

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

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

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

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

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

g) Capital Work-in-Progress

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

h) Leases

i) Company as a lessee

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

ii) As a lessor

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

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

iii) Transition to Ind AS 116

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

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

NOTES TO FINANCIAL STATEMENTS

i) Fair value measurement

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

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

j) Impairments of non-current assets

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

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

k) Inventories

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

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

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

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

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

l) Trade receivables

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

m) Cash and Cash equivalents

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

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

n) Borrowing Costs

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

NOTES TO FINANCIAL STATEMENTS

o) Taxation

i) Current income tax

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

ii) Deferred tax

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

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

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

p) Financial instruments

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

i) Financial Assets

a. Initial recognition and measurement

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

b. Subsequent measurement

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

i) Financials Assets at amortised cost

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

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

ii) Financial assets at fair value through other comprehensive income

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

NOTES TO FINANCIAL STATEMENTS

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

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

iii) Financial assets at fair value through profit or loss

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

ii) Financial Liabilities

a. Initial recognition and measurement

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

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

b. Subsequent measurement

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

i) Financial liabilities at fair value through profit and loss

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

ii) Financial liabilities measured at amortised cost

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

q) Provisions, Contingent liabilities and Assets

i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

ii) Contingent Liabilities

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

iii) Contingent Assets

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

r) Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

NOTES TO FINANCIAL STATEMENTS

s) Earnings Per Share

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

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

1.6 Recent Accounting Pronouncements:

Recent pronouncements On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

NOTES TO FINANCIAL STATEMENTS

2. Property, Plant and Equipment :

₹ in Lacs

| Property, Plant and Equipment | Free Hold Land | Buildings | Plant & Machinery | Windmill | R&D Equipment | Furniture & Fixtures | Office Machinery | Vehicles | Total | Capital work in progress | Intangible Assets |
|------------------------------------|----------------|-----------|-------------------|----------|---------------|----------------------|------------------|----------|----------|--------------------------|-------------------|
| Gross Carrying amount | | | | | | | | | | | |
| As at 1 st April 2019 | 5.09 | 326.29 | 2,772.67 | 1,450.40 | 138.82 | 52.08 | 69.31 | 1.73 | 4,816.39 | 623.79 | 2.89 |
| Additions | - | 126.91 | 502.47 | - | 63.85 | 11.38 | 8.48 | 19.29 | 732.38 | 1,705.35 | 6.53 |
| Disposals | 1.36 | - | 7.96 | - | 0.15 | 0.18 | - | - | 9.66 | - | - |
| Transfer | - | - | - | - | - | - | - | - | - | 738.91 | - |
| As at 31 st March 2020 | 3.73 | 453.21 | 3,267.19 | 1,450.40 | 202.51 | 63.27 | 77.78 | 21.02 | 5,539.11 | 1,590.23 | 9.42 |
| Accumulated Depreciation | | | | | | | | | | | |
| As at 1 st April 2019 | - | 30.27 | 780.70 | 172.28 | 41.98 | 3.06 | 11.48 | 1.08 | 1,040.85 | - | 0.02 |
| Depreciation charge for the year | - | 24.36 | 320.73 | 62.63 | 15.17 | 5.41 | 7.27 | 0.46 | 436.02 | - | 2.19 |
| Disposals | - | - | 4.02 | - | - | 0.14 | - | - | 4.16 | - | - |
| As at 31 st March 2020 | - | 54.63 | 1,097.41 | 234.91 | 57.15 | 8.33 | 18.75 | 1.54 | 1,472.72 | - | 2.21 |
| Net Carrying amount | | | | | | | | | | | |
| As at 31 st March 2019 | 5.09 | 296.02 | 1,991.97 | 1,278.12 | 96.83 | 49.02 | 57.82 | 0.65 | 3,775.53 | 623.79 | 2.87 |
| As at 31 st March 2020 | 3.73 | 398.58 | 2,169.77 | 1,215.49 | 145.36 | 54.95 | 59.03 | 19.48 | 4,066.39 | 1,590.23 | 7.22 |
| Gross Carrying amount | | | | | | | | | | | |
| As at 1 st April 2020 | 3.73 | 453.21 | 3,267.19 | 1,450.40 | 202.51 | 63.28 | 77.78 | 21.02 | 5,539.11 | 1,590.23 | 9.42 |
| Additions | - | 133.90 | 1,330.82 | - | - | 23.01 | 30.95 | - | 1,518.68 | 6,726.19 | 14.80 |
| Disposals | - | - | 17.15 | - | 0.87 | - | - | - | 18.01 | - | - |
| Transfer | - | - | - | - | - | - | - | - | - | 1,518.68 | - |
| As at 31 st March, 2021 | 3.73 | 587.11 | 4,580.86 | 1,450.40 | 201.64 | 86.29 | 108.73 | 21.02 | 7,039.78 | 6,797.73 | 24.22 |
| Accumulated Depreciation | | | | | | | | | | | |
| As at 1 st April 2020 | - | 54.63 | 1,097.41 | 234.91 | 57.15 | 8.33 | 18.75 | 1.54 | 1,472.72 | - | 2.21 |
| Depreciation charge for the year | - | 29.49 | 365.62 | 62.63 | 16.90 | 7.13 | 8.35 | 2.44 | 492.56 | - | 3.39 |
| Disposals | - | - | 10.39 | - | 0.27 | - | - | - | 10.66 | - | - |
| As at 31 st March, 2021 | - | 84.12 | 1,452.65 | 297.54 | 73.78 | 15.46 | 27.10 | 3.98 | 1,954.62 | - | 5.60 |
| Net Carrying amount | | | | | | | | | | | |
| As at 31 st March 2020 | 3.73 | 398.58 | 2,169.77 | 1,215.49 | 145.36 | 54.95 | 59.03 | 19.48 | 4,066.39 | 1,590.23 | 7.22 |
| As at 31 st March, 2021 | 3.73 | 502.99 | 3,128.22 | 1,152.86 | 127.86 | 70.83 | 81.63 | 17.04 | 5,085.16 | 6,797.73 | 18.62 |

Note:

