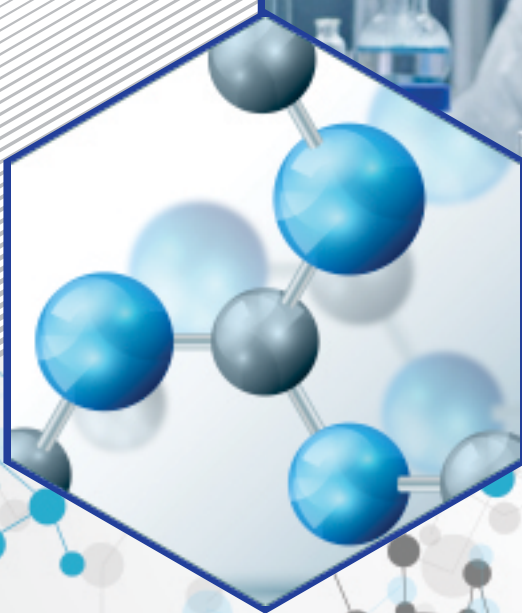




DRUGS AND CHEMICALS LIMITED

ANNUAL REPORT 2019-2020





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Corporate Profile

We were founded in 1982 by our honorary Director Mr. V. J. Savani and now he has handed over to second generation Mr. Falgun V. Savani, Mr. Jignesh V. Savani and Mr. Ghanshyam B. Savani. We are presently engaged in the manufacturing of APIs and Fine Chemicals for the domestic market as well as for exports to international markets. APIs, also known as "bulk drugs" or "bulk actives" are the principal ingredient used in making finished dosages in the form of capsules, tablets, liquid, or other forms of dosage, with the addition of other APIs or inactive ingredients. We currently produce the Entire Range of Antacid Molecules available in the market.

We currently own and operate two manufacturing facilities at Bhavnagar, Gujarat and Ankleshwar, Gujarat. We commenced commercial operations in 1982 by setting up a unit at Chitra, Bhavnagar, Gujarat, to manufacture Antacid Raw Materials. We currently have three Manufacturing Blocks at our Bhavnagar Facility for different products. The facility at Chitra, Bhavnagar is WHO-GMP certified. We started our second facility at Ankleshwar in fiscal 2006. During the year 2011 we have added two manufacturing Block out of three at our Chitra, Bhavnagar facility. One is dedicated facility for our Main API, Magnesium Hydroxide, and another one is for Fine Chemicals Manufacturing Block.

Our product portfolio presently comprises 18 APIs and 10 Fine Chemicals which are marketed domestically and exported. We supply our products to approximately 38 countries, including both direct and indirect exports.

We seek to establish long-term relationships with our customers and expand our business opportunities with them.



The Company At A Glance



Par Drugs and Chemical Limited established in the year 1999.

Our founder Mr. V. J. Savani is a technocrat with an experience of over 20 years in the manufacture of Antacid raw materials. The Company today manufacturers approx 28 different products and all the requisite grades as available in market.

Mission & Vision

With the Legacy of more than 32 years we at Par Drugs and Chemicals Limited is a 20-year-old company.

Mission Statement :

To enhance the value of our customer's products by delivering best quality of raw materials. To consistently improve quality and production standards for the betterment of our customer's. To build a strong relationship with all our customers, vendors and employees on the values of ethical and transparent working system.

Vision statement :

To develop an Ultra Modern R&D facility to bring various chemical innovations to life. To implement the new standards of production process into our existing product lines which will optimize the production time without compromising on the quality yet making it easily sustainable. To modify our existing products so as to develop entirely new products/formulations for different segments of the industry. To diversify and enter new regions and territories by developing byproducts from our existing product lines.



The company is one of the largest manufacturer in Magnesium Hydroxide, Sucralfate and Magnesium Trisilicate in India.

API (65%)	
Magnesium Hydroxide	Magnesium Oxide USP
Sucralfate	Almagate BP
Dried Aluminium Hydroxide Gel	Light Magnesium Carbonate
Magaldrate	Light Magnesium Carbonate
Magnesium Trisilicate	Colloidal Silicon Dioxide
Aluminium Magnesium Silicate	Magnesium Aluminometasilicate
Magnesium Aluminosilicate-USP	Magnesium Oxide Light
Magnesium Oxide Heavy	Magnesium Aluminium Hydrate
Hydrotalcite	Synthetic Aluminium Silicate

Fine Chemicals (35%)

Precipitated Silica
Sodium Aluminium Silicate
Amorphous Aluminium Hydroxide
PARSIL-HT
PAR ADD OP
MagSil OF
FlowSil
Aluminium Hydroxide Magnesium Carbonate Co-Dried Gel
Magnesium Aluminium Silicate Hydrated (Pharma)
Magnesium Aluminium Silicate Hydrated (Agro)

Magnesium Hydroxide

- Widely used as an Antacid in many Formulations helping reduce stomach acid.
- Also used as intermediate for obtaining magnesium metal, residual fuel additive, sulfite pulp, uranium processing, dentifrices, in food as alkali, drying agent, colour retention agent, frozen desserts.

Sucralfate

- It is a medication primarily taken to treat active duodenal ulcers.
- Sucralfate is also used for the treatment of gastroesophageal reflux disease and stress ulcers.

Dried Aluminium Hydroxide Gel

- Mainly used as an active medicament in an Antacid Formulations.
- Used in manufacturing of lake colours, Inks, catalysts carrier etc.

Magaldrate

- It is a common antacid drug that is used for the treatment of duodenal and gastric ulcers, esophagitis from gastroesophageal reflux.

Magnesium Trisilicate

- Used as Antacid in Antacid Formulations.
- Useful Antioxidant, decolorizing agent.
- Industrial odour absorbent.

Synthetic Aluminium Silicate-KP

- Used in cattle feed product formulation.

Magnesium Aluminosilicate-USP

- Used as an Antacid Raw material in a specific antacid Formulation.

Magnesium Aluminometasilicate-KP/USP

- Used as an Antacid Raw material in a specific antacid Formulation.

Aluminium Magnesium Silicate

- Used as an Antacid Raw material in a specific antacid formulation.
- Ceramics suspending agent, thickening agent etc.

Magnesium Oxide USP

- Its uses include relief of heartburn and sore stomach, as an antacid, magnesium supplement and as a short-term laxative.

Almagate BP

- Used as an Antacid Raw material in a specific antacid formulations.

Heavy Magnesium Carbonate – IP/BP/UPS

- Used as an Antacid Raw material in a specific antacid Formulation.

Colloidal Silicon Dioxide

- Has many uses in tablet-making: some include as an anti-caking agent, adsorbent, disintegrate or glidant to allow powder to flow freely when tablets are processed.

APIs and their Applications

Hydrotalcite

- Used as an API in Antacid Formulation.

Magnesium Aluminium Hydrate

- Used as an Antacid Raw material in a specific.

Light Magnesium Carbonate

Light magnesium Carbonate is an inorganic compound used as common antacid.

- Used to produce magnesium metal and basic refractory bricks.
- Used in flooring, fire proofing.
- Fire extinguishing compositions.
- Cosmetics, dusting powder and toothpaste.

Magnesium Oxide Light

Magnesium Oxide is a common antacid drug that is used for Pharmaceutical aid.

- Filling and reinforcing agent for light-coloured plastic and rubber products.
- Polishing agent, binding agent.
- Accelerator and activator for fluorine and chloroprene rubber.
- For making ceramic, enamel, advanced refractory materials. Used for making magnesium chloride cement. Widely used in glass, dyes, phenolic plastic and other fields.

Magnesium Oxide Heavy

- Common Antacid drug used in pharmaceutical aid.
- Widely used as high temperature resistant materials.



Fine chemicals are chemical substances prepared to a very high degree of purity. They can be used in different industries. These chemicals are used for special applications by manufacturing firms that make the following products: Pharmaceuticals, paints, petrochemicals, adhesives and agricultural products.

Precipitated Silica

It is a form of silica (silicon dioxide, SiO_2); it is a white, powdery material. Precipitated silica is produced by precipitation from a solution containing silicate salts.

- Pesticides & Detergents.
- Special Low Moisture Grade.
- Free Flow Salt & Anticaking Agent.
- For Cosmetics.
- Pharmaceuticals.

Allusil (Sodium All. Silicate) - Sodium Aluminium Silicate

It is a composition of Silicate & Aluminium Salt.

- Paper
- Paint
- Coating application

Amorphous Aluminium Hydroxide

- Amorphous Aluminium Hydroxide Dried Gel is used in manufacturing of construction chemicals mainly used to manufacture "Short Crete".

PARSIL - HT

- Used in Specialized Agro Formulation.

PAR ADD OP

- Used as Filler in PVC Pipes Manufacturing.

Magnesium Aluminium Silicate (Agro)

- Used as Plant Growth Supplement.

Magnesium Aluminium Silicate (Pharma)

- Used as an Antacid Raw material in a specific antacid Formulation.
- Ceramics, suspending agent, thickening agent etc.

Aluminium Hydroxide Magnesium Carbonate Co-Dried Gel

- Used as Pharma Excipient in specific antacid formulations.

MagSil OF

- Used in Regeneration of Used Cooking Oil.

FlowSil

- Used as Packing Material in Chromatographic Columns.

Mr. V. J. Savani established in the year 1982 in the name of M/s PAR INORGANICS, then the PAR DRUGS AND CHEMICALS LIMITED was incorporated in the year 1999.

16 years of innovation

2002 Drying Technology Up gradation (spin flash dryer) in India, which was first time in our product segment.

2005 We have established second manufacturing facility in Asia's biggest chemicals corridor, GIDC Ankleshwer.

2009 Fuel Technology modification changeover from furnace oil to Coal Fired Hot Air Generator, which has improved our cost effectiveness tremendously and increased profit of company.

2010 We have got GMP (Good Manufacturing Practice) Certification from renowned organization named World Health Organization (WHO) at our Bhavnagar manufacturing facility.

2012 We have established two new manufacturing blocks in Bhavnagar, one block is specially for fine chemicals to expand new business segment other then Pharma product. Further, second block is dedicated to only one product magnesium hydroxide. Moreover Ankleshwer plant was upgraded with spray dryer system. 2015 we have addition of one API product named - Sucralfate - the only manufacturer in India.

2015 We have addition of one API product named - Sucralfate - the only manufacturer in India.

2017 We have installed 120kw Solar Power Generation Plant in our premises - roof tops by this application we produce Solar Power and help green energy by reducing 1,54,000 kgs p.a. of carbon emission.

2018 Conversion from Private Limited to Limited on 5th November 2018.

Now, after all these expansion Par Drugs & Chemicals is having all the Latest Drying Equipments available in Bulk Drying i.e. Flash Dryer, Spin Flash Dryer and Spray Dryer. This gives the certain edge to the company to develop existing molecule for different applications.

Also, after catering these years only to the Pharma Companies, we've taken a decision to diversify the business to the Fine Chemicals. The first step towards this is already been taken by developing Amorphous Aluminum Hydroxide for Construction Chemicals. Also, currently working on 3-4 different products likes Magnesium Silicate, from existing Product Mix but for very different Applications.

Message from the Chairman



Falgun V. Savani
Chairman & Managing Director

Dear Shareholders,

I am pleased to present to you the 21st Annual Report of your Company and very first after successful IPO of your Company Listed on NSE-Emerge Platform. We are very fortunate and humbled by the response received for the Initial Public Offering (IPO) of the equity shares of the Company. The support given to the IPO was very heart warming.

Your Company is poised for taking a leap forward and witnessing next level growth, continuing its phenomenal journey towards excellence in API and Fine Chemical Products delivery to the well-known organization. Throughout our journey, we have been exceeding expectations of our buyer through consistency and quality of services. As we continue to grow, it is our strategy to strengthen our organization presence in India and abroad, our aim to continue expanding our presence in newer geographies as well to develop new products as part of our growth strategies.

Performance for the last financial year was in line with our expectation, where we could withstand the sharp increasing it with growth in terms of revenue and turnover. Our strategy to de-risk the business through providing qualitative products proved to be very useful.

Your Company is engaged in the development and manufacture of Active Pharma Ingredients ("APIs") and Fine Chemicals for the domestic market as well as for exports to international markets. APIs, also known as "bulk drugs" or "bulk actives" are the principal ingredient used in making finished dosages in the form of capsules, tablets, liquid, or other forms of dosage, with the addition of other APIs or inactive ingredients. We currently produce various range of Antacid Molecules which are available in the market and are in great demand. Moreover, we expect the API business to grow at a good pace. For our Fine Chemicals Segment we are also increasing the share of the same in revenue and turnover.

While we have always known that each business stands uniquely apart in its thinking, objectives and resources, we believe the timing is opportune to run them independently. The year gone by is proof of our long-term approach to doing business whether from the point of view of strategy, operations or sustainability. After considerable thought, we believe that reorganizing our businesses as explained earlier is the most efficient and sustainable way to move to the next level and stay true to Par Drugs' mission to enhance the value of our customer's products by delivering best quality of raw materials and consistently improve quality and production standards for the betterment of our customers and build a strong relationship with all our customers, vendors and employees on the values of ethical and transparent working system.

I would like to acknowledge the hard work, dedication of our talented employees for their passion and dedication with which they continue to contribute to the culture of excellence. We thank you all for your continued support in our growth. Further, I also thank you, our investors, for your patience, for showing confidence and trust in management capabilities and guidance thus far and look forward to your continued support.

Warm regards,

Falgun V. Savani
Chairman & Managing Director

Corporate Information

BOARD OF DIRECTORS

Falgun Vallabhbhai Savani	: Chairman & Managing Director
Jignesh Vallabhbhai Savani	: Executive Director & CEO
Ghanshayambhai Bhagvanbhai Savani	: Whole-Time Director
Pravin Manjibhai Bhayani	: Independent Director
Kajal Chintanbhai Vaghani	: Independent Director
Krishna Mitulbhai Shah	: Independent Director
Shilpa Falgunbhai Savani	: Non- Executive Director
Nayna Jignesh Savani	: Non - Executive Director

CHIEF FINANCIAL OFFICER

Chintan P Chauhan
cfo.par@pardrugs.com

COMPANY SECRETARY AND COMPLIANCE OFFICER

Sanket B Trivedi
cs.sanket@pardrugs.com

STATUTORY AUDITORS

V. Dhamsania & Associates
Chartered Accountants
320, Imperial Arc, Opp University Gate,
Waghawadi Road, Bhavnagar-364001
vipuldhamsania@gmail.com

SECRETARIAL AUDITORS

DG PATEL & ASSOCIATES
Company Secretaries
Place: Bhavnagar
csdgpatel@gmail.com

REGISTRAR & SHARE TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED
5th Floor, 506 TO 508,
Amarnath Business Centre – 1 (ABC-1),
Beside Gala Business Centre,
Nr. St. Xavier's College Corner, Off C G Road,
Ellisbridge,
Ahmedabad – 380006, Gujarat, India
Contact: 079 - 2646 5179
E-mail: ahmedabad@linkintime.co.in

BANKERS

Kotak Mahindra Bank
Gr Floor & 1st Floor,
Vicenza House,
21 Friends Society,
Alkapuri,
Vadodara 390005
Landline : 7405001746

REGISTERED OFFICE

805, Dwarkesh Complex
R.C. Dutt Road, Alkapuri
Vadodara-390007, Gujarat, India
Phone no.: 0265-2342018, 0278-2447013
Email: investors@pardrugs.com
Website: www.pardrugs.com

GENERAL INFORMATION

- Company's Corporate Identification Number
CIN: L24117GJ1999PLC035512
- Company's Shares Listed at NSE EMERGE SME.
- Company's Shares are mandated for trading in demat mode.
- ISIN allotted to Company's share is
INE04LG01015

Unit - I

333/1, GIDC, Estate.
Phase-II, Chitra,
Bhavnagar - 364004.
Gujarat, India.
+91 - 278 - 244 6342

Unit - II

5901/1,
GIDC Industrial Estate,
Ankleshwer
Bharuch - 392001
Gujarat, India

Board Of Directors and KMPS

Falgun Vallabhbhai Savani

Chairman & Managing Director



Falgun Vallabhbhai Savani, aged 45 years, is the Promoter, Chairman and Managing Director of our Company. He has been the Director of our Company since inception and was subsequently designated as Chairman and Managing Director of the Company w.e.f. November 26, 2018. He holds Bachelor's degree in Pharmacy from B. K. Modi Government Pharmacy Collage, Rajkot affiliated with Saurashtra University. He has 19 years of experience in API Industry. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.