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

NOTES TO FINANCIAL STATEMENTS

3. Non-Current Investments :

₹ in Lacs

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|---------------------------------------|---------------------------------------|
| Investments at fair value through other comprehensive income | | |
| Investment in Equity Instruments (Quoted) | | |
| 1,525 (31 st March, 20: 1,525) equity shares of ₹ 2/- each fully paid up in Alembic Limited. (Refer Note 28 (J)) | 1.57 | 0.54 |
| 855 (31 st March, 20: 855) equity shares of ₹ 2/- each fully paid up in Alembic Pharmaceuticals Limited. | 8.25 | 4.56 |
| Investment in Equity Instruments (Unquoted) | | |
| 1,433 (31 st March, 20: 1,433) equity shares of ₹ 100/- each fully paid up in Nirayu Limited. | 2,883.02 | 1,753.12 |
| 1,33,332 (31 st March, 20: 1,33,332) equity shares of ₹ 100/- each fully paid up in Shreno Limited. (Refer Note 28 (J)) | 2,673.31 | 2,673.31 |
| 10 (31 st March, 20: 10) equity shares of ₹ 100/- each fully paid up in Gujarat Urban Housing Co. | 0.01 | 0.01 |
| 25,020 (31 st March, 20: 25,020) equity shares of ₹ 10/- each fully paid up in Pragati Sahakari Bank Limited. | 2.50 | 2.50 |
| 1 (31 st March, 20: 1) equity share of ₹ 25/- each fully paid up in Bharat Co-op Bank Limited. | 0.00 | 0.00 |
| 25 (31 st March, 20: 25) equity shares of ₹ 25/- each fully paid up in The Shamrao Vithal Co-op Bank Limited. | 0.01 | 0.01 |
| Investment in Preference Shares (Unquoted) | | |
| 1,37,053 (31 st March, 20: 1,37,053) 5% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each fully paid up in Nirayu Limited. | 1,317.20 | 1,288.01 |
| 1,525 (31 st March, 20: 1,525) 7% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 2/- each fully paid up in Shreno Limited. (Refer Note 28 (J)) | 0.25 | 0.25 |
| 1,33,332 (31 st March, 20: 1,33,332) 7% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100/-each fully paid up in Nirayu Limited. (Refer Note 28 (J)) | 4,126.83 | 4,106.62 |
| 2,92,500 (31 st March, 20: 2,92,500) 1% Redeemable Cumulative Pref. Shares of ₹10/- each fully paid up in Enviro Infrastructure Co. Limited. | 29.25 | 29.25 |
| Total | 11,042.19 | 9,858.18 |
| Aggregate value of quoted investments - At cost | 0.02 | 0.02 |
| Aggregate value of quoted investments - At market value | 9.82 | 5.11 |
| Aggregate value of unquoted investments - At cost | 87.36 | 87.36 |
| Aggregate value of unquoted investments - At market value | 11,032.37 | 9,853.08 |

NOTES TO FINANCIAL STATEMENTS

4. Other Non Current Assets: ₹ in Lacs

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|------------------|---------------------------------------|---------------------------------------|
| Capital Advances | 443.04 | 408.35 |
| Total | 443.04 | 408.35 |

5. Inventories : [Basis of Valuation - Refer Note 1.5 (k)] ₹ in Lacs

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|---------------------------------------|---------------------------------------|
| (a) Raw materials | 541.71 | 369.66 |
| (b) Work-in-progress | 99.47 | 79.51 |
| (c) Finished goods* | 8.23 | 31.49 |
| (d) Semi Finished goods | 343.34 | 820.99 |
| (e) Stores, Spares & Packing Materials | 386.01 | 323.79 |
| Total | 1,378.76 | 1,625.43 |

* Includes finished goods in transit for ₹ 7,44,664/- as on 31.03.2021 (P.Y. ₹ 1,03,449/-)

6. Current Investments: ₹ in Lacs

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|---------------------------------------|---------------------------------------|
| Investment in Mutual Fund (Quoted) | | |
| Measured at Fair Value (Market Value) through Profit and Loss | 4,378.46 | 6,477.82 |
| Total | 4,378.46 | 6,477.82 |

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

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|---------------------------------------|---------------------------------------|
| Considered good | | |
| Receivable from Related Parties [Refer note no. 28(F)] | 6.64 | 15.56 |
| Others | 3,284.96 | 2,602.35 |
| Total | 3,291.61 | 2,617.91 |

8. Cash and Cash Equivalents: ₹ in Lacs

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|------------------------|---------------------------------------|---------------------------------------|
| (a) Balances with Bank | | |
| In current account | 17.70 | 77.85 |
| (b) Cash on hand | 0.34 | 2.03 |
| Total | 18.04 | 79.88 |

NOTES TO FINANCIAL STATEMENTS

9. Bank Balance other than Cash and Cash Equivalents: ₹ in Lacs

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|---------------------------------------|---------------------------------------|
| (a) Other Bank Balances | | |
| In Deposit Accounts with Bank | 1.25 | 1.18 |
| (b) In earmarked accounts | | |
| Balances held in unpaid dividend accounts | 39.50 | 38.86 |
| Total | 40.75 | 40.04 |

10. Other Current Assets: ₹ in Lacs

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|---------------------------------------|---------------------------------------|
| (a) Advance given to Trade Creditors | 8.06 | 40.54 |
| (b) Tender and Other Deposits | 0.90 | 0.90 |
| (c) Receivable from Revenue Authorities | 289.66 | 74.05 |
| (d) Prepaid Expenses | 45.53 | 31.97 |
| (e) Export benefit receivable | 37.32 | 23.57 |
| (f) Others [#] | 0.00 | 0.10 |
| Total | 381.47 | 171.12 |

Note: [#] Amount less than Rupees One thousand.