Jignesh Vallabhbhai Savani

Executive Director & CEO

Jignesh Vallabhbhai Savani, aged 42 years, is Promoter, CEO and Executive Director of our Company. He has been the Director of our Company since inception and was subsequently designated as CEO of our Company w.e.f. November 26, 2018. He has completed Matriculation education from Gujarat Secondary Education Board. He has 18 years of experience in the API Industry. He has been actively involved in the day-to-day operations of our Company and looks after the sales, administration and finance department of our Company.



Ghanshayambhai Bhagvanbhai Savani

Whole-Time Director



Ghanshayambhai Bhagvanbhai Savani, aged 49 years, is a Whole-time Director of Company. He was originally appointed as Additional Director of the Company on April 01, 2012 and regularised as Director of the Company on September 14, 2012 and designated as Whole- Time Director of the Company w.e.f. November 26, 2018. He is an under Matriculate. He is actively engaged in Production Activity of the Company. He has 29 years of experience in the API Industry. His expertise and business acumen helped in the sustainable growth of the Company.

Pravin Manjibhai Bhayani

Independent Director

Pravin Manjibhai Bhayani, aged 48 years, is an Independent Director of our Company. He was originally appointed as Additional Independent Director of the Company on January 17, 2019 and regularized as Independent Director of the Company on February 09, 2019. He is a Qualified Chartered Accountant and a Fellow Member of The Institute of Chartered Accountants of India and also holds Certificate of Practice of The Institute of Chartered Accountants of India. He completed his Third year Examination commerce stream from Gujarat University. He also holds Post Qualification degree in Information System Audit i.e. ISA from ICAI. He has 21 years of vast experience in the field of Audit, Accounts and Finance.





Shilpa Falgunbhai Savani

Non - Executive Director

Shilpa Falgunbhai Savani, aged 40 years, is a Non- Executive Director of our Company. She was appointed as Additional Director of the Company on February 02, 2018 and regularized as Non-Executive Director of the Company on September 29, 2018. She holds Bachelor's degree in Science from P. P. Institute of Science Collage, Bhavnagar, affiliated with Bhavnagar University.

Nayna Jignesh Savani

Non - Executive Director

Nayna Jignesh Savani, aged 41 years, is a Non- Executive Director of our Company. She was originally appointed as Additional Director of the Company on February 02, 2018 and regularized as Non-Executive Director of the Company on September 29, 2018. She holds Bachelor degree in Commerce from Bosamiya Arts & Commerce Collage, Jetpur, affiliated with Saurashtra University.



Kajal Chintanbhai Vaghani

Independent Director

Kajal Chintanbhai Vaghani, aged 40 years, is an Independent Director of our Company. She was originally appointed as Additional Independent Director of the Company on January 17, 2019 and regularized as Independent Director of the Company on February 09, 2019. She holds a Bachelor's degree in Commerce from the Shreemati Nathibai Damodar Thackersey Women's University, Mumbai. She has an experience of about 15 years in Automobiles Industry.

Krishna Mitulbhai Shah

Independent Director

Krishna Mitulbhai Shah, aged 40 years, is an Independent Director of our Company. She was originally appointed as Additional Independent Director of the Company on January 17, 2019 and regularized as Independent Director of the Company on February 09, 2019. She holds a Bachelor's degree in Commerce from the Shreemati Nathibai Damodar Thackersey Women's University, Mumbai.



Chintan Pratapbhai Chauhan

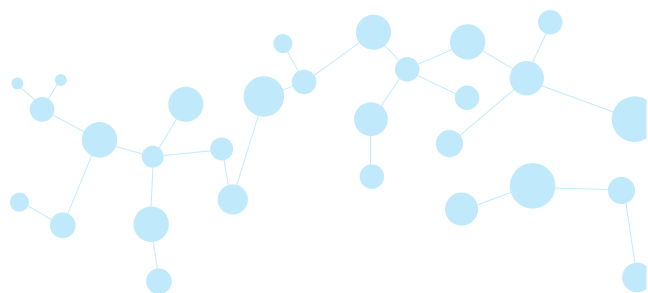
Chief Financial Officer

Chintan Pratapbhai Chauhan, aged 37 years, is Chief Financial Officer of the Company. He has been appointed as Chief Financial Officer of our Company w.e.f. November 26, 2018. He holds Bachelor's degree in Commerce from M. J. College of Commerce, Bhavnagar, affiliated with Bhavnagar University. Prior to joining our Company, he has worked as Officer Accounts in Damodar Magngalji and Co. Limited for 9 years. He has an experience of about 15 years in finance field. He is responsible for handling the financial operations of the Company.

Sanket Bhupendrabhai Trivedi

Company Secretary and Compliance officer

Sanket Bhupendrabhai Trivedi, aged 30 years, is Company Secretary and Compliance Officer of our Company. He has been appointed as Company Secretary and Compliance officer of our Company w.e.f. September 06, 2018. He holds a Bachelor's degree in Commerce from B. J. Vanijya Mahavidyalaya, Vallabh Vidyanagar, affiliated with Sardar Patel University. He is a qualified Company Secretary by profession and is an associate member of the Institute of Company Secretaries of India. He has an experience of more than three year in the legal & Compliance. He is entrusted with the responsibility of handling corporate secretarial functions of our Company.



Expand the product portfolio :

Seek to leverage the R&D capabilities to expand PDCL's Product Portfolio and thus penetrate the different segments of application and value added products. This will ultimately increase the profitability by value addition.

Exploring new geographical area :

Intend to continue to grow sales by exploring new geographical area and developing new products portfolio.

Leveraging market skills and relationship :

Aim to enhance the growth by leveraging relationship and further enhancing customer satisfaction. Plan to increase customers by meeting orders in hand on time, maintaining customer relationships and renewing relationships with existing buyers.

Augment working capital base in order to better utilize the installed capacities :

The Company needs to maintain sufficient inventory for the production process and also maintain a balance between debtors & creditors cycle. Also increase the utilization levels over the next few years and adding new capacity subsequently.

Continuing innovation, technology upgrade and cost improvements :

Technical teams try and ensure minimal wastage and extract out maximum from the resources, be it the raw materials, be it the premises we operate in, optimum utilisation will help us in innovating process improvements, thereby reducing costs.



Par Drugs And Chemicals Limited

(Erstwhile Par Drugs And Chemicals Private Limited)

CIN: L24117GJ1999PLC035512

Registered office: 805, Dwarkesh Complex R.C. Dutt Road, Alkapuri

Vadodara-390007, Gujarat, India

Phone no.: 0265-2342018, 0278-2447013

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

NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the Members of **PAR DRUGS AND CHEMICALS LIMITED** will be held on **Tuesday, 21st Day of July, 2020 at 4:00 P.M.** IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the company for the financial year ended on 31st March, 2020 together with the report of the Board of Directors and Auditors thereon.
2. To declare a Final Dividend on Equity Shares for the financial year 2019-20.
3. To appoint a Director in place of Mr. Ghanshayambhai Bhagvanbhai Savani, Whole-time Director (DIN: 03055941), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Shilpa Falgunbhai Savani, Non-executive Director (DIN: 00198250), who retires by rotation and being eligible offers herself for re-appointment.
5. To appoint statutory auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as an **Ordinary resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, V Dhamsania & Associates, Chartered Accountants, having FRN 132499W, be and is hereby appointed as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company to be held for the F.Y. 2020-21 at an annual remuneration / fees of Rs. 1,50,000/- (Rupees One lakh Fifty Thousand only) plus out of pocket expenses and taxes as applicable from time to time with the power to the Board/Audit Committee to alter and vary the terms and conditions of appointment, revision including upward revision in the remuneration during the remaining tenure.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient for implementation of the above resolution and matters connected therewith or incidental thereto including but not limited to delegation of all or any of the powers herein conferred to any Committee or any director(s) or any other officer(s) of the Company, or to settle any questions, difficulties or doubts that may arise with regard to the above resolution, without being required to seek any further clarification, consent or approval of the Members.”

SPECIAL BUSINESS:

6. **Approval to move Registers, Copies of Returns, material documents, at factory Office of the Company at Bhavnagar from corporate office of the Company and to consider and if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution**

“**RESOLVED THAT** pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 2013, read with the Rules framed there under, as may be amended from time to time, consent of the members of the company be and is hereby accorded to keep and maintain Register of Members, Index of members and other statutory registers/records and copies of all Annual Returns and other material documents move from the corporate office of the company situated at 302, Anmol Plaza, Waghawadi Road, Bhavnagar- 364001, Gujarat to factory offices situated at 333/1, G.I.D.C. Industrial Estate, Phase-II, Chitra, Bhavnagar – 364004.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient for implementation of the above resolution and matters connected therewith or incidental thereto including but not limited to delegation of all or any of the powers herein conferred to any Committee or any director(s) or any other officer(s) of the Company, or to settle any questions, difficulties or doubts that may arise with regard to the above resolution, without being required to seek any further clarification, consent or approval of the Members.”

Place: Vadodara
Date: 15th June, 2020

**By Order of the Board of Directors
For Par Drugs and Chemicals Limited**

Sd/-

Sanket B. Trivedi
Company Secretary & Compliance Officer
(Membership No: ACS: 51758)

Par Drugs And Chemicals Limited
(Erstwhile Par Drugs And Chemicals Private Limited)
CIN: L24117GJ1999PLC035512
Registered office: 805, Dwarkesh Complex R.C. Dutt Road, Alkapuri
Vadodara-390007, Gujarat, India
Phone no.: 0265-2342018, 0278-2447013
Website: www.pardrugs.com Email: investors@pardrugs.com

NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as venue voting system on the date of the AGM will be provided by CDSL.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a scanned copy (PDF/JPG Format) certified copy of its Board or Governing Body Resolution/Authorization etc. authorizing its representative to attend AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to csdgpatel@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.pardrugs.com. The Notice can also be accessed from the websites of National Stock Exchange of India Limited at www.nseindia.com and on NSE Emerge platform at https://www1.nseindia.com/emerge/index_sme.htm. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
8. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
9. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 setting out facts concerning the business under Item No. 5 & 6 of the Notice is annexed hereto.
10. Brief Profile of Directors seeking re-appointment at the Annual General Meeting is provided at **Annexure-A** to this Notice as prescribed under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India.
11. The Register of Members and Share Transfer Books shall remain closed from Tuesday, 14th July, 2020 to Tuesday, 21st July, 2020 (both days inclusive) to determine entitlement of the shareholders to receive Final Dividend for the year 2019-20 and for the purpose of annual general meeting.
12. The Board of Directors at its meeting held on 1st June, 2020, has recommended a final dividend of Rs. 1.25 per Equity Share of the face value of Rs. 10/- each. The dividend, if declared at the Annual General Meeting, will be paid to those members of the Company, whose names appear in the Register of Members or Register of Beneficial Ownership as on **Monday, 13th July, 2020**. The dividend will be payable on or after 24th July, 2020. Members are requested to update their bank details with their respective Depository Participants (DP) to receive the amount of dividend quickly.
13. The dividend, if approved, will be paid by crediting in to the bank account as provided by NSDL and CDSL through ECS / NECS / electronic transfer, of those shareholders holding shares in electronic form/Demat and having registered relevant bank details. In respect to those shareholders holding shares in physical form or in case of ECS / NECS/ electronic payment rejected, the Company will dispatch dividend warrants/cheques to such shareholder at the earliest.
14. The members are requested to update with their DP, the active bank account details including 9 digit MICR code and IFSC code, The Members are requested to register their bank account details with the respective Depository Participant (DP) by following the procedure prescribed by the respective DP. In case the holding is in dematerialized form.

Registration of Bank Details for physical shareholders:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their bank details can get the same registered with Link Intime India Pvt Ltd, by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the E mail/Bank Registration heading and follow the

registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, e – mail id along with the copy of the cheque leaf with the first named shareholders name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code in PDF or JPEG format. It is very important that the shareholder to submit the request letter duly signed.

Link intime will verify the documents upload and will only take on records for all valid cases.

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the Income Tax Act, 1961.

- A) For Resident Shareholders, TDS shall be made under Section 194 of the Income Tax Act, 1961 at 7.5% on the amount of Dividend declared and paid by the Company during financial year 2020-21 subject to PAN is provided by the Shareholder. If PAN is not provided, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961.

However, no tax shall be deducted on the Dividend payable to a resident individual if the total dividend to be received by them during financial year 2020-21 does not exceed Rs. 5,000. Please note that this includes the future dividends if any which may be declared by the Board in the financial year 2020-21.

Tax is not to be deducted if the recipient furnished a declaration in Form No. 15G (In case of senior citizen Form No.15H) to the Company to the effect that tax on his/her total income will be NIL

Further shareholder may apply in Form no. 13 to the concern assessing officer and obtain a certificate authorizing the Company to pay dividend without tax deduction or with deduction at lower rate.

- B) For Non-resident Shareholders, taxes are required to be withheld in accordance with, the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax shall be at the applicable rate time in force (plus applicable surcharge and cess) on the amount of Dividend payable to them. However, as per Section 90 of the Income Tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:

- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the

country of which the shareholder is resident.

- Self-declaration in Form 10F if all the details required in this form are not mentioned in the TRC.
- Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities.
- Self-declaration, certifying the following points:
 - a) Member is and will continue to remain a tax resident of the country of its residence during the financial year 2020-21;
 - b) Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
 - c) Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
 - d) Member is the ultimate beneficial owner of its shareholding in the Company and Dividend receivable from the Company; and
 - e) Member does not have a taxable presence or a permanent establishment in India during the financial year 2020-21.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident shareholder.

16. Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide these details and documents as mentioned above before **Monday, 13th July, 2020** in following manner:

The aforementioned forms for tax exemption can be downloaded from Link Intime's website. The URL for the same is as under:

<https://www.linkintime.co.in/client-downloads.html> - On this page select the General tab. All the forms are available in under the head "Form 15G/15H/10F"

The aforementioned documents (duly completed and signed) are required to be uploaded on the url mentioned below:

<https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>

On this page the user shall be prompted to select / share the following information to register their request.

1. Select the company (Dropdown)
2. Folio / DP-Client ID
3. PAN
4. Financial year (Dropdown)
5. Form selection
6. Document attachment – 1 (PAN)
7. Document attachment – 2 (Forms)
8. Document attachment – 3 (Any other supporting document)

Please note that the upload of documents (duly completed and signed) on the website of Link Intime India Private Ltd should be done on or before **Monday, 13th July, 2020** in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered after **Monday, 13th July, 2020, 6:00 PM**.

Shareholders may note that in case the tax on said final dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, option is available to shareholder to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible.

17. All communications/ queries in this respect should be addressed to our RTA, Link Intime India Private Limited to its email address ahmedabad@linkintime.co.in
18. Pursuant to Sections 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to Investor Education and Protection Fund ("IEPF") established by the Central Government. The shareholders who have not claimed their dividend for the financial year 2019-20 are requested to approach the Company or RTA for the payment thereof as the same will be transferred to the Investor Education and Protection Fund after the period of seven years and no claim shall lay against the Company for the said amount of unclaimed dividend so transferred.

Further, pursuant to the provisions of Section 124 of the Act and Investor Education and Protection Fund Authority Rules, 2016 ("IEPF Rules"), all shares on which dividend has not been paid or claimed for seven consecutive years or more are required to be transferred to Demat Account of IEPF. The Company timely sent individual intimation to all such shareholders. All such Shareholders are requested to claim their Unclaimed Dividend expeditiously failing which their shares shall be transferred to Demat Account of IEPF and no claim shall lay against the Company. The Shareholders thereafter need to claim their shares from IEPF Authority by filing E-Form-5 and by following such procedures as prescribed in the IEPF Rules (as may be amended from time to time).

19. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
20. All the Relevant documents referred to in the accompanying notice are open for inspection by the members at the registered office of the Company on all working days, between 11:00 a.m. and 5:00 p.m. up to the date of meeting and shall also be available at the website of our Company during the AGM at www.pardrugs.com
21. Members desirous of obtaining any information concerning accounts or operations of the Company are requested to address their questions in writing to the Company at least **7 days before** the date of the Meeting through email on investors@pardrugs.com so that the information required may be made available at the Meeting and the same will be replied by the Company suitably.
22. As per Regulation 40 of SEBI Listing Regulations as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding the shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode. Members can contact the Company or Company's Registrars and

Transfer Agents, Link Intime India Private Limited via email at ahmedabad@linkintime.co.in

23. Members holding shares in dematerialized mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. to their respective Depository Participant. These changes will be automatically reflected in the Company's records which will help the Company to provide efficient and better service to the members.
24. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form-SH 13 prescribed by the Government can be obtained from the Share Transfer Agent or may be downloaded from the website of the Ministry of Company Affairs.
25. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Link Intime India Private Limited, for consolidation into a single folio via email at ahmedabad@linkintime.co.in.
26. Members who hold shares in physical form and Non-Resident Indian Members are requested to inform Link Intime India Private Limited via e-mail ahmedabad@linkintime.co.in, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
27. To support the "Green Initiative in Corporate Governance" taken by the Ministry of Corporate Affairs by allowing paperless compliance and stating that service of notices / documents including Annual Report can be effected by sending the same through electronic mode to the registered e mail addresses of the shareholders. Notices/documents including the Annual Report are now being sent by electronic mode to the shareholders whose e-mail addresses have been registered with the Company. Members who have not registered their e-mail addresses so far or who would like to update their e-mail addresses already registered, are requested to register/update their e-mail addresses as under:

Registration of email id for shareholders holding physical shares:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Pvt Ltd, by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the E-mail / Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN , mobile number and e mail id and also upload the image of share certificate in PDF or JPEG format. (upto 1 MB) .

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

For Permanent Registration for Demat shareholders:

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

For Temporary Registration for Demat shareholders:

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Pvt Ltd by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the E-mail Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail id. (This will only help us in getting with touch with them in case of reminders emails for unclaimed dividend if any further the data will be only use as referral data and will not be updated in the system)

28. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company / Link Intime India Private Limited.

29. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

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

E-Voting (voting through electronic means):

- 1) In compliance with the provisions of section 108 of the Act read with the Companies (Management and Administration) Rules, 2014 as amended from time to time, Standard 8 of the Secretarial Standards on General Meetings and in compliance with Regulation 44 of the SEBI Listing Regulations, the Company is pleased to offer the facility of voting through electronic means. The Company has made necessary arrangements with Central Depository Services (India) Limited ("CDSL") to facilitate the members to cast their votes electronically, ("remote e-voting").
- 2) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the **cut-off date Monday, 13th July, 2020** shall be entitled to avail the facility of remote e-voting or voting at the AGM. Persons who are not members as on the cut-off date should treat this notice for information purpose only.
- 3) Any person who have acquired shares of the company and becomes member of the company after the dispatch of the Annual Report and holding shares as on the cut-off date may obtain the User Id and Password by referring e-voting instructions given in the notice which is uploaded on our website at www.pardrugs.com and www.evotingindia.com

- 4) Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- 5) The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date.
- 6) A member can opt for only one mode of voting i.e. either through remote e-voting or e-Voting on the day of the AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail.
- 7) The Company has appointed Mr. Dip G. Patel, Proprietor of DG Patel & Associates, Practising Company Secretary (Membership NoF CS: 10533; CP No: 13774), to act as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote-e voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.

The Scrutinizer will submit his report to the Chairman who shall countersign the same. The result of the voting on the Resolutions shall be announced by the Chairman or any other person authorized by him immediately after the results are declared.

The results declared along with the Scrutinizer's Report, will be posted on the website of the Company www.pardrugs.com and on the website of the CDSL www.cdslindia.com and will be displayed on the Notice Board of the Company at its Registered Office immediately after the declaration of the results by the Chairman or any other person authorized by him and communicated to the Stock Exchanges.

MEMBERS ARE REQUESTED TO FOLLOW THE INSTRUCTIONS BELOW TO CAST THEIR VOTE THROUGH REMOTE E-VOTING:

- (i) The **voting period** begins on **Satur day, 18th July, 2020 at 09:00 a.m. IST and ends on Monday, 20th July, 2020 at 5.00 p.m. IST**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date Monday, 13th July, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to e-Voting on the day of the AGM.
- (iii) The shareholders should log on to the remote e-voting website www.evotingindia.com
- (iv) Click on Shareholders / Members.
- (v) Now Enter your User ID;
 - a. For CDSL: 16 digits beneficiary ID,

- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

FOR MEMBERS HOLDING SHARES BOTH IN DEMAT FORM OR PHYSICAL FORM	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to get the sequence number via contacting the email at investors@pardrugs.com
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant PAR DRUGS AND CHEMICALS LIMITED on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box

will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also use Mobile app - "m - Voting" for e voting. Shareholders may log in to m-Voting using their e-voting credentials to vote for the Company resolution(s).

(xix) Note for Non - Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a Compliance user should be created using the admin login and password. A Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@pardrugs.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- 1) For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investors@pardrugs.com
- 2) For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to email to investors@pardrugs.com

- 3) The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

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

- 1) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM.
- 2) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- 3) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 4) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 5) Shareholders who would like to express their views/ask questions during the AGM may register themselves as an attendee by sending their request in advance at least **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, PAN, mobile number at investors@pardrugs.com.
- 6) The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, PAN, mobile number at investors@pardrugs.com. These queries will be replied to by the company suitably by email.
- 7) Those shareholders who have registered themselves as an attendee will be allowed to express their views/ask questions during the meeting.
- 8) The member who have not registered themselves as an attendee but have queries during the AGM can use the chat box/ send query button and ask the question.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

- 1) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- 2) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote-e Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- 3) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by

such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

- 4) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

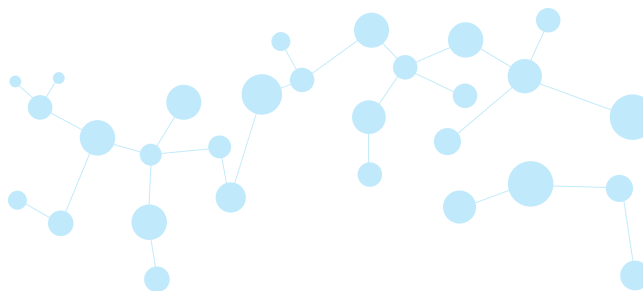
**By Order of the Board of Directors
For Par Drugs and Chemicals Limited**

**Place: Vadodara
Date: 15th June, 2020**

Sd/-

**Sanket B.Trivedi
Company Secretary & Compliance Officer
(Membership No: ACS: 51758)**

Par Drugs And Chemicals Limited
(Erstwhile Par Drugs And Chemicals Private Limited)
CIN: L24117GJ1999PLC035512
Registered office: 805, Dwarkesh Complex R.C. Dutt Road, Alkapuri
Vadodara-390007, Gujarat, India
Phone no.: 0265-2342018, 0278-2447013
Website: www.pardrugs.com Email: investors@pardrugs.com



EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item Nos. 5: To appoint statutory auditors of the Company and to fix their remuneration

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommended for the approval of the Members, the appointment of V Dhamsania & Associates, Chartered Accountants, having FRN 132499W, as the Auditors of the Company for a period of one year from the conclusion of this AGM till the conclusion of the next AGM at the remuneration of Rs.1,50,000/- p.a. On the recommendation of the Committee, the Board also recommended for the approval of the Members, the remuneration of V Dhamsania & Associates, Chartered Accountants for the financial year 2020-21 as set out in the Resolution relating to their appointment.

The Committee considered various parameters like capability to serve a diverse and complex business landscapes that of the Company, audit experience in the Company's operating segment, market standing of the firm, clientele served, technical knowledge etc., and found V Dhamsania & Associates to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company. V Dhamsania & Associates is registered with Institute of Chartered Accountants of India since 2011, a leading CA firm with young, enthusiastic and experienced partners providing expert professional services with due care of professional ethics.

V Dhamsania & Associates have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Companies Act, 2013

The Board recommends the Ordinary Resolution set out at Item No. 5 for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in this Resolution except to the extent of their respective shareholding in the Company to the same extent as that of every other member of the Company

Item Nos. 6: Approval to move Registers, Copies of Returns, material documents, at factory Office of the Company at Bhavnagar from corporate office of the Company

For the operational and administrative convenience, it is proposed to maintain Register of Members, Index of members and other statutory registers/records and copies of all Annual Returns and other material documents at factory office situated at 333/1, G.I.D.C. Industrial Estate, Phase-II, Chitra, Bhavnagar-364004.

In terms of the provisions of Section 94 of the Companies Act 2013, Registers and copies of the returns may be kept at any other place in India other than at the Registered Office of the Company, in which more than one-tenth of the total number of members entered in the Register of Members reside, if approved by a Special Resolution by the members of the Company.

In view of the above, the Board commends the Resolutions under Item No. 6 for approval by members by way of a Special Resolution.

Directors, Key Managerial Personnel and their relatives who are members of the Company, may be deemed to be concerned or interested in this Resolution to the extent of their respective shareholding in the Company to the same extent as that of every other member of the Company.

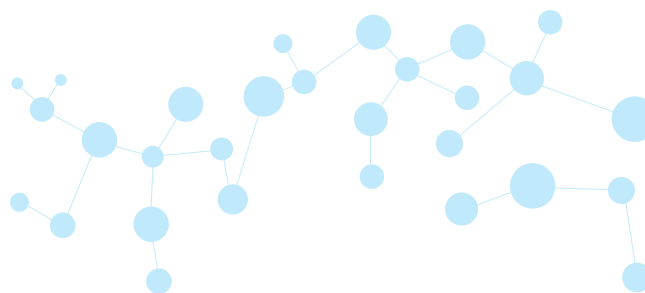
**By Order of the Board of Directors
For Par Drugs and Chemicals Limited**

**Place: Vadodara
Date: 15th June, 2020**

Sd/-

**Sanket B. Trivedi
Company Secretary & Compliance Officer
(Membership No: ACS: 51758)**

Par Drugs And Chemicals Limited
(Erstwhile Par Drugs And Chemicals Private Limited)
CIN: L24117GJ1999PLC035512
Registered office: 805, Dwarkesh Complex R.C. Dutt Road, Alkapuri
Vadodara-390007, Gujarat, India
Phone no.: 0265-2342018, 0278-2447013
Website: www.pardrugs.com Email: investors@pardrugs.com



ANNEXURE - A:

INFORMATION REQUIRED PURSUANT TO SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2) AND PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015), IN RESPECT OF DIRECTORS SEEKING APPOINTMENT / RE APPOINTMENT AT THE 21ST ANNUAL GENERAL MEETING.

Directors retiring by rotation and eligible for reappointment:

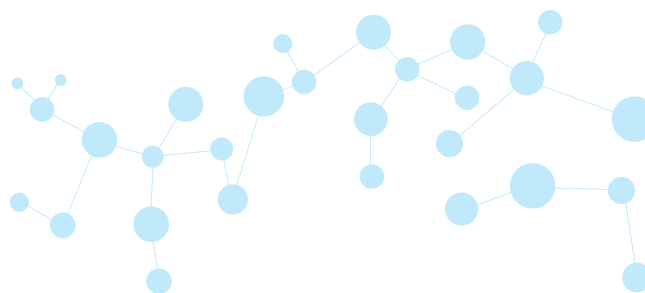
1. Mr. Ghanshayambhai Bhagvanbhai Savani, Whole-time Director (DIN:03055941)

Name of Director	Mr. Ghanshayambhai Bhagvanbhai Savani
Date of Birth	01/08/1970
Age	49 Years
Date of first appointment on the Board	01/04/2012
Qualification / Brief Resume / Expertise in specific functional area / experience	Ghanshayambhai Bhagvanbhai Savani is a Whole-time Director of Company. He was originally appointed as Additional Director of the Company on April 01, 2012 and regularised as Director of the Company on September 14, 2012 and designated as Whole- Time Director of the Company w.e.f. November 26, 2018. He is an under Matriculate. He is actively engaged in Production Activity of the Company. He has 29 years of experience in the API Industry. His expertise and business acumen helped in the sustainable growth of the Company
No. of Shares held in the Company as on 31/03/2020	380642
Relationship with other Directors and Key Managerial Personnel	Cousin of Mr. Falgun Vallabhbhai Savani, Chairman & Managing Director and Mr. Jignesh Vallabhbhai Savani, Director & CEO of the company.
No of meetings of the Board attended during the year	9
Other Directorships	NIL
Chairmanship / Membership of Committees of other companies	NIL

2. Mrs. Shilpa Falgunbhai Savani, Non- Executive Director (DIN:00198250)

Name of Director	Mrs. Shilpa Falgunbhai Savani
Date of Birth	19/08/1979
Age	40 Years
Date of first appointment on the Board	Appointed on 23/03/2006 & resigned w.e.f. 18/08/2014 Appointed again on 02/02/2018 as an Additional Director and regularized as a Director w.e.f. 29/09/2018

Qualification / Brief Resume / Expertise in specific functional area / experience	Shilpa Falgunbhai Savani is a Non- Executive Director of our Company. She was appointed as Additional Director of the Company on February 02, 2018 and regularized as Non-Executive Director of the Company on September 29, 2018. She holds Bachelor's degree in Science from P. P. Institute of Science Collage, Bhavnagar, affiliated with Bhavnagar University. Further, She has expertise in General Management.
No. of Shares held in the Company as on 31/03/2020	87686
Relationship with other Directors and Key Managerial Personnel	Wife of Mr. Falgun Vallabhbhai Savani, Chairman & Managing Director of the company.
No of meetings of the Board attended during the year	5
Other Directorships	NIL
Chairmanship / Membership of Committees of other companies	NIL



Dear Members,

Your Directors have immense pleasure in presenting the Twenty First Annual Report on the business and operations of the Company together with the Audited Financial Statements of your Company for the financial Year ended March 31st, 2020.

The Director Report is prepared based on the standalone financial statements of the company and the Report on the performance and financial position of the Company.