11. Current Tax Assets (Net): ₹ in Lacs

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|---------------------------------------|---------------------------------------|
| Provision for Income Tax (net of advance tax and TDS) | 0.60 | 40.14 |
| Total | 0.60 | 40.14 |

NOTES TO FINANCIAL STATEMENTS

12. Equity Share Capital:

₹ in Lacs

| Particulars | As at | As at |
|---|------------------------------|------------------------------|
| | 31 st March, 2021 | 31 st March, 2020 |
| (a) Shares Authorized: | | |
| 90,00,000 Equity shares of ₹ 10/- each | 900.00 | 900.00 |
| 11,00,000 Redeemable Cumulative Preference Shares of ₹ 100/- each | 1,100.00 | 1,100.00 |
| Total | 2,000.00 | 2,000.00 |
| (b) Shares issued, subscribed and fully paid: | | |
| 30,82,114 Equity Shares of ₹ 10/- each | 308.21 | 308.21 |
| Total | 308.21 | 308.21 |

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

| Particulars | 2020-21 | | 2019-20 | |
|---|---------------|-----------|---------------|-----------|
| | No. of Shares | ₹ in Lacs | No. of Shares | ₹ in Lacs |
| Equity Shares of ₹ 10/- each issued, subscribed and fully paid | | | | |
| At the beginning of the year | 30,82,114 | 308.21 | 30,82,114 | 308.21 |
| Outstanding at the end of the year | 30,82,114 | 308.21 | 30,82,114 | 308.21 |

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

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

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

| | 31 st March, 2021 | | 31 st March, 2020 | |
|--------------------|------------------------------|--------|------------------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| 1. Nirayu Limited | 12,68,303 | 41.15% | 12,51,870 | 40.62% |
| 2. Alembic Limited | 5,87,809 | 19.07% | 5,87,809 | 19.07% |

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

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

NOTES TO FINANCIAL STATEMENTS

13. Other Equity

₹ in Lacs

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| (a) Capital Reserve | 4.25 | 4.25 |
| (b) Capital Redemption Reserve | 313.66 | 313.66 |
| (c) General Reserve | 5,534.08 | 4,534.08 |
| (d) Retained Earnings | 12,306.86 | 9,771.11 |
| (e) FVOCI - Equity Investment Reserve | 4,263.85 | 3,392.11 |
| (f) FVOCI - Debt Investment Reserve | 4,435.56 | 4,400.76 |
| Total | 26,858.26 | 22,415.96 |

Capital Redemption Reserve:

This reserve was created as per requirements of Companies Act, 2013 pursuant to buyback of equity shares and redemption of preference shares.

General Reserve:

This reserve is created by transfer of a portion of the net profit.

FVOCI - Equity Investment Reserve:

The Company has elected to recognise changes in the fair value of certain investments in equity shares in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity.

FVOCI - Debt Investment Reserve:

The Company has elected to recognise changes in the fair value of certain investments in preference shares in other comprehensive income. These changes are accumulated within the FVOCI debt investments reserve within equity.

14. Provisions - Non-Current:

₹ in Lacs

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|---------------------------------------|---------------------------------------|
| Provision for employee benefits | | |
| Provision for Leave benefits | 78.88 | 69.81 |
| Provision for Gratuity benefits | 9.45 | 31.16 |
| Total | 88.33 | 100.97 |

15. Deferred Tax Liabilities (Net) :

₹ in Lacs

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|---------------------------------------|---------------------------------------|
| Deferred Tax Liabilities on: | | |
| Difference Between Book & Tax Depreciation | 644.98 | 602.84 |
| Fair value changes through P&L | 50.47 | 3.22 |
| Fair value changes through OCI | 2,255.40 | 1,977.93 |
| | 2,950.85 | 2,583.99 |
| Less: Deferred Tax Assets on: | | |
| Disallowances under Income Tax Act | 47.33 | 48.53 |
| | 47.33 | 48.53 |
| Total | 2,903.52 | 2,535.46 |

NOTES TO FINANCIAL STATEMENTS

16. Trade Payable: ₹ in Lacs

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|---------------------------------------|---------------------------------------|
| For Supplies / Services | | |
| a) Due to Micro & Small enterprises [Refer Note 28 (D)] | 64.70 | 129.86 |
| b) Others | 1,197.93 | 1,244.58 |
| Total | 1,262.63 | 1,374.44 |

17. Other Financial Liabilities - Current: ₹ in Lacs

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|---------------------------------------|---------------------------------------|
| Unpaid Dividends | 39.50 | 38.86 |
| Trade Deposits | 26.00 | 26.00 |
| Payables on Purchase of Property, Plant & Equipment | 1,199.25 | - |
| Total | 1,264.75 | 64.86 |

18. Other Current Liabilities: ₹ in Lacs

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|------------------------------|---------------------------------------|---------------------------------------|
| Statutory Liabilities | | |
| PF, ESI, Prof. Tax & Others | 16.11 | 13.92 |
| GST | 2.80 | 10.82 |
| TDS | 29.12 | 38.66 |
| Staff payables | 86.23 | 81.05 |
| Advance from Customers | 10.96 | - |
| Total | 145.22 | 144.45 |

19. Provisions - Current: ₹ in Lacs

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|---------------------------------------|---------------------------------------|
| Provision for employee benefits | | |
| Provision for Leave benefits | 12.64 | 10.94 |
| Provision for Gratuity benefits | 32.87 | 27.40 |
| Total | 45.51 | 38.34 |

NOTES TO FINANCIAL STATEMENTS

| 20. Revenue from Operations: | | ₹ in Lacs | |
|-----------------------------------|--|--|--|
| Particulars | For the Year ended 31 st March, 2021 | For the Year ended 31 st March, 2020 | |
| a Sale of products | | | |
| - Domestic | 11,510.19 | 11,162.42 | |
| - Exports | 2,443.24 | 2,459.19 | |
| | 13,953.44 | 13,621.60 | |
| b Other Operating Revenues | | | |
| - Disposal Sales | 56.88 | 80.48 | |
| - Export Incentives | 65.69 | 80.85 | |
| - Service Income | 23.96 | 7.56 | |
| | 146.53 | 168.89 | |
| Total | 14,099.97 | 13,790.50 | |

| 21. Other Income : | | ₹ in Lacs | |
|--|--|--|--|
| Particulars | For the Year ended 31 st March, 2021 | For the Year ended 31 st March, 2020 | |
| Dividend | | | |
| Financial Assets - Investments | | | |
| From Other related parties | 213.13 | 140.22 | |
| From Others | 0.29 | 183.22 | |
| Sundry Balance written back | 0.29 | - | |
| Interest Income | | | |
| From Others | 1.70 | 0.08 | |
| Profit on Sale / Redemption of Investment (Net) | 196.74 | 116.76 | |
| Sale of Power | - | 2.46 | |
| Profit on Sale of Property, Plant and Equipment | 11.41 | 0.48 | |
| Exchange Fluctuation Gain (Net) | - | 20.61 | |
| Fair Value change of investment held for trading | 189.43 | (4.75) | |
| Rent Received | | | |
| From Other related parties | 0.44 | 0.82 | |
| From Others | 0.04 | 0.04 | |
| Total | 613.47 | 459.95 | |

NOTES TO FINANCIAL STATEMENTS

22. Cost of Raw Material Consumed : ₹ in Lacs

| Particulars | For the Year ended 31 st March, 2021 | For the Year ended 31 st March, 2020 |
|---|--|--|
| Inventory at the beginning of the year | 369.66 | 461.07 |
| Add : Purchases | 3,101.38 | 4,330.68 |
| | 3,471.04 | 4,791.75 |
| Less : Inventory at the end of the year | 541.71 | 369.66 |
| Total | 2,929.33 | 4,422.09 |

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

| Particulars | For the Year ended 31 st March, 2021 | For the Year ended 31 st March, 2020 |
|---|--|--|
| Inventory at the end of the year | | |
| Work in Process | 99.47 | 79.51 |
| Semi Finished Goods | 343.34 | 820.99 |
| Finished Goods | 8.23 | 31.49 |
| | 451.04 | 931.98 |
| Inventory at the beginning of the year | | |
| Work in Process | 79.51 | 163.75 |
| Semi Finished Goods | 820.99 | 884.31 |
| Finished Goods | 31.49 | 3.26 |
| | 931.98 | 1,051.32 |
| Total | 480.94 | 119.34 |

24. Employee benefits expense: ₹ in Lacs

| Particulars | For the Year ended 31 st March, 2021 | For the Year ended 31 st March, 2020 |
|---|--|--|
| Salaries, Wages, Bonus and Others etc. | 1,749.83 | 1,552.64 |
| Contribution to Provident and other funds | 96.44 | 88.77 |
| Staff welfare | 153.19 | 146.91 |
| Total | 1,999.46 | 1,788.31 |

25. Finance Cost : ₹ in Lacs

| Particulars | For the Year ended 31 st March, 2021 | For the Year ended 31 st March, 2020 |
|-----------------------------|--|--|
| Interest on Working Capital | 0.59 | 0.16 |
| Bank Charges | 4.32 | 7.51 |
| Total | 4.91 | 7.67 |

NOTES TO FINANCIAL STATEMENTS

26. Other Expenses :

₹ in Lacs

| Particulars | For the Year ended 31 st March, 2021 | For the Year ended 31 st March, 2020 |
|--|--|--|
| Repairs and Maintenance | | |
| Machineries | 382.18 | 404.92 |
| Buildings | 3.52 | 9.03 |
| Others | 5.66 | 17.65 |
| Freight and Forwarding Charges | 255.70 | 249.75 |
| Packing Material Consumed | 210.76 | 194.29 |
| Stores, Spares & Containers Consumed | 458.53 | 524.07 |
| Power & Fuel | 618.13 | 549.71 |
| Contract Labour Charges | 346.53 | 341.77 |
| Other manufacturing expenses | 145.69 | 142.47 |
| Selling, Distribution & Advertisement Expenses | 98.91 | 95.99 |
| Rent | 50.44 | 24.57 |
| Rates and Taxes | 24.01 | 18.69 |
| Insurance | 35.84 | 18.45 |
| Travelling Expense | 166.03 | 145.95 |
| Legal & Professional Fees | 606.25 | 268.59 |
| Payment to Auditor [Refer Note 28(I)] | 5.04 | 4.22 |
| Directors' Sitting fees | 10.10 | 8.35 |
| Exchange Fluctuation Loss | 6.54 | - |
| Loss on Sales of Property, Plant and Equipment | - | 2.38 |
| Expenses on CSR Activities [Refer Note 28(H)] | 72.54 | 49.70 |
| Miscellaneous Expenses | 141.60 | 108.86 |
| Total | 3,643.97 | 3,179.39 |

27. Other Comprehensive Income :

₹ in Lacs

| Particulars | For the Year ended 31 st March, 2021 | For the Year ended 31 st March, 2020 |
|---|--|--|
| (a) Item that will not be reclassified to Profit and Loss | | |
| Gain and losses on re-measurement of Financial Asset routed through OCI | 1,134.62 | 351.97 |
| Income Tax Relating to this item | (262.87) | (81.02) |
| | 871.75 | 270.95 |
| Remeasurements of post-employment benefit obligations | (12.90) | (32.03) |
| Income Tax Relating to this item | 3.76 | 9.33 |
| | (9.14) | (22.70) |
| | 862.60 | 248.25 |
| (b) Item that will be reclassified to Profit and Loss | | |
| Gain and losses on re-measurement of Financial Asset routed through OCI | 49.39 | 1,487.74 |
| Income Tax Relating to this item | (14.60) | (73.81) |
| | 34.79 | 1,413.93 |
| Total | 897.40 | 1,662.18 |

NOTES TO FINANCIAL STATEMENTS

28 Other Explanatory Notes and Information

A. Capital & Other Commitment

Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) ₹ 2,453.22 lacs (Previous year ₹ 1,686.44 lacs).

B. Contingent Liabilities:

Contingent liabilities not provided for:

₹ in Lacs

| Sr. No. | Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---------|---|------------------------------------|------------------------------------|
| i) | Disputed claims for excise duty & Service Tax | 32.79 | 32.79 |
| ii) | VAT & CST | 2.55 | 2.55 |
| iii) | Civil Suit | 4.00 | 4.00 |
| iv) | Bank Guarantee | 151.21 | 151.21 |