1. FINANCIAL RESULTS:

(Amount in ₹)

Particulars	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
Revenue from Operations	55,84,86,873	46,32,33,307
Other Income	9,85,557	8,87,016
Total Revenue	55,94,72,431	46,41,20,323
Less: Total Expenses (excluding Depreciation)	47,19,38,617	40,08,33,692
Profit Before Depreciation & Tax	8,75,33,814	6,32,86,631
Less: Depreciation	2,76,15,126	3,03,69,939
Profit Before Tax	5,99,18,687	3,29,16,692
Less: (i) Current Tax	1,00,00,000	67,80,000
(ii) Deferred Tax	22,68,830	10,26,248
Net Profit/(Loss) For The Year	4,76,49,857	2,51,10,444
EPS (Basic & Diluted)	7.75	5.60

2. Performance Review

- The Company is engaged in the Manufacturing business of Active Pharma Ingredients ("APIs"), Antacid Molecules and other chemicals and pharmaceutical products. Our product portfolio presently comprises 18 APIs and 10 Fine Chemical which are marketed domestically and exported.
- The highlights of the Company's performance are as under:-
 - Revenue from operations is increased to ₹ 55,84,86,873/- during the current year compared to previous year of ₹ 46,32,33,307/- i.e. the variation in the current year is approx 20.56%.
 - Net Profit after tax for the current year increased substantially to ₹ 4,76,49,857/- compared to the previous year of ₹ 2,51,10,444/- i.e. variation in the current year is approx 89.76%
 - Earnings per share increased to ₹ 7.75 per share as compared to ₹ 5.60 per share during the previous year i.e. variation in the current year is approx. 38.19%

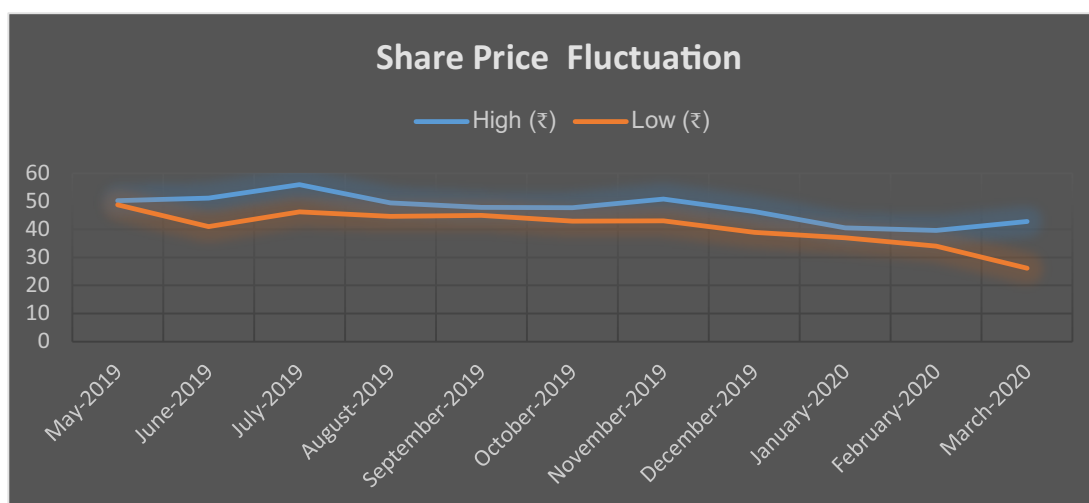
The Company is making all out efforts for presenting better & better results. The Company is also redefining its marketing strategies so as to capture increased market share. Looking to the volatile market conditions, the Company management needs to be much alert all the times to have better business prospects and profitability.

3. MARKET PRICE DATA:

Our Company has listed on NSE Emerge platform this year on May 16, 2019. With NSE-Emerge having Symbol – PAR (NSE Emerge), ISIN: INE04LG01015. The following table shows High, Low (based on daily closing prices) and number of equity shares traded during each month in the FY 2019-20 on NSE-Emerge*;

Date	High (₹)	Low (₹)	Volume	No of Trades
May-2019	50.2	48.8	34000	17
June-2019	51.2	41	292000	145
July-2019	56	46.2	298000	147
August-2019	49.5	44.7	58000	29
September-2019	47.9	45	14000	5
October-2019	47.7	43	30000	15
November-2019	50.85	43.1	42000	17
December-2019	46.4	38.9	152000	58
January-2020	40.5	37	58000	26
February-2020	39.6	34	102000	37
March-2020	42.8	26.2	298000	105

*Reference: Historical data available on www.nseindia.com



4. CHANGE IN THE BUSINESS OF THE COMPANY:

Company continues to operate only in one segment i.e. manufacturing business of Active Pharma Ingredients ("APIs"), Antacid Molecules and other chemicals and pharmaceutical products and there is no change in the nature of business of the company occurred during the year.

5. DIVIDEND:

Based on the Company's performance with the approval of the Board of Directors on 11th November, 2019, our Company paid an interim dividend of ₹ 1.25/- per equity share of face value of ₹ 10/- each, to shareholders who were on the register of members as on 25th November, 2019, being the record date fixed for this purpose.

The Board of Directors has recommended final dividend of ₹ 1.25 per equity share (12.50% on the face value of ₹ 10/- each) on the paid up share capital of the Company for financial year ended on March 31, 2020 amounting to ₹ 76,90,398/-, which if declared, at the ensuing Annual General meeting scheduled on July 21, 2020, will be paid to those shareholders whose names appear in the Register of members as at closing hours of business on July 13, 2020 ('Record date'). In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership furnished by the depositories viz., NSDL and CDSL for this purpose. The Register of Members and Share Transfer Books will remain closed from Tuesday, July 14, 2020 to Tuesday, July 21, 2020 (both days inclusive).

Thus, the total dividend remains ₹ 2.50/- per equity share during the F.Y. 2019-20 which includes interim dividend.

6. TRANSFER TO RESERVE:

Pursuant to provisions of Section 134(1)(j) of the Companies Act, 2013, the company has not proposed to transfer any amount to general reserves account of the company during the year under review.

Further, there are no changes in Capital Reserve. Security premium amounting to ₹ 6,85,52,000 added to security premium. During the year an amount of ₹ 4,76,49,857/- transferred to the Surplus in the Statement of Profit & Loss and whereas earlier income tax liability amounting to Rs. 1,04,362/-, Interim Dividend to Equity Shareholders amounting to Rs. 76,90,398/-, Interim Tax on Dividend amounting to Rs. 15,80,783/- and Proposed Dividend to Equity Shareholders amounting to Rs. 76,90,398/- utilized from the same.

7. IPO PROCEEDS AND DEPLOYMENT OF FUNDS:

The Company has successfully come up with an Initial Public Offer (IPO) of 16,72,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 51/- each, aggregating to ₹ 852.72 lakhs of equity shares of the company on May 3, 2019, Friday which was closed on May 08, 2019, Wednesday and equity shares of the company listed on NSE SME EMERGE platform on May 16, 2019.

Statement of deviation / variation in utilization of funds raised during 2019-20:

(₹ in Lakh)

Srn.	Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilized	Amount of Deviation/Variation for the quarter according to applicable object
1	Funding of the working capital requirement of the Company	N.A	700.00	N.A	700.00	Nil
2.	General Corporate Purpose	N.A	88.72	N.A	88.72	Nil
3.	Issue Expenses		64.00	N.A	64.00	Nil
	Total		852.72		852.72	

The total money raised for the purpose of working capital requirement of the Company is Rs. 700.00 Lakh out of which actual utilization till 30th September, 2019 was ₹ 554.47 Lakh which had been already disclosed to NSE vide our letter reference. PAR/CS/NSE/2019-20/12 dated October 26, 2019. Further the remaining ₹ 145.83 Lakh has been utilized for the same object during next half ended 31st March, 2020.

Further issuerelated expenses of ₹ 64.00 Lakh has been already utilized during the previous half year ended on 30th September, 2020 which was already disclosed to NSE vide our letter reference. PAR/CS/NSE/2019-20/12 dated October 26, 2019.

Thus, total of IPO Proceed of ₹ 852.72 Lakh has already been utilized during the F.Y.2019-20 ended 31st March, 2020 without changing of object of the Utilization of fund as mentioned in the offer document of the Company.

8. **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

Material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report are as under:

- The Company has successfully come up with an Initial Public Offer (IPO) of equity shares of the company on May 3, 2019 and equity shares of the company listed on NSE SME EMERGE platform on May 16, 2019.
- The issue size was ₹ 852.72 lakhs consisting of 16,72,000 Equity Shares of face value of 10 each for cash at a price of ₹ 51/- each (Face value ₹ 10/- per share and premium of ₹ 41/- per share).

9. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020.

The Board has adopted the observation given by internal auditor of the Company that the manual system of records shall be replaced with the computerized system so as to assess the movement of the inventories at each level and its reports on day to day basis and the valuation of inventory system shall be replaced from the last purchase cost of raw materials to the moving weighted average.

Further, the Board has adopted procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The Management of the Company and internal auditor checks and verifies the internal control and monitors them in accordance with.

10. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS:

As there are no any significant and material orders were passed by any regulators and/or courts and tribunals during the year under review which may have the impact on the going concern status and company's operations in future.

11. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint Venture or Associate Company.

12. DEPOSITS:

The Company has neither accepted nor renewed any deposits falling within the purview of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time, during the year under review.

13. AUDITORS & AUDITORS' REPORT:

Statutory Auditors:

M/s. V Dhamsania & Associates, Chartered Accountants (FRN: 132499W), Statutory Auditors of the company holds the office up to the thirteenth coming Annual General Meeting of the company and are recommended for re-appointment as Statutory Auditors of the company till the conclusion of the next Annual General Meeting of the Company to be held for the F.Y. 2020 -21 at such remuneration including out of pocket expenses and other expenses as may be mutually agreed by and between the Board of Directors and the Auditor.

As required under the provisions of Section 139 of the Companies Act, 2013, company has obtained confirmation from M/s. V Dhamsania & Associates that their appointment, if made, would be in conformity with the limits specified in the said Section.

Board's comment on the Auditors' Report:

Audit report to the Shareholders does not contain any qualification, reservation or adverse remarks. The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and does not call for any further comment.

Secretarial Auditor:

Pursuant to provisions of Section 204 of the Companies Act, 2013, Board of Directors have appointed M/s. DG Patel & Associates, Practicing Company Secretaries (C.P. No.: 13774) as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2019-20.

Secretarial Auditor's Report:

The Secretarial Audit Report for the financial year ended 31st March, 2020 is self-explanatory and does not call for any further comments.

There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor.

The Secretarial Audit Report for the financial year ended 31st March, 2020 is annexed herewith as **Annexure – I** to this report.

Internal Auditor:

As per Section 138 of Companies Act 2013, every Listed Company is required to appoint an Internal Auditor or a firm of Internal Auditors.

During the year under review, M/s Siddhpura & Co., Chartered Accountants was appointed as Internal Auditors to conduct internal audit as per agreed scope of works pursuant to the provision of section 138 of Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

GST Auditor:

The Board of directors had appointed M/s. V Dhamsania & Associates as GST Auditors of the Company for financial year 2019-20.

14. DETAILS OF FRAUD REPORTING BY AUDITOR:

Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud.

15. MAINTENANCE OF COST RECORDS& COST AUDIT:

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is required by the Company and accordingly such accounts and records are made and maintained. Requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 is not applicable to the company.

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

16.1 Composition of Board of Directors:

The Board of Directors of Company is a balanced one with an optimum mix of Executive and Non Executive Directors. The Board of the Company is headed by an Executive Chairman.

As on 31st March, 2020, the Board of Company consists of following Directors:

Sr. No.	Name of Director & DIN	Category	Age in Years	No. of Directorship in other companies	No. of membership & Chairmanship of committees in other Public Limited Company
1.	Mr. Falgun Vallabhbhai Savani DIN: 00198236	Chairman and Managing Director (Promoter)	45	NIL	NIL
2.	Mr. Jignesh Vallabhbhai Savani DIN: 00198203	CEO and Executive Director (Promoter)	42	NIL	NIL
3.	Mr. Ghanshayambhai Bhagvanbhai Savani DIN: 03055941	Whole Time Director (Promoter Group)	49	NIL	NIL
4.	Mrs. Shilpa Falgunbhai Savani DIN: 00198250	Non- Executive Director (Promoter Group)	40	NIL	NIL
5.	Mrs. Nayna Jignesh Savani DIN: 00198189	Non- Executive Director (Promoter Group)	41	NIL	NIL
6.	Mr. Pravin Manjibhai Bhayani DIN: 08332851	Non- Executive Independent Director	48	NIL	NIL
7.	Mrs. Krishna Mitulbhai Shah DIN: 08317678	Non- Executive Independent Director	40	NIL	NIL
8.	Mrs. Kajal Chintanbhai Vaghani DIN: 08317641	Non- Executive Independent Director	40	NIL	NIL

Notes:

- (i) Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders' Relationships Committee in Indian Public Limited companies other than Par Drugs and Chemicals Limited. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairperson of more than five such Committees.

- (ii) None of the directors are related to each other than Mr. Falgun Vallabhbhai Savani, Mrs. Shilpa Falgunbhai Savani, Mr. Jignesh Vallabhbhai Savani, Mrs. Nayna Jignesh Savani, Mr. Ghanshayambhai Bhagvanbhai Savani, are related to each other.
- (iii) Details of Director(s) retiring or being re-appointed are given in notice to Annual General Meeting.
- (iv) Brief profiles of each of the above Directors are given in the beginning of the report.

16.2 Key Managerial Personnel (KMP):

As on 31st March, 2020, Mr. Falgun Vallabhbhai Savani, Chairman & Managing Director; Mr. Jignesh Vallabhbhai Savani, Chief Executive Officer; Mr. Chintan Pratapbhai Chauhan, Chief Financial Officer and Mr. Sanket Bhupendrabhai Trivedi, Company Secretary of the Company are the Key Managerial Personnel as per the provisions of the Companies Act, 2013. There is no change in Key Managerial Personnel during the year under review.

16.3 Directors retiring by rotation:

In terms of section 152 of the Companies Act, 2013, Mr. Ghanshayambhai Bhagvanbhai Savani, Whole-time Director (DIN: 03055941) and Mrs. Shilpa Falgunbhai Savani, Non-executive Director (DIN: 00198250), who retires by rotation and being eligible offers themselves for re-appointment. Based on the performance evaluation and recommendation of the nomination and remuneration committee, the Board recommends their reappointment.

A brief resume of Director being re-appointed along with the nature of his expertise, his shareholding in the Company and other details as stipulated under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended as an annexure to the Notice of the ensuing Annual General Meeting.

16.4 Meetings of Board of Directors:

Details of the Board Meetings held during the Financial Year ended 31st March, 2020 are as under. The intervening gap between the Meetings was within the period prescribed under Companies Act, 2013.

Meeting No.	Date of Board Meeting	Total no. of Directors	No. of Directors present
1/2019-20	10-04-2019	8	8
2/2019-20	22-04-2019	8	8
3/2019-20	23-04-2019	8	8
4/2019-20	25-04-2019	8	8
5/2019-20	14-05-2019	8	8
6/2019-20	27-06-2019	8	6
7/2019-20	03-10-2019	8	5
8/2019-20	11-11-2019	8	6
9/2019-20	23-01-2020	8	6

The names of members of the Board and their attendance at the Board Meetings are as under:

Name of the Directors	Number of Meetings which Director was entitled to attend	Number of Board Meetings attended during the F.Y. 2019-20
Mr. Falgun Vallabhbhai Savani	9	9
Mr. Jignesh Vallabhbhai Savani	9	9
Mr. Ghanshayambhai Bhagvanbhai Savani	9	9
Mrs. Shilpa Falgunbhai Savani	9	5
Mrs. Nayna Jignesh Savani	9	9
Mrs. Krishna Mitulbhai Shah	9	8
Mrs. Kajal Chintanbhai Vaghani	9	5
Mr. Pravin Manjibhai Bhayani	9	9

16.5 Board Committees and their Meetings:

1. Audit Committee:

The Audit Committee comprises of four members with three Independent Directors and one Executive Director as on 31st March, 2020. The Committee was reconstituted by inclusion of Mrs. Krishna Mitulbhai Shah as a member of the Committee on w.e.f October 7, 2019

The Composition of the Committee as on March 31, 2020 and its attendance for meetings held during the year is set out below:

Name of Member	Category	Status	No. of meeting attended/ held
Mr. Pravin Manjibhai Bhayani	Non-Executive & Independent Director	Chairman	5/5
Mrs. Kajal Chintanbhai Vaghani	Non-Executive & Independent Director	Member	3/5
Falgun Vallabhbhai Savani	Non-Executive & Independent Director	Member	5/5
Mrs. Krishna Mitulbhai Shah*	Non-Executive & Independent Director	Member	2/5

* Mrs. Krishna Mitulbhai Shah appointed w.e.f. October 7, 2019

Meeting No.	Date of Audit Committee Meeting	Total no. of Member	No. of Member present
1/AC/2019-20	10-04-2019	3	3
2/AC/2019-20	27-06-2019	3	3
3/AC/2019-20	03-10-2019	3	3
4/AC/2019-20	11-11-2019	4	3
5/AC/2019-20	23-01-2020	4	3

The Chairman of the Committee has attended the last Annual General Meeting of the Company held on 27th April, 2019.

2. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of three members with two Independent Directors and one Non-executive Director as on 31st March, 2020.