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

₹ in Lacs

| | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
|---|-----------------|----------------|------------------|----------------|
| | Gratuity Funded | | Leave Encashment | |
| Expense recognised in the Statement of Profit & Loss | | | | |
| Current Service Cost | 27.40 | 26.57 | 13.97 | 11.49 |
| Interest Cost | 3.07 | (0.66) | 4.50 | 3.84 |
| Net Actuarial (Gains) / Losses | - | - | 24.46 | 15.41 |
| Total expense | 30.47 | 25.91 | 42.93 | 30.74 |
| Expense recognised in the Statement of Other Comprehensive Income | | | | |
| Components of actuarial gain/losses on obligations: | | | | |
| Due to change in Financial Assumptions | - | 7.29 | - | 3.32 |
| Due to change in Demographic Assumptions | - | (0.08) | - | (0.03) |
| Due to Experience Adjustments | 14.05 | 23.94 | 24.46 | 12.13 |
| Return on plan assets excluding amounts included in Interest Income | (1.15) | 0.88 | - | - |
| Total amount recognized in Other Comprehensive Income | 12.90 | 32.03 | 24.46 | 15.42 |
| Net Asset / (Liability) recognised in the Balance Sheet | | | | |
| Present value of Defined Benefit Obligation as at March 31, 2021 | 269.59 | 254.17 | 91.52 | 71.14 |
| Fair value of plan assets as at March 31, 2021 | 227.27 | 195.61 | - | - |
| Funded status [Surplus / (Deficit)] | (42.32) | (58.56) | (91.52) | (71.14) |
| Net asset / (liability) as at March 31, 2021 | (42.32) | (58.56) | (91.52) | (71.14) |
| Change in Obligation during the year ended March 31, 2021 | | | | |
| Present value of Defined Benefit Obligation at beginning of the year | 254.17 | 223.21 | 71.14 | 56.53 |
| Current Service Cost | 27.40 | 26.57 | 13.97 | 11.49 |
| Interest Cost | 14.84 | 13.58 | 4.50 | 3.84 |
| Settlement Cost | - | 7.30 | - | 3.32 |
| Past Service Cost | - | (0.08) | - | (0.03) |
| Actuarial (Gains) / Losses | 14.05 | 23.94 | 24.46 | 12.13 |
| Benefits Payments | (40.87) | (40.35) | (22.55) | (16.14) |

NOTES TO FINANCIAL STATEMENTS

| | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
|--|---|--|---|--|
| | Gratuity Funded | | Leave Encashment | |
| Present value of Defined Benefit Obligation at the end of the year | 269.59 | 254.17 | 91.52 | 71.14 |
| Change in Assets during the Year ended March 31, 2021 | | | | |
| Plan assets at the beginning of the year | 195.61 | 221.11 | - | - |
| Expected return on plan assets | 11.77 | 14.24 | - | - |
| Contributions by Employer | 59.61 | 1.48 | - | - |
| Actual benefits paid | (40.87) | (40.34) | - | - |
| Return on plan assets excluding amounts included in Interest Income | 1.15 | (0.88) | - | - |
| Plan assets at the end of the year | 227.27 | 195.61 | - | - |
| Actual return on plan assets | 11.77 | 14.24 | - | - |
| Expected Cash flow based on the past service liability for year ended 31st March, 2021 | | | | |
| Year 1 Cash flow | 76.15 | 74.85 | 12.64 | 10.94 |
| Distribution (%) | 16.5% | 17.6% | 5.4% | 6.6% |
| Year 2 Cash flow | 18.59 | 25.67 | 7.90 | 4.39 |
| Distribution (%) | 4.0% | 6.0% | 3.4% | 2.6% |
| Year 3 Cash flow | 11.35 | 16.68 | 5.12 | 5.74 |
| Distribution (%) | 2.5% | 3.9% | 2.2% | 3.4% |
| Year 4 Cash flow | 17.84 | 16.09 | 4.13 | 8.49 |
| Distribution (%) | 3.9% | 3.8% | 1.8% | 5.1% |
| Year 5 Cash flow | 14.22 | 15.63 | 2.89 | 2.91 |
| Distribution (%) | 3.1% | 3.7% | 1.2% | 1.7% |
| Year 6 - Year 10 Cash flow | 135.18 | 114.56 | 28.07 | 18.67 |
| Distribution (%) | 29.3% | 26.9% | 12.1% | 11.2% |
| Actuarial Assumptions: | | | | |
| Discount Rate | 6.85% | 6.85% | 6.85% | 6.85% |
| Expected rate of return on plan assets | 6.85% | 6.85% | 6.85% | 6.85% |
| Mortality pre retirement | Indian Assured Lives Mortality (2012-14) Table | | NA | NA |
| Mortality post retirement | NA | NA | NA | NA |
| Withdrawal Rates | 5.00% p.a at younger ages reducing to 1.00% p.a% at older ages | 5.00% p.a at younger ages reducing to 1.00% p.a% at older ages | 5.00% p.a at younger ages reducing to 1.00% p.a% at older ages | 5.00% p.a at younger ages reducing to 1.00% p.a% at older ages |
| Medical premium inflation | NA | NA | NA | NA |
| Annual Increment in Salary cost | 6.00% | 6.00% | 6.00% | 6.00% |
| Sensitivity Analysis: | | | | |
| Defined Benefit Obligation upon delta effect of : | | | | |
| +0.5% Change in Rate of Discounting | 261.45 | 246.88 | 86.82 | 67.83 |
| -0.5% Change in Rate of Discounting | 278.31 | 261.96 | 96.67 | 74.76 |
| +0.5% Change in Rate of Salary Increase | 277.41 | 261.36 | 96.69 | 74.77 |
| -0.5% Change in Rate of Salary Increase | 261.48 | 246.85 | 86.76 | 67.78 |
| +10% Change in Rate of Withdrawal Rate | 269.82 | 254.31 | 91.75 | 71.30 |
| -10% Change in Rate of Withdrawal Rate | 269.36 | 254.02 | 91.28 | 70.98 |

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

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

NOTES TO FINANCIAL STATEMENTS

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

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

| | | ₹ in Lacs | |
|----|---|---------------------------------------|---------------------------------------|
| | | As at 31 st March, 2021 | As at 31 st March, 2020 |
| a) | (i) The Principal amount remaining unpaid to any supplier at the end of accounting year | 64.70 | 129.86 |
| | (ii) The interest due on above | - | - |
| | Total of (i) & (ii) above | 64.70 | 129.86 |
| b) | Amount of interest paid by the buyer in terms of Section 16 of the Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| c) | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act. | - | - |
| d) | The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| e) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of Act. | - | - |

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

E. Segment Reporting :**a) Primary Segment:**

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

b) Secondary Segment (By Geographical Segment)

| | | ₹ in Lacs | |
|--------------------|--|------------------------------|------------------------------|
| For the Year ended | | 31 st March, 2021 | 31 st March, 2020 |
| India | | 11,510.19 | 11,162.42 |
| Outside India | | 2,443.24 | 2,459.19 |
| Total Sales | | 13,953.44 | 13,621.60 |