The Committee met one time during the year i.e. on April 10, 2019. The Composition of the Committee as on March 31, 2020 and its attendance for meetings held during the year is set out below:

Name of Member	Category	Status	No. of meeting attended/ held
Mr. Pravin Manjibhai Bhayani	Non-Executive & Independent Director	Chairman	1/1
Mrs. Krishna Mitulbhai Shah*	Non-Executive & Independent Director	Member	1/1
Mrs. Nayna J. Savani	Non-Executive Director	Member	1/1

3. Stakeholder's Relationship Committee:

Company has constituted a Stakeholders Relationship Committee to redress complaints of the shareholders. The Stakeholder's Relationship Committee comprises of three members with two Independent Directors and one Non-executive Director as on 31st March, 2020.

The Committee met one times during the year i.e. on November 11, 2019. The Composition of the Committee as on March 31, 2020 and its attendance for meetings held during the year is set out below:

Name of Member	Category	Status	No. of meeting attended/held
Mr. Pravin Manjibhai Bhayani	Non-Executive & Independent Director	Chairman	1/1
Mrs. Krishna Mitulbhai Shah	Non-Executive & Independent Director	Member	1/1
Mr. Jignesh Vallabhbhai Savani	Non-Executive Director	Member	1/1

4. CSR Committee:

There was no requirement of CSR activity pursuant of Section 135 of Companies Act, 2013. Though, the board of directors have formulated the CSR Committee on January 23, 2020 in order to take corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare.

There was no meeting held during the F.Y. 2019-20. The CSR Committee comprises of three members with two Independent Directors and one Non-executive Director named Mr. Pravin Manjibhai Bhayani, Non-Executive & Independent Director, Mrs. Krishna Mitulbhai Shah, Non-Executive & Independent Director and Mrs. Nayna J. Savani, Non-executive Director as a Chairman & Members of Committee respectively as on March 31, 2020.

16.6 Details of Remuneration paid to Directors/KMPs:

Name of Director/KMP	Designation	Remuneration p.a. (in ₹)
Mr. Falgun Vallabhbhai Savani	Chairman & Managing Director	43,00,008
Mr. Jignesh Vallabhbhai Savani	CEO and Executive Director	42,98,008
Mr. Ghanshayambhai Bhagvanbhai Savani	Wholetime Director	43,00,008
Mrs. Shilpa Falgunbhai Savani	Non- Executive Director	5000*
Mrs. Nayna Jignesh Savani	Non- Executive Director	9000*
Mrs. Krishna Mitulbhai Shah	Non- Executive Independent Director	8000*
Mrs. Kajal Chintanbhai Vaghani	Non- Executive Independent Director	5000*
Mr. Pravin Manjibhai Bhayani	Non- Executive Independent Director	9000*
Mr. Sanket Bhupendrabhai Trivedi	Company Secretary & Compliance Officer	3,20,182
Mr. Chintan Pratapbhai Chauhan	CFO	4,20,003

*Sitting Fees

16.7 Policy on appointment and remuneration to Directors, KMP & Senior Management Personnel:

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 is available on the website of the company www.pardrugs.com.

16.8 Code of Conduct:

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company which is posted on the website of the Company www.pardrugs.com.

16.9 Insider Trading:

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has devised the Code of Conduct to regulate, monitor and report trading in Company's securities by persons having access to unpublished price sensitive information of the Company. The Company Secretary is the Compliance Officer for the purpose of this code.

16.10 Familiarization Programme for Independent Director:

The Independent Directors are very enthusiastic to get involved in the activity of the Company and on continuous basis they are in constant touch with the executive directors of the Company and also they have taken part in the activity like to visit Company's plants, where plant heads appraise them of the operational and sustainability aspects of the plants to enable them to have full understanding on the activities of the Company and initiatives taken on safety, quality, CSR, Sustainability etc. Further detailed programme is available on the website of the company www.pardrugs.com.

17. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

18. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors confirming that they meet criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Pursuant to Ministry of Corporate Affairs Notification, dated October 22, 2019 all the Independent Directors of the Company have already registered themselves on IICA.

19. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT U/S 186 OF THE COMPANIES ACT, 2013:

During the reporting period, your Company has not granted any loans, guarantees or made investments or provided securities in violation of Section 186 of the Companies Act, 2013 and rules thereof. Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements forming part of this annual report.

20. EXTRACT OF ANNUAL RETURN:

The extract of Annual Return in **Form No.MGT-9** as required under Section 92 of the Companies Act, 2013 for the financial year ending March 31, 2019 is annexed hereto as **Annexure - II** and forms part of this report.

The Annual return of the Company for FY 2018-19 has been placed on the website of the Company and available at www.pardrugs.com. The Company will also place annual return in Form No MGT-7 for FY 2019-20 on completion of ensuing annual general meeting of shareholders of the Company.

21. SHARE CAPITAL:

Initial Public Offer and Listing of Shares:

The Company has successfully come up with an Initial Public Offer (IPO) of 16,72,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 51/- each, aggregating to ₹ 852.72 lakhs of equity shares of the company on May 3, 2019, Friday which was closed on May 08, 2019, Wednesday and equity shares of the company listed on NSE SME EMERGE platform on May 16, 2019.

16,72,000 Equity Shares of Face value ₹ 10/- per share were allotted at ₹ 51/- per share (including a premium of ₹ 41/- per share) on May 14, 2019 pursuant to the said IPO.

Authorized Share Capital:

The authorized share capital of the Company is ₹ 8,75,00,000/- (Rupees Eight Crore Seventy Five Lacs Only) divided into 8750000 (Eighty Seven Lacs Fifty Thousands) Equity Shares of ₹10/- (Rupees Ten only) each.

Paid up Share Capital:

At present, Paid up Share Capital of the company is ₹ 6,15,23,180/- (Rupees Six Crores Fifteen Lakhs Twenty Three Thousands One Hundred and Eighty Only) divided into 61,52,318 Equity Shares of ₹ 10/- (Rupees Ten Only) each.

Buy Back of Securities:

The Company has not bought back any of its securities during the year under review.

Sweat Equity:

The Company has not issued any Sweat Equity Shares during the year under review.

Bonus Shares:

No Bonus Shares were issued during the year under review.

Employees Stock Option Plan:

The Company has not provided any Stock Option Scheme to the employees.

22. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

There were no contracts or arrangements with related parties during the year under review under Section 188 of the Companies Act, 2013 and hence disclosure in the Form AOC-2 is not applicable. Further, the disclosure of transactions with related party for the year, as per Accounting Standard 18 Related Party Disclosures is given in Note no. 31 to the Balance Sheet as on 31st March, 2020.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its related parties, in compliance with the applicable provisions of the Companies Act 2013, the rules made thereunder and the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015. This policy was considered and approved by the Board and has been uploaded on the website of the Company at www.pardrugs.com.

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

A. Conservation of Energy& Technology Absorption:

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have been furnished considering the nature of activities undertaken by the company during the year under review is annexed hereto as **Annexure – III** and forms part of this report.

B. Foreign Exchange earnings and Outgo:

Foreign Earnings: ₹ 8,52,81,909/-

Foreign Outgo: ₹ 25,70,425.22/-

24. PARTICULARS OF EMPLOYEES:

During the year under review, none of the employees of the Company were in receipt of remuneration exceeding Rs. 1,02,00,000/- p.a., if employed throughout the year or Rs. 8,50,000/- p.m. if employed for part of the year. Further, statement containing particulars of employees under Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019 -20 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2019-20:

Name of Director	Remuneration	Ratio of Remuneration of director to median remuneration of employee	% Increase/Decrease
Mr. Falgun Vallabhbhai Savani Chairman & MD	43,00,008/-	29.21:1	Not Applicable
Mr. Jignesh Vallabhbhai Savani Director & CEO	42,98,008/-	29.21:1	Not Applicable
Mr. Ghanshayambhai Bhagvanbhai Savani Whole time Director	43,00,008/-	29.21:1	Not Applicable

Chintan P. Chauhan CFO	4,20,003/-	2.85:1	Not Applicable
Sanket B. Trivedi CS	3,20,182/-	2.18:1	Not Applicable
Total	1,36,38,209/-		

Note: Independent Directors and other Non-executive directors are entitled to sitting fees as mentioned in point no. 16.6 above.

2. Median remuneration of employee during the year of the company is 1,47,204.00/-
3. The percentage increase in the median remuneration of employees during the financial year:15%
4. There were 96 employees are on the rolls of the company as on 31st March, 2020
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
 - a. Average increase in remuneration of employees excluding KMPs: 15%.
 - b. Average increase in remuneration of KMPs: Not Applicable
 - c. KMP salary are decided based on the Company's performance, individual performance, inflation.
6. Affirmation that the remuneration is as per the Remuneration Policy of the Company;

The Company affirms remuneration is as per the Remuneration Policy of the Company

25. RISK MANAGEMENT POLICY:

At Par Drugs and Chemicals Limited, risks are measured, estimated and controlled with the objective to mitigate adverse impact. Your company's fundamental approach to risk management includes to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. The Company has adopted a risk management policy which inter alia, sets out our approach towards risk assessment, risk management and risk monitoring, which is periodically reviewed by the Board. The said policy is available at www.pardrugs.com.

26. CORPORATE SOCIAL RESPONSIBILITY:

The provisions of the Corporate Social Responsibility was not applicable to the company for the financial year 2019-20. However, the said provisions shall be applicable to the company from the financial year 2020-21 pursuant to Section 135 of the Companies Act, 2013. Company has already formed the CSR Committee and shall comply with the other applicable provisions related to Corporate Social Responsibility as and when required.

27. VIGIL MECHANISM:

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.pardrugs.com.

28. HUMAN RESOURCES:

During the period under review, the personal and industrial relations with the employees remained cordial in all respects. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals.

29. CORPORATE GOVERNANCE:

Since our Company listed on SME-Emerge, the provisions relating to Corporate Governance is not applicable to the company.

30. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. Internal Complaint Committee is set up to redress complaints received regularly. There were no complaints received and reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

31. DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to Section 134 (5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

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

32. COMPLIANCE WITH SECRETARIAL STANDARDS:

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

33. ACKNOWLEDGMENT

Your Directors would like to express their sincere appreciation for the assistance and cooperation received from the banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

Date: 15th June, 2020

Place: Vadodara

**For & On Behalf of Board of Directors
PAR DRUGS AND CHEMICALS LIMITED**

Sd/-

Sd/-

.....
(Falgun V. Savani)
Chairman & Managing Director
(DIN: 00198236)

.....
(Jignesh J. Savani)
Director & CEO
(DIN: 00198203)

**Form No. MR-3
SECRETARIAL AUDIT REPORT**

For the financial year ended 31ST March, 2020

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

To,

The Members,

PAR DRUGS AND CHEMICALS LIMITED

805, Dwarkesh Complex, R.C. Dutt Road,

Alkapuri, Vadodara – 390007, Gujarat.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Par Drugs And Chemicals Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not applicable to the company during Audit period;**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable to the company during Audit period;**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and amendments from time to time regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable to the company during Audit period;**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **Not applicable to the company during Audit period;**
- (vi) Other laws applicable to the Company as per the representations made by the Company, its officers and authorized representatives during the conduct of audit namely:
- a. Environment (Protection) Act, 1986 and Rules made thereunder;
 - b. Hazardous Waste (Management and Handling) Rules, 1989;
 - c. Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;
 - d. Air (Prevention and Control of Pollution) Act, 1981;
 - e. Water (Prevention and Control of Pollution) Act, 1974;
 - f. The Drugs and Cosmetics Act, 1940;
 - g. The Drugs and Cosmetic Rules, 1945;
 - h. The Factories Act, 1948 and Rules made thereunder;
 - i. Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013 and Rules made thereunder;
 - j. Labour, Employee, Industrial and other Laws to the extent applicable to the Company.

The examination and reporting on abovementioned laws and rules are limited to whether there are adequate systems and process in place to monitor and ensure compliance with those laws.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings;
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Listing Agreements entered into by the Company with Stock exchange.

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

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the Audit period following events/actions have been occurred, which have a major bearing on company's affairs in pursuance of the above referred Laws, Rules, regulations, guidelines, Standards etc:

1. Company had come up with an Initial Public Offer (IPO) of equity shares of the company on 3rd May, 2019. The issue size was ₹ 8,52,72,000/- (Rupees Eight Crore Fifty Two Lakhs Seventy Two Thousand Only) consisting of 16,72,000 Equity Shares of ₹ 51/- per share (Face value ₹ 10/- per share and premium of ₹ 41/- per share). The issue was opened on 3rd May, 2019 and closed on 8th May, 2019.
2. On 14th May, 2019 allotment of 16,72,000 equity shares were made pursuant to the approval of the Board of Directors and other required approvals and the equity shares of the company were listed on 16th May, 2019 on the SME platform of National Stock Exchange of India Limited.
3. Pursuant to the approval of the Board of Directors on 11th November, 2019, Company had paid an interim dividend of ₹ 1.25/- per equity share of face value of ₹ 10/- each, to shareholders who were on the register of members as on 25th November, 2019, being the record date fixed for this purpose.

Place: Bhavnagar

Date: 01/06/2020

**FOR DG PATEL & ASSOCIATES
Company Secretaries**

Sd/-

**Dip G. Patel
(Proprietor)**

FCS: 10533

C.P. No.: 13774

UDIN:A036900B000306136

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

To,
The Members
PAR DRUGS AND CHEMICALS LIMITED
805, Dwarkesh Complex, R.C. Dutt Road,
Alkapuri, Vadodara – 390007, Gujarat.

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

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

FOR DG PATEL & ASSOCIATES
Company Secretaries

Place: Bhavnagar
Date: 01/06/2020

Sd/-

Dip G. Patel
(Proprietor)

FCS: 10533

C.P. No.: 13774

UDIN:A036900B000306136

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L24117GJ1999PLC035512
2.	Registration Date	26/02/1999
3.	Name of the Company	PAR DRUGS AND CHEMICALS LIMITED
4.	Category/Sub-Category of the Company	Public Limited Company/Company Limited by Shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	805, Dwarkesh Complex, R.C. Dutt Road, Alkapuri, Vadodara – 390007, Gujarat Phone: 0265-2342018, 0278-2446342 Email: admin@pardrugs.com Website: www.pardrugs.com
6.	Whether listed company: Yes/No	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	LINK INTIME INDIA PRIVATE LIMITED 5th Floor, 506 TO 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad-380006, Gujarat, India Tel: (079) 26465179 Website: www.linkintime.co.in Email: ahmedabad@linkintime.co.in SEBI registration no: INR000004058

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Active Pharma Ingredients ("APIs"), Antacid Molecules and other chemicals and pharmaceutical products	2011	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
	N.A.	N.A.	N.A.	N.A.	N.A.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 st April, 2019)				No. of Shares held at the end of the year (as on 31 st March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters' *									
(1) Indian									
a) Individual/HUF	4460318	-	4460318	99.55	4498318	-	4498318	73.12	(26.43)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total A(1)	4460318	-	4460318	99.55	4498318	-	4498318	73.12	(26.43)
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total A(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter A = A(1)+A(2)	4460318	-	4460318	99.55	4498318	-	4498318	73.12	(26.43)
B. Public Shareholding									
1. Institutions									

a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	204880	-	3.33	-	3.33
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	819120	-	13.31	-	13.31
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	20000	-	20000	0.45	494000	-	8.03	-	7.58
c) Others (specify)									
HUFs	-	-	-	-	120000	-	1.95	-	1.95
Clearing Members	-	-	-	-	14000	-	0.23	-	0.23
Non Resident (Non Repatriable)	-	-	-	-	2000	-	0.03	-	0.03
Sub-total (B)(2):	20000	-	20000	0.45	1654000	-	26.88	-	26.43
Total Public Shareholding (B)=(B)(1)+ (B)(2)	20000	-	20000	0.45	1654000	-	26.88	-	26.43

C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4480318	-	4480318	100.00	6152318	-	100.00	-	-

* Promoters' shareholding as mentioned above includes shareholding of promoter group also.

ii) Shareholding of Promoters & Promoters Group:

(a) Shareholding of Promoters:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Falgun V. Savani	1306976	29.17	-	1306976	21.24	-	(7.93)
2.	Jignesh V. Savani	1330220	29.69	-	1330220	21.62	-	(8.07)
	Total	2637196	58.86	-	2637196	42.86	-	(16.00)

(b) Shareholding of Promoters' Group:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Vallabhbbhai J. Savani	1171236	26.14	-	1191236	19.36	-	(6.78)
2.	Saritaben S. Savani	110866	2.47	-	110866	1.80	-	(0.67)
3.	Shilpa F. Savani	87686	1.96	-	87686	1.43	-	(0.53)
4.	Nayna J. Savani	90692	2.02	-	90692	1.47	-	(0.55)
5.	Ghanshayam bhai B. Savani	362642	8.09	-	380642	6.19	-	(1.90)
	Total	1823122	40.68	-	1861122	30.25	-	(10.43)

iii) Change in Promoters' & Promoters' Group Shareholding (please specify, if there is no change):

(a) Change in Promoters' Shareholding:

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Falgun V. Savani				
	At the beginning of the year	1306976	29.17	1306976	29.17
	Date wise Increase/Decrease in Promoters' Share holding during the year specifying the reasons for increase/decrease: No change in no. of shares held but decrease in % of shares held due to allotment of equity shares on 14/05/2019 pursuant to IPO	-	-	1306976	21.24
	At the end of the year	1306976	21.24	1306976	21.24
2.	Jignesh V. Savani				
	At the beginning of the year	1330220	29.69	1330220	29.69
	Date wise Increase/Decrease in Promoters' Share holding during the year specifying the reasons for increase/decrease: No change in no. of shares held but decrease in % of shares held due to allotment of equity shares on 14/05/2019 pursuant to IPO	-	-	1330220	21.62
	At the end of the year	1330220	21.62	1330220	21.62

(b) Change in Promoters' Group Shareholding:

1.	Vallabhbhai J. Savani				
	At the beginning of the year	1171236	26.14	1171236	26.14
	Date wise Increase/Decrease in Promoters' Share holding during the year specifying the reasons for increase/decrease: 1) No change in no. of shares held but decrease in % of shares held due to allotment of equity shares on 14/05/2019 pursuant to IPO; 2) Increase due to purchase of shares between March 5, 2020 to March 11, 2020	- 20000	- 0.33	1171236 1191236	19.03 19.36
	At the end of the year	1191236	19.36	1191236	19.36
2.	Saritaben S. Savani				
	At the beginning of the year	110866	2.47	110866	2.47
	Date wise Increase/Decrease in Promoters'				

	Share holding during the year specifying the reasons for increase/decrease: No change in no. of shares held but decrease in % of shares held due to allotment of equity shares on 14/05/2019 pursuant to IPO	-	-	110866	1.80
	At the end of the year	110866	1.80	110866	1.80
3.	Shilpa F. Savani				
	At the beginning of the year	87686	1.96	87686	1.96
	Date wise Increase/Decrease in Promoters' Share holding during the year specifying the reasons for increase/decrease: No change in no. of shares held but decrease in % of shares held due to allotment of equity shares on 14/05/2019 pursuant to IPO	-	-	87686	1.43
	At the end of the year	87686	1.43	87686	1.43
4.	Nayna J. Savani				
	At the beginning of the year	90692	2.02	90692	2.02
	Date wise Increase/Decrease in Promoters' Share holding during the year specifying the reasons for increase/decrease: No change in no. of shares held but decrease in % of shares held due to allotment of equity shares on 14/05/2019 pursuant to IPO	-	-	90692	1.47
	At the end of the year	90692	1.47	90692	1.47
5.	Ghanshayambhai B. Savani				
	At the beginning of the year	362642	8.09	362642	8.09
	Date wise Increase/Decrease in Promoters' Share holding during the year specifying the reasons for increase/decrease: 1) No change in no. of shares held but decrease in % of shares held due to allotment of equity shares on 14/05/2019 pursuant to IPO; 2) Increase due to purchase of shares between February 26, 2020 to March 2, 2020	- 18000	- 0.29	362642 380642	5.89 6.19
	At the end of the year	380642	6.19	380642	6.19

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sunitaben Paragbhai Shah				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease Increase due to purchase of share from open market or Allotted in IPO	118000	1.92	118000	1.92
	At the end of the year	118000	1.92	118000	1.92
2.	Pantomath Stock Brokers Private Limited				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease Increase due to purchase of share from open market or Allotted in IPO	88000	1.43	88000	1.43
	At the end of the year	88000	1.43	88000	1.43
3.	Mahesh R Kanzariya				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease Increase due to purchase of share from open market or Allotted in IPO	50000	0.81	50000	0.81
	At the end of the year	50000	0.81	50000	0.81
4.	Vidhi Parag Shah				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease Increase due to purchase of share from open market or Allotted in IPO	42000	0.68	42000	0.68
	At the end of the year	42000	0.68	42000	0.68
5.	Pantomath Stock Brokers Private Limited				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease Increase due to purchase of share from open market or Allotted in IPO	40000	0.65	40000	0.65
	At the end of the year	40000	0.65	40000	0.65

6.	Yogesh Dulabhai Miyani				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease Increase due to purchase of share from open market or Allotted in IPO	40000	0.65	40000	0.65
	At the end of the year	40000	0.65	40000	0.65
7.	Oceanic Pharmachem Private Limited				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease Increase due to purchase of share from open market or Allotted in IPO	36000	0.59	36000	0.59
	At the end of the year	36000	0.59	36000	0.59
8.	Parth G Desai				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease Increase due to purchase of share from open market or Allotted in IPO	36000	0.59	36000	0.59
	At the end of the year	36000	0.59	36000	0.59
9.	Parag Sureshchandra Shah				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease Increase due to purchase of share from open market or Allotted in IPO	28000	0.46	28000	0.46
	At the end of the year	28000	0.46	28000	0.46
10.	Shah Dolly Chetan				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease Increase due to purchase of share from open market or Allotted in IPO	26000	0.42	26000	0.42
	At the end of the year	26000	0.42	26000	0.42
11.	Gaurav Kiritkumar Shah				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease Increase due to purchase of share from open market or Allotted in IPO	24000	0.39	24000	0.39

	At the end of the year	24000	0.39	24000	0.39
12.	Kiritbhai Makanbhai Raval				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease Increase due to purchase of share from open market or Allotted in IPO	24000	0.39	24000	0.39
	At the end of the year	24000	0.39	24000	0.39
13.	Praveen Kumar Gupta				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease Increase due to purchase of share from open market or Allotted in IPO	24000	0.39	24000	0.39
	At the end of the year	24000	0.39	24000	0.39
14.	Chetankumar Shashikant Shah				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease Increase due to purchase of share from open market or Allotted in IPO	22000	0.36	22000	0.36
	At the end of the year	22000	0.36	22000	0.36

v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
A.	Shareholding of Directors				
1.	Falgun V. Savani				
	At the beginning of the year	1306976	29.17	1306976	29.17
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease: No change in no. of shares held but decrease in % of shares held due to allotment of equity shares on 14/05/2019 pursuant to IPO	-	-	1306976	21.24
	At the end of the year	1306976	21.24	1306976	21.24
2.	Jignesh V. Savani				

	At the beginning of the year	1330220	29.69	1330220	29.69
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease: No change in no. of shares held but decrease in % of shares held due to allotment of equity shares on 14/05/2019 pursuant to IPO	-	-	1330220	21.62
	At the end of the year	1330220	21.62	1330220	21.62
3.	Ghanshayambhai B. Savani				
	At the beginning of the year	362642	8.09	362642	8.09
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease: 1) No change in no. of shares held but decrease in % of shares held due to allotment of equity shares on 14/05/2019 pursuant to IPO; 2) Increase due to purchase of shares between February 26, 2020 to March 2, 2020	- 18000	- 0.29	362642 380642	5.89 6.19
	At the end of the year	380642	6.19	380642	6.19
4.	Shilpa Falgunbhai Savani				
	At the beginning of the year	87686	1.96	87686	1.96
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease: No change in no. of shares held but decrease in % of shares held due to allotment of equity shares on 14/05/2019 pursuant to IPO	-	-	87686	1.43
	At the end of the year	87686	1.43	87686	1.43
5.	Nayna Jignesh Savani				
	At the beginning of the year	90692	2.02	90692	2.02
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease: No change in no. of shares held but decrease in % of shares held due to allotment of equity shares on 14/05/2019 pursuant to IPO	-	-	90692	1.47
	At the end of the year	90692	1.47	90692	1.47
B.	Shareholding of Key Managerial Personnel (other than Directors)				
1.	Chintan Pratapbhai Chauhan				
	At the beginning of the year	-	-	-	-

	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease	-	-	-	-
	At the end of the year	-	-	-	-
2.	<i>Sanket Bhupendrabhai Trivedi</i>				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS:

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

	Secured Loans excluding deposits (Rs.)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs.)
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,54,62,360	3,80,43,219		10,35,05,579
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6,54,62,360	3,80,43,219	-	10,35,05,579
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	(5,93,79,826)	-	-	-
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	60,82,533	3,80,43,219	-	4,61,91,151
ii) Interest due but not paid	-	20,65,399	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	60,82,533	4,01,08,618		4,61,91,151

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

SN.	Particulars of Remuneration	Name of MD/WTD/Manager/Other Directors			Total
		Falgun V. Savani (MD & Chairman)	Ghanshayambhai B. Savani (Whole-time Director)	Jignesh V. Savani (Director & CEO)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	43,00,008	43,00,008	42,98,008	1,28,98,024
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission - as % of profit - others, specify...	-	-	-	
5	Others (sitting fees)				
	Total (A)	43,00,008	43,00,008	42,98,008	1,28,98,024
	Ceiling as per the Act	43,00,008	43,00,008	43,00,008	1,29,00,024

B. Remuneration to other directors:

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Krishna Mitulbhai Shah	Kajal Chintanbhai Vaghani	Pravin Manjibhai Bhayani	
	Fee for attending board meetings	8000	5000	9000	22000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	8000	5000	9000	22000
2	Other Non-Executive Directors	Shilpa Falgunbhai Savani	Nayna Jignesh Savani		
	Fee for attending board	5000	9000	-	14000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	5000	9000	-	14000
	Total (B)=(1+2)	13000	14000	9000	36000
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

C. Remuneration to key managerial personnel other than MD/Manager/WTD:

SN	Particulars of Remuneration	Key Managerial Personnel		
		Sanket B. Trivedi (CS)	Chintan Pratapbhai Chauhan(CFO)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,20,182.00	4,20,003.00	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others	-	-	-
	Total	3,20,182.00	4,20,003.00	

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY:					
Penalty	-----NIL-----				
Punishment					
Compounding					
B. DIRECTORS:					
Penalty	-----NIL-----				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT:					
Penalty	-----NIL-----				
Punishment					
Compounding					

For & On Behalf of Board of Directors
PAR DRUGS AND CHEMICALS LIMITED

Date: 15th June, 2020
Place: Vadodara

Sd/-
.....
(Falgun V. Savani)
Chairman & Managing Director
(DIN:00198236)

Sd/-
.....
(Jignesh J. Savani)
Director& CEO
(DIN:00198203)

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

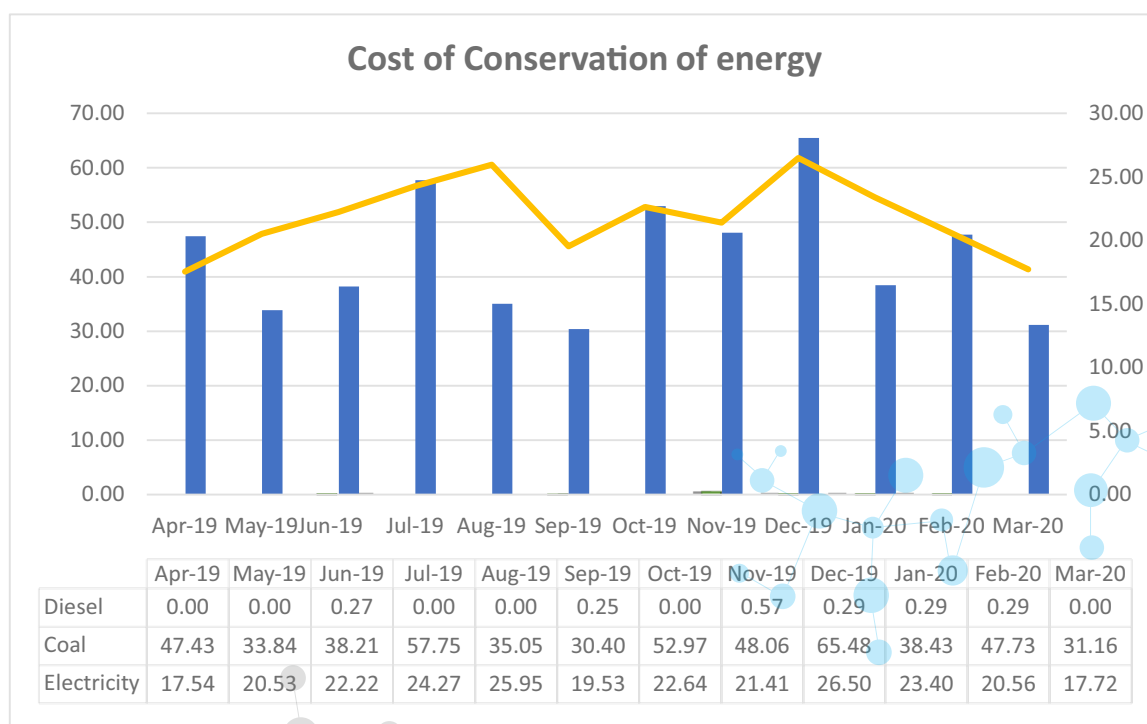
(A) Conservation of energy-

(i) the steps taken or impact on conservation of energy:

The Company is engaged in the Manufacturing business of Active Pharma Ingredient (“APIs”), Antacid Molecules and other chemical and pharmaceuticals products. Our product portfolio presently comprises 12 APIs and 6 Fine Chemical which are marketed domestically and exported. The use of energy is substantial in the manufacturing process of the company. The company has taken various measures to minimize consumption of energy, to optimize productivity and also to conserve energy and making best use of the resources. A considerable amount of time and effort was earmarked for conserving power across all the plants. Details of the energy consumption for the F.Y. 2019-20 are as under:

Electricity		Coal		Diesel	
UNIT (In KWH)	Total Cost – (₹ In Lakh)	UNIT (In MT)	Total Cost (₹ In Lakh)	UNIT (In LITER)	Total Cost (₹ In Lakh)
3439197	262.28/-	8107.880	526.53/-	2772.00	1.95/-

Graph showing the month cost of conservation of energy ₹ In Lakh:



(ii) the steps taken by the company for utilizing alternate sources of energy –

During the financial year 2019-20, solar panel generated the electrical energy which reduce CO2 emission total of 62133589 Grams with base line of Average CO2 generation of 820 Grams.

(iii) the capital investment on energy conservation equipments – Rs. 3,00,000/-

(B) Technology absorption-

(i) The efforts made towards technology absorption –

The efforts made towards technology absorption and the benefits the benefits derived there from are as under:

Sr.	Technology Absorb	Result
1	Bag filter Installation	Reduced the Dusting in Packing Area.
2	Waste heat recover by re-using the Exhaust Flue Gases.	Reduce Coal Consumption (Coal Savings: 151116 Kg.)
3	VFD installed on Higher capacity Electric motor	Increasing Production capacity
4	Gear Box replacement	Increase in Production Capacity as well reduced the maintenance cycle of equipment.
5	Installation of Heat exchanger	Reduces boiler steam consumption as the heat was used to Increase the Temperature of water. Also, by this the batch cycle time has been reduced.
6	Insulation lining work	Reduce Heat losses
7	Modification of charging hopper	upliftment of produce work at Production Plant

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution – as mentioned above.

(iii) imported technology (imported during the last three years reckoned from the beginning of the financial year)- NIL

(iv) the expenditure incurred on research & development: ₹ 181721/-

Date: 15th June, 2020

Place: Vadodara

**For & On Behalf of Board of Directors
PAR DRUGS AND CHEMICALS LIMITED**

Sd/-

.....
(Falgun V. Savani)
Chairman & Managing Director
(DIN:00198236)

Sd/-

.....
(Jignesh J. Savani)
Director & CEO
(DIN:00198203)

(Pursuant to Regulation 17(8) read with Part B of Schedule II of SEBI (LODR) Regulations, 2015)

To,
The Board of Directors
Par Drugs And Chemicals Limited

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Par Drugs And Chemicals Limited ("the Company"), to the best of our knowledge and belief certify that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended on 31st March, 2019 and based on our knowledge and belief, we state that:
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit committee:
 - I. significant changes, if any, in internal control over financial reporting during the year;
 - II. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - III. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having significant role in the Company's internal control system over financial reporting.

Date: 15/06/2020
Place: Vadodara

For Par Drugs And Chemicals Limited

Sd/-

(Mr. Jignesh V. Savani)

Chief Executive Officer & Director

For Par Drugs And Chemicals Limited

Sd/-

(Mr. Chintan P. Chauhan)

Chief Financial Officer

Certificate Cum Declaration Of Compliance Of The Code Of Conduct Of The Company

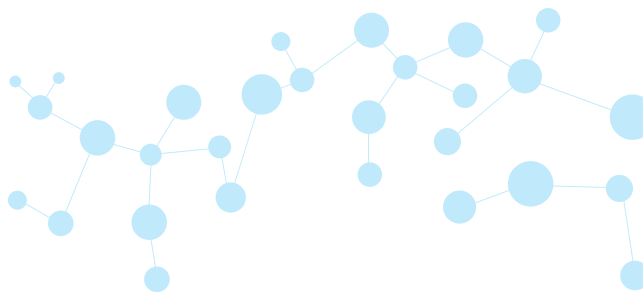
Pursuant to Regulation 26(3) read with Schedule V of SEBI (LODR) Regulations, 2015, I hereby declare that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management as applicable to them for the year ended 31st March 2019.

For Par Drugs And Chemicals Limited

Sd/-

(Mr. Jignesh V. Savani)
Chief Executive Officer

Date : June 15, 2020
Place: Vadodara



INDUSTRY STRUCTURE AND DEVELOPMENTS

Industry Structure:

The Pharmaceutical Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. Pharmaceutical Industry forms part of Pharmaceutical Sector at a macro level. Hence, broad picture of Pharmaceutical Sector should be at preface while analyzing the Pharmaceutical Industry. Pharmaceutical Sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall Pharmaceutical Sector is “Pharmaceutical Products Manufacturing Industry”, which in turn encompasses Active Pharmaceutical Ingredient segment. Thus, the micro analysis of segments such as Active Pharmaceutical Ingredients should be analyzed in the light of “Pharmaceutical Products Manufacturing Industry” at large. An appropriate view on Active Pharmaceutical Ingredients calls for the overall economic outlook, performance and expectations of Pharmaceutical Sector, position of Pharmaceutical Products Manufacturing Industry and micro analysis thereof.

Active Pharmaceutical Ingredient (API) is the part of any drug product. Pharmaceutical drugs might be available in type of capsules or tablets yet their genuine components are a long way from homogenous. Active Pharmaceutical Ingredient (API) is known as that part of the chemical included in the drugs which treats the cause and that actually works on the condition. Contents in drugs is not static it may contain one or more API and according to the dosage or prescription it will differ from person to person. Pharmaceutical technologists are prevalently possessed with the creation of different dose structures, for example, tablets, pastilles or dragees. The enhancing access to healthcare with the fast penetration of technology and different advancements in the healthcare segment. The Indian bulk drug industry has progressed from being perceived as an industry manufacturing simple API molecules to becoming the preferred destination for high value and complex APIs. The industry currently ranks third globally, next only to China and Italy and is focussed on low cost operations whilst leveraging the availability of skilled manpower in the country. Significant investments in process research and innovation have generated value for the industry. The bulk drug industry is also dominated by MSMEs, which are the primary employment generators in the Indian pharmaceutical sector.

Developments:

While we have always known that each business stands uniquely apart in its thinking, objectives and resources, we believe the timing is opportune to run them independently. The year gone by is proof of our long-term approach to doing business whether from the point of view of strategy, operations or sustainability. After considerable thought, we believe that reorganizing our businesses as explained earlier is the most efficient and sustainable way to move to the next level and stay true to Par Drugs’ mission to enhance the value of our customer’s products by delivering best quality of raw materials and consistently improve quality and production standards for the betterment of our customer’s. and build a strong

relationship with all our customers, vendors and employees on the values of ethical and transparent working system.

It would be worthwhile to mention here that till two decades ago, the country has been producing most of the APIs required in the country and even exporting a major part of the same to Europe and the US. But, the high cost of production because of comparatively low scale of operations and higher input costs rendered the domestic API production economically unviable. Besides the price-related issues, the Indian government's recent policy intervention is praiseworthy given the ever deteriorating Sino-Indian border relations. If the ongoing border skirmishes between India and China in the Ladakh region reach a flashpoint and as a retaliatory measure China decides to stop export of APIs and other raw materials to India, the result would be disastrous for the country as the industry does not have any alternate sources to procure these basic raw materials. Stringent environmental regulations added fuel to the fire, forcing the pharma companies to turn to China which emerged as a producer of cheap APIs with huge capacities and lower cost of production. However, over-dependence on China for APIs has always been a thorn in the flesh of Indian drug manufacturers as the prices of APIs tend to go through the roof whenever there is any disruption in China which was evident in the first months of this year due to the Covid-19 outbreak there. The Covid-19 outbreak and the subsequent disruption in supply of active pharmaceutical ingredients from China to India has finally made the alarm bell ringing and has woken up the Indian government from its self imposed slumber on framing a conducive policy on APIs to end the country's over-dependence on China for APIs. To make India self-reliant in APIs production, the Central government has recently approved.

The good news is that the entire product range in our product portfolio, were the products which required the raw materials which are 100% indigenous and we are not relying on any Import Raw Materials.

OPPORTUNITIES:

The major requirements of APIs in India are met by imports from other countries such as China, Italy, Germany, France, Malaysia, etc. This situation can be converted into an area of opportunity if the government provides adequate infrastructure facilities, subsidies and loans at low interest rates because then the captive market of APIs can be better developed to meet the requirements of the domestic manufacturers. Expanding of geographical markets and high growth of end user industries in respect of current situation of Covid-19 and regulatory easement of India can be helpful to reach next step towards the growth of the Company.

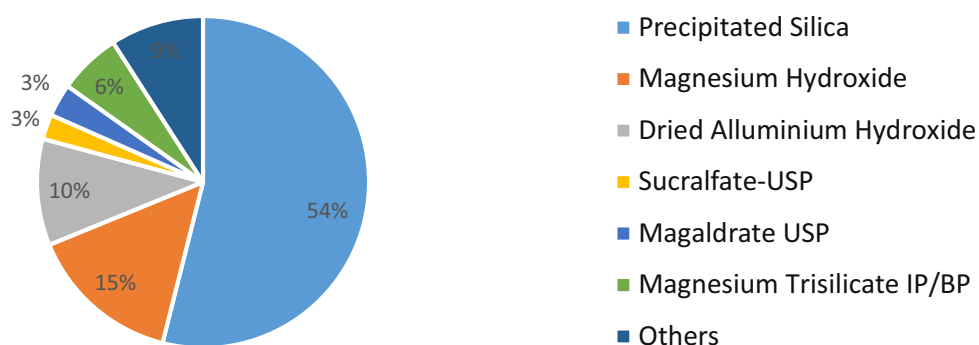
THREATS;

Company has business dealings in many countries. Each of these markets presents a different economic and political risk along with the ever present threat of natural disasters like current situation of Covid-19 pandemic. whereas A widespread global presence, with no overdependence on any one region or country, considerably insulates the Company from any uneventful developments in any particular market. Further, strong emphasis is given to regular tracking of the local developments to address these risks though, entry of global Players and technology disruptions still affected.

PRODUCT PERFORMANCE REVIEW

Company continues to operate only in one segment i.e. Active Pharma Ingredients (“APIs”) and Fine Chemicals and there is no change in the nature of business of the company. The product Performance during the Financial Year 2019-20 as under.

Product Performance



OUTLOOK:

The Company continues to maintain its relatively stable and progressive growth outlook. The initiative taken by your Company for reducing overheads and finance costs, build a strong relationship with all our customers, vendors and employees on the values of ethical and transparent working system, improving the new standards of production process into our existing product lines which will optimize the production time without compromising on the quality, improving operating parameters and optimiz ing operating costs will enable the company to face challenges in coming times.

RISKS AND CONCERNS:

The risks are measured, estimated and controlled with the objective to mitigate adverse impact. Your company’s fundamental approach to risk management includes to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. The Company has adopted a risk management policy which inter alia, sets out our approach towards risk assessment, risk management and risk monitoring, which is periodically reviewed by the Board. Pharmaceutical is among one of the highly regulated industries across the world. And rightly so as it deals with evolving human life. These regulation impact development, manufacturing, approval, marketing and distribution of products, while throwing new compliance challenges. A strong quality assurance mechanism and compliance monitoring network at your Company ensures strict compliance at every level. The Company earns its revenue in foreign exchange, thus exposing it to the volatility in the exchange rates. This can have an adverse effect on its earnings. The Company follows a conservative view which ensures protecting the desired exchange rate for sustaining the profitability.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

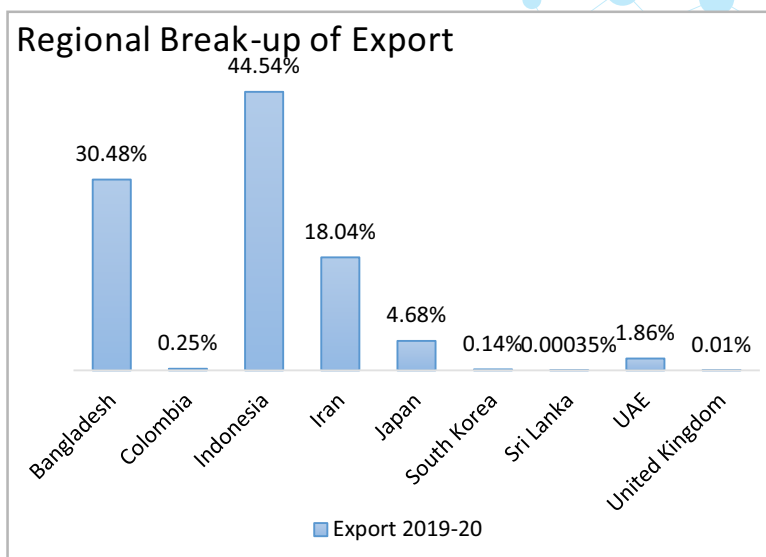
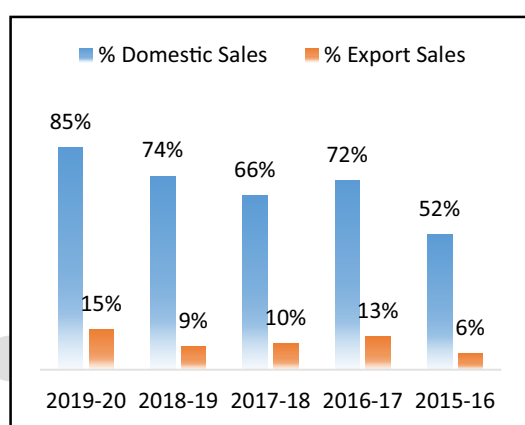
The Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The Management of the Company and internal auditor checks and verifies the internal control and monitors them in accordance with. Audit Committee of the Board reviews reports submitted by the independent internal auditors and monitors follow-up and corrective actions.

DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

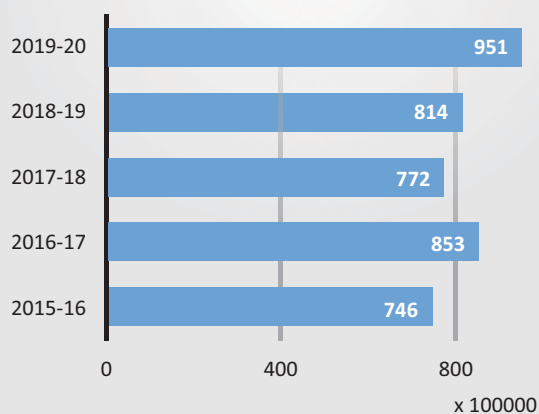
The financial highlights with respect to operational performance:

(Rs. In Lakh)

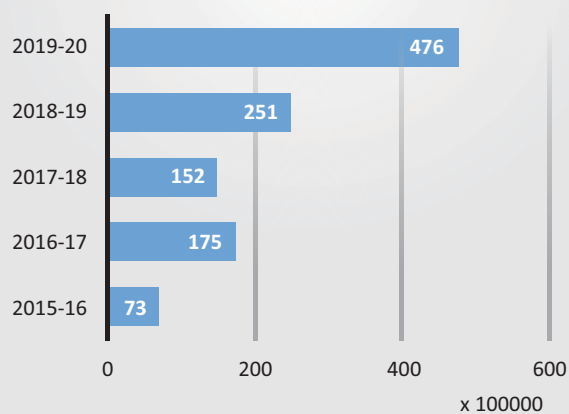
Particulars	2019-2020	2018-2019	% Change
Revenue from Operations			
Sale of Products			
Finished Goods Sold during the year:			
1) Domestic	4,656	4,069	14%
2) Export	853	486	76%
3) Other Operating Revenue	76	77	-1%
4) Add: taxes	769	664	
Less: Taxes	(769)	(664)	16%
Net Sale of Product (A)	5,585	4,632	21%
Other Income(B)	10	9	11%
Total Revenue from Operations (C)=(A)+(B)	5,595	4,641	21%