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

F. Related Party Disclosures**List of Related Parties with whom the Company has entered into transactions during the year**

a) Controlling Companies : Nirayu Limited

b) Subsidiary and Fellow Subsidiary: There is no subsidiary / fellow subsidiary company

c) Associate / Joint Venture Companies: There is no associate / joint venture company

d) Other Related Parties:

- 1 Alembic Pharmaceuticals Limited
- 2 Alembic Limited
- 3 Shreno Limited
- 4 Shreno Publications Limited
- 5 Alembic City Limited

NOTES TO FINANCIAL STATEMENTS

e) Key Management Personnel:

| | | | |
|----|-------------------|---|---|
| 1 | Mr. Chirayu Amin | - | Chairman |
| 2 | Mr. Udit Amin | - | Non-Executive Director |
| 3 | Mr. Amit Goradia | - | Independent Director |
| 4 | Mr. Atul Patel | - | Independent Director |
| 5 | Mr. V. H. Gandhi | - | Independent Director |
| 6 | Dr. Shamita Amin | - | Independent Director |
| 7 | Mr. Abhijit Joshi | - | Whole Time Director & CEO |
| 8 | Ms. Kirti Shah | - | Chief Financial Officer (wef 12.11.2019) |
| 9 | Mr. Kaushik Shah | - | Dy. Chief Financial Officer (upto 19.05.2020) |
| 10 | Ms. Manisha Saraf | - | Company Secretary |

f) Relatives of Key Management Personnel:

| | |
|---|---------------|
| 1 | Ms. Yera Amin |
|---|---------------|

g) Transactions with Related Parties:

₹ in Lacs

| Sr. No. | Particulars | For the Year ended 31 st March, 2021 | For the Year ended 31 st March, 2020 |
|---|---|--|--|
| Controlling Company | | | |
| 1 | Dividend Received | 213.12 | 139.42 |
| 2 | Purchase of Property, Plant & Equipment | 256.69 | 55.57 |
| 3 | Purchase of Goods | 1.96 | 5.57 |
| KMP, Promoters, Directors & Relatives of KMP / Promoters / Directors | | | |
| 1 | Receiving of Services | 31.86 | 31.86 |
| 2 | Director's Sitting Fees | 10.10 | 8.35 |
| 3 | KMP Remuneration | 249.85 | 221.63 |
| Other related parties | | | |
| 1 | Purchase of Goods | 7.98 | 28.43 |
| 2 | Sale of Goods/Services | 170.20 | 70.20 |
| 3 | Receiving of Services | 89.73 | 114.23 |
| 4 | Reimbursement of Expenses | 3.74 | - |
| 5 | Rent Income | 0.52 | 0.95 |
| 6 | Purchase of Property, Plant & Equipment | 1.56 | 6.89 |
| 7 | Sale of Property, Plant & Equipment | - | 243.25 |
| 8 | Dividend Received | 0.02 | 0.14 |

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

₹ in Lacs

| Sr. No. | Particulars | For the Year ended 31 st March, 2021 | For the Year ended 31 st March, 2020 |
|---|--------------------------|--|--|
| KMP, Promoters, Directors & Relatives of KMP / Promoters / Directors | | | |
| 1 | Remuneration Payable | 145.00 | - |
| Other related parties | | | |
| 1 | Trade / Other Payable | - | 0.64 |
| 2 | Trade / Other Receivable | 6.64 | 13.91 |
| 3 | Investments | 11,010.42 | 9,826.41 |

NOTES TO FINANCIAL STATEMENTS

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

| ₹ in Lacs | | | |
|------------|--|--|--|
| Sr. No. | Particulars | For the Year ended 31 st March, 2021 | For the Year ended 31 st March, 2020 |
| 1 | Purchase of Goods | | |
| | Alembic Ltd. | 5.41 | 13.11 |
| | Alembic Pharmaceuticals Ltd. | 2.57 | 11.71 |
| | Nirayu Ltd | 1.96 | 5.57 |
| | Others | - | 3.62 |
| 2 | Sale of Goods/Services | | |
| | Alembic Pharmaceuticals Ltd. | 164.93 | 62.72 |
| | Alembic Ltd. | 5.27 | 7.48 |
| 3 | Receiving of Services | | |
| | Alembic Ltd. | 78.90 | 114.23 |
| | Alembic City Ltd. | 10.83 | - |
| | Ms. Yera Amin | 31.86 | 31.86 |
| 4 | Reimbursement of Expenses | | |
| | Alembic City Ltd. | 3.74 | - |
| 5 | Rent Income | | |
| | Alembic Pharmaceuticals Ltd. | 0.52 | 0.95 |
| 6 | Purchase of Property, Plant & Equipment | | |
| | Shreno Ltd. | - | 1.76 |
| | Nirayu Ltd. | 256.69 | 55.57 |
| | Alembic Ltd. | 1.56 | 5.13 |
| 7 | Director's Sitting Fees | | |
| | Mr. Chirayu Amin | 1.20 | 0.70 |
| | Mr. Udit Amin | 1.10 | 0.95 |
| | Mr. Amit Goradia | 2.00 | 1.70 |
| | Mr. Atul Patel | 2.00 | 1.70 |
| | Mr. V. H. Gandhi | 2.30 | 2.00 |
| | Dr. Shamita Amin | 1.50 | 1.30 |
| 8 | KMP Remuneration | | |
| | Mr. Abhijit Joshi | 65.30 | 60.71 |
| | Mr. Udit Amin | 145.00 | 125.00 |
| | Mr. Kaushik Shah (upto 19.05.2020) | 2.23 | 14.98 |
| | Ms. Kirti Shah (wef 12.11.2019) | 19.81 | 6.36 |
| | Ms. Manisha Saraf | 17.52 | 14.59 |
| 9 | Sale of Property, Plant & Equipment | | |
| | Alembic Pharmaceuticals Ltd. | - | 243.25 |
| 10 | Dividend Received | | |
| | Alembic Ltd. (*Amount Less than ₹ 1,000) | 0.01 | 0.00* |
| | Nirayu Ltd. | 213.12 | 139.42 |
| | Shreno Ltd. | 0.01 | - |
| | Alembic Pharmaceuticals Ltd. | - | 0.13 |

NOTES TO FINANCIAL STATEMENTS

G. Earnings Per Share:

₹ in Lacs

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|---------------------------------------|---------------------------------------|
| Earning per share has been computed as under: | | |
| a) Profit after Taxation | 3,729.82 | 3,491.21 |
| b) Total Ordinary shares Number of Ordinary Shares | 3,082,114 | 3,082,114 |
| c) Basic and Diluted Earning per Share (Face value ₹10/- per share) (in ₹) | 121.02 | 113.27 |

H. Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR Committee has been formed by the Company as per the Act. The company spent ₹ 72.54 Lacs on various projects during the year. Please refer to Annexure – B in the Board's Report.

(a) Gross amount required to be spent by the company during the year: ₹ 72.54 lacs (Previous Year ₹ 49.70 lacs)

(b) Amount spent during the year on:

₹ in Lacs

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|---------------------------------------|---------------------------------------|
| 1. Construction / Acquisition of Assets | | |
| - In cash | - | - |
| - Yet to be paid in cash | - | - |
| 2. On purpose other than (i) above | | |
| - In cash | 72.54 | 49.70 |
| - Yet to be paid in cash | - | - |

I. Payment to Auditors

₹ in Lacs

| Particulars | For the Year ended 31 st March, 2021 | For the Year ended 31 st March, 2020 |
|---|--|--|
| a) Statutory Auditors | | |
| As Auditors | 2.00 | 1.70 |
| In other capacity | | |
| Other services | 0.27 | 0.35 |
| b) Tax Auditors | | |
| Tax Audit Fees | 0.50 | 0.30 |
| c) Cost Auditors | 0.32 | 0.32 |
| d) Secretarial Auditor | | |
| Secretarial Audit, Corporate Governance, Annual Return & other services | 1.95 | 1.55 |
| Total | 5.04 | 4.22 |

J. During FY 2019-20, pursuant to the Composite Scheme of Arrangement between Alembic Limited, Shreno Limited and Nirayu Limited becoming effective, the Company was issued and allotted the following Preference Shares: (a) 1,525; 7% Non-Convertible Cumulative Redeemable Preference Shares of face value ₹ 2/- each by Shreno Limited; and (b) 1,33,332; 7% Non-Convertible Cumulative Redeemable Preference Shares of face value ₹ 100/- each by Nirayu Limited, as consideration for the said Scheme, in addition to its existing equity shareholding in Alembic Limited and Shreno Limited respectively.

The cost of investment in Equity Shares of Alembic Limited and Shreno Limited was allocated proportionately to the Preference Shares as per the guidance provided by the issuing entities respectively. Accordingly, FVOCI - Equity Investment Reserve of ₹1981.13 Lakhs (net of Tax) recorded upto the date of issuance of such Preference Shares was transferred to the FVOCI - Debt Investment Reserve.

NOTES TO FINANCIAL STATEMENTS

K. Financial instruments

i) Fair value measurement hierarchy:

₹ in Lacs

| Particulars | As at 31 st March, 2021 | | | |
|--|------------------------------------|------------------------|----------|----------|
| | Carrying amount | Level of input used in | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | |
| At Fair Value through Profit and Loss | | | | |
| Mutual Funds | 4,378.46 | 4,378.46 | - | - |
| At FVTOCI | | | | |
| Investment in Equity instruments | 5,568.67 | 9.82 | 5,556.33 | 2.52 |
| Investment in Debt instruments | 5,473.52 | - | - | 5,473.52 |
| At Amortised cost | | | | |
| Trade Receivables | 3,291.61 | - | - | - |
| Cash and cash equivalents | 18.04 | - | - | - |
| Bank balances other than above | 40.75 | - | - | - |
| Financial liabilities | | | | |
| Trade Payables | 1,262.63 | - | - | - |
| Trade Deposits | 26.00 | - | - | - |
| Other Financial liabilities | 1,238.75 | - | - | - |

₹ in Lacs

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

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

ii) Valuation technique used to determine fair value

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

- a. The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date.
- b. The fair values of quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.
- c. The fair values of unquoted investment in equity shares of investee companies, including those having multiple business segments are derived as under:
 - For investments of investee in listed securities, average closing price of the security for the previous six months from year end or the closing price as on 31st March 2021, as may be reflecting the correct position is considered.
 - For investment in mutual funds, we have considered the NAV of the mutual funds as on 31st March 2021.
 - For valuation of any land and property of investee, fair market value of the asset based on reports of experts is considered.
 - For valuation of property purchased in the month of March 2021, we have relied upon the stamp duty value as is taken in the financial statements.
 - For investments of investee in unlisted non-operating companies, valuation is carried out on realizable net asset value basis, derived from the fair valuation of the underlying assets and liabilities or using DCF Method, in case if projections are made available.
 - For valuation of any unlisted Cash Generating Unit / operating business of the investee, the valuation has been arrived by applying DCF method.
- d. The fair values of unquoted investment in preference shares is arrived by discounting income/cash flows to its present value using the required rate of return and the cost of debt of Paushak Limited and returns expected on similar investments.

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

The following table represents the changes in level 3 items for the period ended 31st March, 2021.

| Particulars | ₹ in Lacs |
|---|-----------|
| As on April 1, 2020 | 5,426.65 |
| Gains / (Losses) recognized in other comprehensive income | 49.39 |
| As on March 31, 2021 | 5,476.04 |

NOTES TO FINANCIAL STATEMENTS

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

₹ in Lacs

| Particulars | | Fair value as at | | Significant Observable Inputs | Probable - weighted range | |
|-------------|-----------------------------|------------------------------|------------------------------|-------------------------------|------------------------------|------------------------------|
| | | 31 st March, 2021 | 31 st March, 2020 | | 31 st March, 2021 | 31 st March, 2020 |
| a) | Unquoted Equity Instruments | 2.52 | 2.52 | Earnings Growth Rate | - | - |
| | | | | Free Cash Discount Rate | - | - |
| b) | Unquoted Debt Instruments | 5,473.52 | 5,424.13 | Effective Interest Rate | Ranging from 5% to 7% | Ranging from 5% to 7% |
| | | | | Cash Flows | Ranging from 5% to 7% | Ranging from 5% to 7% |
| | | | | Earnings Growth Rate | - | - |
| | | | | Free Cash Discount Rate | 10% | 10% |

v) Valuation Processes

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

L. Financial Risk management

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

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

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

i) Credit risk:

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

Investments

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

Trade receivables

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

NOTES TO FINANCIAL STATEMENTS

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

There are no credit impaired Trade Receivable as on 31st March, 2021

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

ii) **Liquidity risk**

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

Maturities of Financial Liabilities

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

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

Contractual maturities of financial liabilities

| | | | ₹ in Lacs |
|--|------------------|------------------|-----------------|
| Particulars | Less than 1 year | More than 1 year | Total |
| As at 31st March, 2021 | | | |
| Non-derivatives | | | |
| Other Financial Liabilities | 1,264.75 | - | 1,264.75 |
| Trade payables | 1,262.63 | - | 1,262.63 |
| Total Non-derivative liabilities | 2,527.38 | - | 2,527.38 |

| | | | ₹ in Lacs |
|--|------------------|------------------|-----------------|
| Particulars | Less than 1 year | More than 1 year | Total |
| As at 31st March, 2020 | | | |
| Non-derivatives | | | |
| Other Financial Liabilities | 64.86 | - | 64.86 |
| Trade payables | 1,374.44 | - | 1,374.44 |
| Total Non-derivative liabilities | 1,439.30 | - | 1,439.30 |

iii) **Market risk**

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

Price Risk

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

Management Policy

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

NOTES TO FINANCIAL STATEMENTS

M. Capital Management

The Company's capital management objectives are:

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

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

₹ in Lacs

| Particulars | As on 31 st March, 2021 | As on 31 st March, 2020 |
|--|---------------------------------------|---------------------------------------|
| Debt (includes non-current, current borrowings and current maturities of long term debt) | - | - |
| Less : Cash and cash equivalents | 18.04 | 79.88 |
| Net Debt | - | - |
| Total Equity excluding Revaluation Reserves | 18,467.07 | 14,931.31 |
| Net debt to total equity ratio | - | - |

N. Use of Estimates and Judgements

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

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

O. Details of Hypothecation of Assets

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

P. SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015

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

Q. Information on Dividend for the year

Dividends proposed or declared after the balance sheet date but before the financial statements have been approved by the Board of Director is not recognised as a liability at the balance sheet date. The Board of Director recommended final dividend of ₹ 6/- per equity share for the financial year ended on 31st March, 2021. The payment is subject to approval of share holder in ensuing Annual General Meeting of the Company. (Previous year ₹ 6/- per equity share)

NOTES TO FINANCIAL STATEMENTS

R. Taxes Reconciliation:

(a) Income tax expense

₹ in Lacs

| | Particulars | 31 st March, 2021 | 31 st March, 2020 |
|----|---|------------------------------|------------------------------|
| a) | Current Tax | | |
| | Current tax expense | 1,335.00 | 1,073.48 |
| | Less: MAT Credit utilised | - | 293.48 |
| | Net Current Tax | 1,335.00 | 780.00 |
| b) | Deferred Tax | | |
| | Decrease / (Increase) in deferred tax assets | 4.96 | 295.31 |
| | (Decrease) / Increase in deferred tax liabilities | 89.39 | (17.55) |
| | Total Deferred tax expenses (Benefits) | 94.35 | 277.76 |
| | Total Income tax expenses (a+b) * | 1,429.35 | 1,057.76 |
| | * Excludes below tax impact on Other comprehensive income | | |
| | Tax Benefit / (Expense) on Actuarial | 3.76 | 9.33 |
| | Tax Benefit / (Expenses) due to Fair Value of Investments | (277.47) | (154.83) |

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

₹ in Lacs

| | Particulars | 31 st March, 2021 | 31 st March, 2020 |
|----|---|------------------------------|------------------------------|
| a) | Profit before Income tax expense | 5,158.88 | 4,537.32 |
| b) | Tax at the Indian Tax Rate * | 1,502.26 | 1,321.27 |
| c) | Tax effect of amounts which are not deductible (taxable) in calculating taxable income | | |
| | Dividend income | - | (94.08) |
| | Expenditure related to exempt Income | - | 0.15 |
| | Tax impact on tax loss | (3.53) | - |
| | Tax impact on deduction available under Chapter VIA and R&D | (105.79) | (142.09) |
| | Deferred Tax | - | 277.76 |
| | Utilization of MAT Credit | (10.65) | (293.48) |
| | Others | 47.04 | (11.76) |
| | Income Tax Expense | 1,429.35 | 1,057.76 |

*The company falls under the normal provisions of Income Tax Act, 1961 and the applicable Indian statutory tax rate for year ended March 31, 2021 is 29.12%.

NOTES TO FINANCIAL STATEMENTS

(c) Current Tax (Liabilities) / assets:

| | | ₹ in Lacs | |
|----|--|------------------------------|------------------------------|
| | Particulars | 31 st March, 2021 | 31 st March, 2020 |
| a) | Opening balance | 40.14 | (42.33) |
| b) | Income Tax Paid | 1,295.17 | 850.82 |
| c) | Current income tax / wealth tax payable for the year | (1,335.00) | (780.00) |
| d) | Current income tax provision for earlier year | 0.30 | 11.65 |
| e) | Net current income tax asset/ (liability) at the end | 0.60 | 40.14 |

- S.** Due to resurgence of Covid-19 cases, acute shortage of oxygen and resultant Government restrictions on use of oxygen for industrial purposes, the Company temporarily suspended its manufacturing operations w.e.f. 28th April, 2021. In view of prevailing uncertainty, the impact on the business is difficult to ascertain. The Company's management believes that the impact is short term in nature.
- T.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
- U.** These Financial Statements were authorised for issue in accordance with the resolution of the Board of Directors at its meeting held on 10th May, 2021.

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

For and on behalf of the Board

Chirayu Amin
 Chairman
 DIN No.:00242549

Amit Goradia
 Director
 DIN No.:00074478

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

CA. Yash Bhatt
 Partner
 Membership No. 117745
 Vadodara, 10th May, 2021

Manisha Saraf
 Company Secretary

Kirti Shah
 CFO

Vadodara, 10th May, 2021

If undelivered please return to:

PAUSHAK LIMITED

Alembic Road, Vadodara. Gujarat, India 390003. Phone: +91 265 2280550

Email: investors@paushak.com Website: www.paushak.com