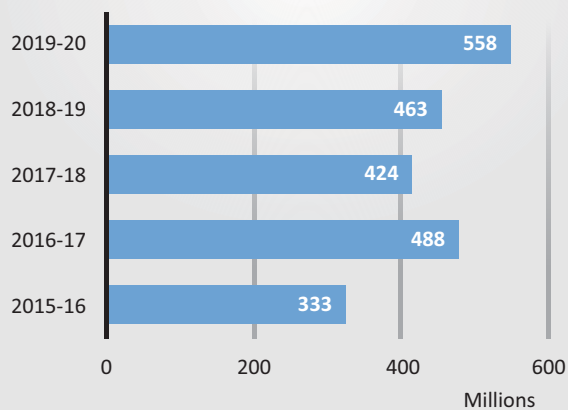
EBITDA



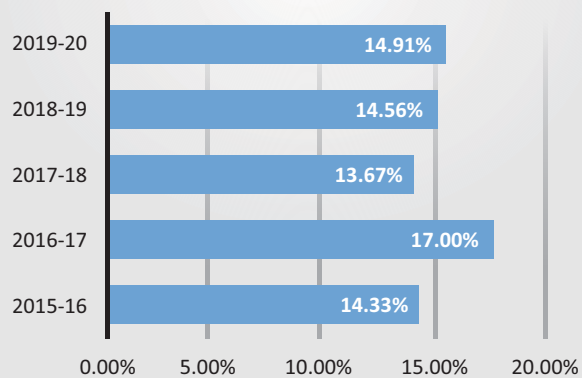
Net Earnings



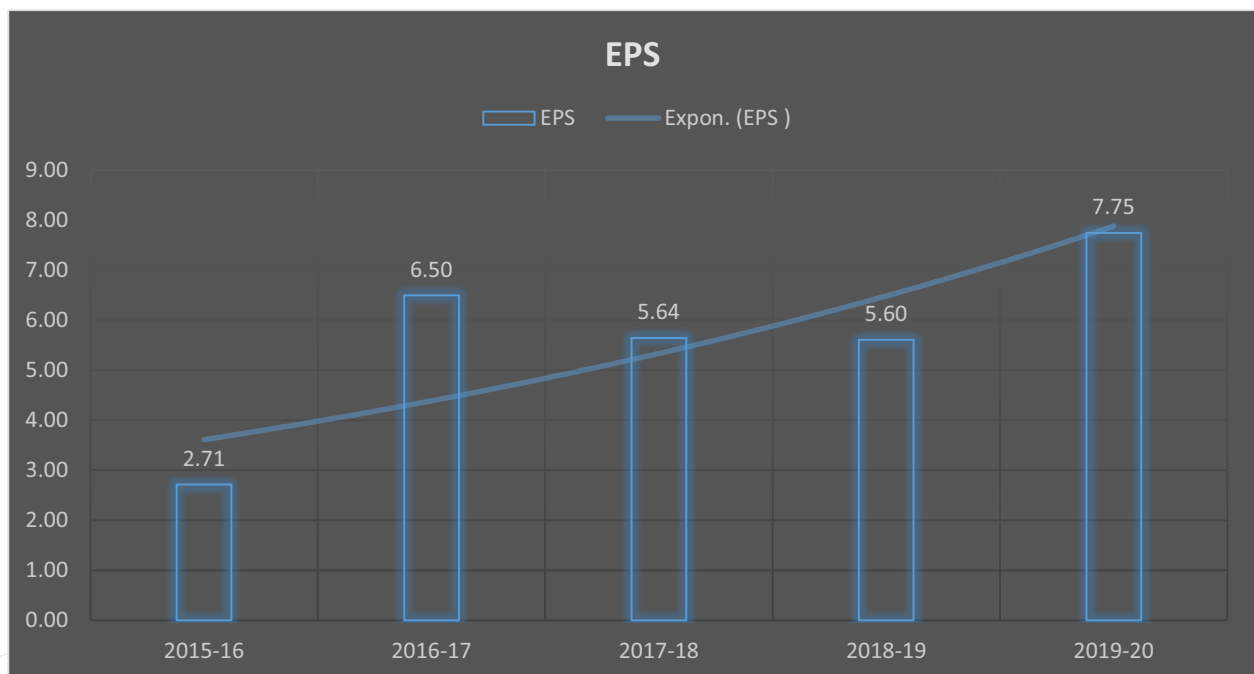
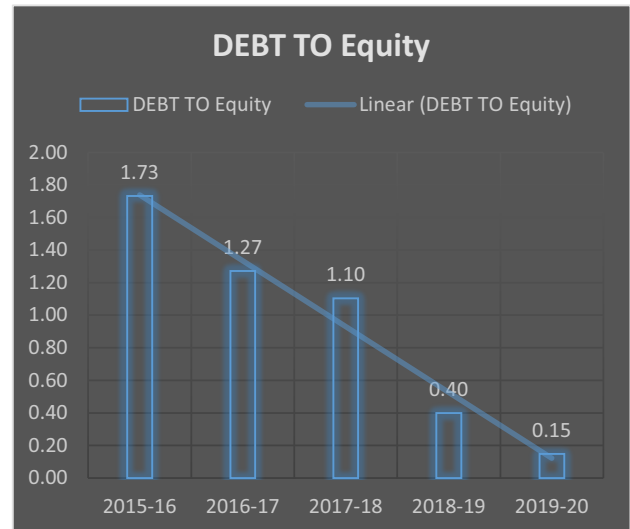
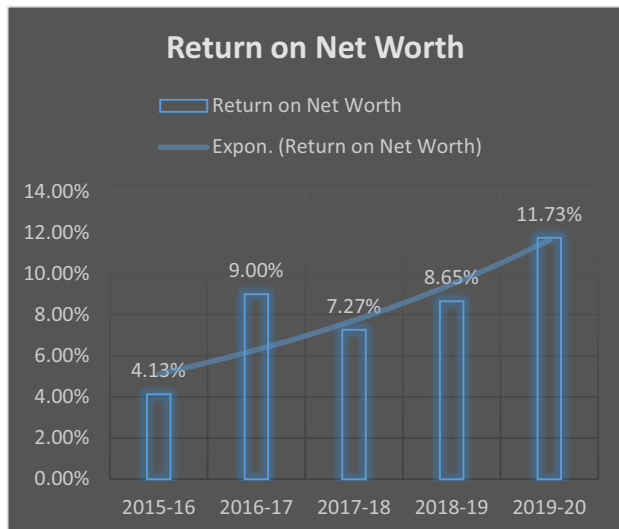
Operational Revenue



ROCE



*Capital employed includes Net worth + long term liability



MATERIAL DEVELOPMENTS IN HUMAN RESOURCE AND INDUSTRIAL RELATIONS

To achieve company targets, plans and business goals by linking individual and team performance objectives to department business plans and evaluating an employee's job - related attributes, behaviours and results, to develop core competencies reflecting the values and skills necessary for individual and organization success, to continually monitor employee's progress and communicate any ongoing issues to assist the employee in reaching goals and aligning expected performance levels with Company goals and objectives, to develop people through regular constructive coaching and dialogue, to promote job satisfaction in a motivating environment. As on March 31, 2020, the Company had total 96 employees. We are used to take review the employees day to day performance and behaviour to develop their skill and give chance to do work in the sometime out of box area to develop themselves. Further, The industrial relations have remained harmonious & in developing stage throughout the year

RATIO ANALYSIS:

Ratio Analysis	2019-20	2018-19	Variance (%)	Reasons if variance is more than 25%
Debtors Turnover	4.52	5.44	-16.94%	-
Inventory Turnover	19.15	10.79	77.51%	Timely utilization of working capital money raised through public issue tends to increase the turnover
Interest Coverage Ratio	12.61	4.49	180.58%	Accurate use of working capital money raised through public issue tends to increase Interest coverage
Current Ratio	2.23	1.14	96.12%	Respectively Current ratio affected as effective utilization of IPO money.
Debt Equity Ratio (%)	14.80%	39.89%	-62.90%	On the same path debt to equity decreased
Operating Profit Margin (%)	25.58%	26.45%	-3.27%	-
Net Profit Margin (%)	10.73%	7.11%	50.97%	Amount received through public issue used for payment of debt hence, interest cost of the company drastically reduce, as major reason to increase in profit margin.
Return on Net worth (%)	11.73%	8.65%	35.63%	Return of net worth increased due to increasing of Net profit Margin and effective utilization of working capital money raised during the year.

Precautionary Statement

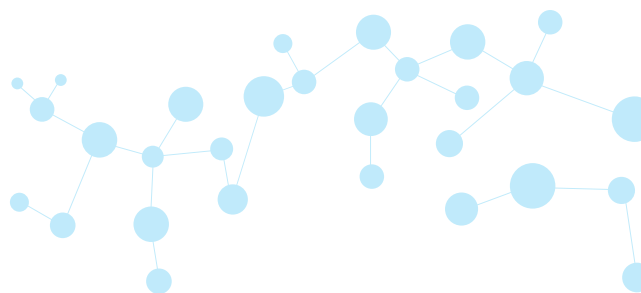
Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations, etc. may be forward-looking statements. Actual results may differ materially from those expressed or implied due to various risks and uncertainties. Important factors that could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

API

- PDCL currently produces the entire range of Antacid Molecules available in the market.
- Antacids are medication that neutralize stomach acid to cut down on heartburn, sour stomach, acid indigestion, and stomach upset, symptoms of Gastroesophageal Reflux Disease (GERD also called acid reflux), heartburn or indigestion (also called dyspepsia).
- They contain ingredients such as aluminium, calcium, magnesium, or sodium bicarbonate which act as bases (alkalis) to counteract stomach acid and make its pH more neutral.
- Some such products are formulated to minimize such effects through the inclusion of equal concentrations of magnesium hydroxide or magnesium carbonate, which have counterbalancing laxative effects.



Business Verticals



FINE CHEMICALS

- The company manufactures Fine chemicals that are inorganic molecules produced in kilogram to multiton quantities by conventional or chemical processes.
- Applications that involve the use of fine chemicals include catalysts, adhesives, food, and specialty polymers for advanced composites etc. Similarly, fine chemicals are also employed in the agrochemical industry for manufacturing pesticides, fungicides, and herbicides through rigorously controlled contamination prevention protocols.



INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
PAR DRUGS AND CHEMICALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of PAR DRUGS AND CHEMICALS LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, 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 standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, 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 evidence 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.

We draw attention to Note No. 30.2 in the financial statements which describes the economic and social consequences the company is facing as a result of COVID-19 which is impacting supply chain, consumer demand, commodity price and availability of employee / workers. Our opinion is not modified in respect of this matter.



Management's Responsibility for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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.

Those Board of Directors are 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.

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

Report on Other Legal and Regulatory Requirements:

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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - B".
- (g) 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 does not have any pending litigations which would impact its financial position.
 - 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.

V DHAMSANIA & ASSOCIATES
(Firm Regn No. – 132499W)
CHARTERED ACCOUNTANTS

Sd/-

VIPUL V DHAMSANIA (Partner)
M.No.140836
Bhavnagar, 1st June, 2020
UDIN - 20140836AAAAEL3255



ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of PAR DRUGS AND CHEMICALS LIMITED, for the year ended 31st March, 2020.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) These fixed assets have been physically verified by the management at reasonable intervals and there was no Material discrepancies were noticed on such verification.
(c) All immovable assets of company and the title deeds of immovable properties are held in the name of the company.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and there are no material discrepancies were noticed.
3. The company has not granted 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. In respect of loans, investments, guarantees and security all mandatory provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The company has not accepted any deposits.
6. We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for maintenance of cost records u/s. 148 of the Companies Act, 2013 and are of opinion that prima-facie prescribed accounts have been made and maintained. We have not however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 7 (a) The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
(b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have been deposited on time and there is no dispute is pending on the part of company.



8. The company has not made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. Money raised by way of initial public offer where applied for the purpose for which those were raised. The details of which is given in the Part – A of Note No-1 Significant Accounting Policies.
10. Neither company has done any fraud nor by its officers or employees so nothing to be disclosed separately.
11. 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. Company is not a Nidhi Company, therefore, nothing to be disclosed for any provisions applicable on Nidhi Company.
13. 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. The company hasn't made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year.
15. The company hasn't entered into any non-cash transactions as described in section 192 of the Companies Act with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

V DHAMSANIA & ASSOCIATES
(Firm Regn No. – 132499W)
CHARTERED ACCOUNTANTS

Sd/-

VIPUL V DHAMSANIA (Partner)
M.No.140836
Bhavnagar, 1st June, 2020
UDIN - 20140836AAAAEL3255



ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of PAR DRUGS AND CHEMICALS LIMITED ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

V DHAMSANIA & ASSOCIATES

(Firm Regn No. – 132499W)

CHARTERED ACCOUNTANTS

Sd/-

VIPUL V DHAMSANIA (Partner)

M.No.140836

Bhavnagar, 1st June, 2020

UDIN - 20140836AAAAEL3255

BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars		Notes #	AS AT 31.03.2020 Amount `	AS AT 31.03.2019 Amount `
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	6,15,23,180	4,48,03,180
	(b) Reserves and surplus	3	34,46,22,127	24,54,86,286
	(c) Money received against share warrants		0	0
	Sub-total (1)		40,61,45,307	29,02,89,466
2	Share application money pending allotment		0	0
3	Non-current liabilities			
	(a) Long-term borrowings	4	4,61,91,151	6,03,14,136
	(b) Deferred tax liabilities (Net)	5	3,65,11,986	3,42,43,156
	(c) Other Long term liabilities		0	0
	(d) Long-term provisions	6	3,862,111	3,269,407
	Sub-total (3)		8,65,65,248	9,78,26,699
4	Current liabilities			
	(a) Short-term borrowings	7	0	4,31,91,443
	(b) Trade payables	8		
	Due to Micro, Small & Medium Enterprise		7,01,015	0
	Due to Others		6,13,44,210	4,93,18,077
	(c) Other current liabilities	9	2,69,11,005	2,33,15,348
	(d) Short-term provisions	10	1,94,85,304	87,31,785
	Sub-total (4)		10,84,41,533	12,45,56,652
	TOTAL		60,11,52,088	51,26,72,817
II.	ASSETS			
	Non-current assets			
1	(a) Property, Plant and Equipment			
	(i) Tangible assets	11	34,39,61,817	36,34,10,054
	(ii) Intangible assets		0	0
	(iii) Capital work-in-progress	12	7,390,446	0
	(iv) Intangible assets under development		0	0
			35,13,52,263	36,34,10,054
	(b) Non-current investments	13	5,64,850	5,64,850
	(c) Deferred tax assets (net)		0	0
	(d) Long-term loans and advances	14	70,50,112	68,57,631
	(e) Other non-current assets		0	0
	Sub-total (1)		35,89,67,225	37,08,32,535
2	Current assets			
	(a) Current investments		0	0
	(b) Inventories	15	2,91,68,011	4,29,40,949
	(c) Trade receivables	16	12,36,83,527	8,51,97,045
	(d) Cash and cash equivalents	17	7,37,91,611	3,05,887
	(e) Short-term loans and advances	18	62,27,227	61,04,583
	(f) Other current assets	19	93,14,487	72,91,819
	Sub-total (2)		24,21,84,863	14,18,40,283
	TOTAL		60,11,52,088	51,26,72,818
	Significant Accounting Policies	1		
	Notes forming part of the financial statements	2-31		

As per our report of even dated.

For and on behalf of Board of Directors For,

V Dhamsania & Associates
Firm Regn. No.132499W
Chartered Accountants

Sd/-
Vipul V. Dhamsania (Partner)
M.No.140836

Bhavnagar, 1st June, 2020

UDIN - 20140836AAAAEL3255

Sd/-
Falgun V Savani (Managing Director) (DIN - 00198236)

Sd/-
Chintan P Chauhan (CFO)

Sd/-
Jigneshbhai V Savani (CEO)
(DIN - 00198203)

Sd/-
Sanket B Trivedi (Company Secretary)
(M.No.- 51758)
Bhavnagar, 1st June, 2020

**STATEMENT OF PROFIT & LOSS FOR THE YEAR YEAR ENDED 31ST
MARCH, 2020**

Particulars		Notes #	2019-2020	2018-2019
			Amount `	Amount `
I.	Revenue from operations	20	55,84,86,873	46,32,33,307
II.	Other income	21	9,85,557	8,87,016
III.	Total Revenue (I + II)		55,94,72,431	46,41,20,323
IV.	Expenses:			
	Cost of materials consumed	22	22,19,11,969	19,22,03,517
	Purchases of Stock-in-Trade		0	0
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	1,46,45,321	11,319
	Employee benefits expense	24	4,11,34,340	3,63,91,214
	Finance costs	25	79,38,753	1,96,29,877
	Depreciation and amortization expense	26	2,76,15,126	3,03,69,939
	Other expenses	27	18,63,08,312	15,25,97,765
	Total expenses (IV)		49,95,53,820	43,12,03,632
V.	Profit before exceptional and extraordinary items and tax (III-IV)		5,99,18,611	3,29,16,691
VI.	Exceptional items		0	0
VII.	Profit before extraordinary items and tax (V - VI)		5,99,18,611	3,29,16,691
VIII.	Extraordinary Items		0	0
IX.	Profit before tax (VII- VIII)		5,99,18,611	3,29,16,691
X	Tax expense:			
	(1) Current tax		1,00,00,000	67,80,000
	(2) Deferred tax		22,68,830	10,26,248
XI	Profit (Loss) for the period from continuing operations (VII-VIII)		4,76,49,781	2,51,10,443
XII	Profit/(loss) from discontinuing operations		0	0
XIII	Tax expense of discontinuing operations		0	0
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		0	0
XV	Profit (Loss) for the period (XI + XIV)		4,76,49,781	2,51,10,443
XVI	Earnings per equity share:	28		
	(1) Basic.		7.75	5.60
	(2) Diluted.		7.75	5.60
	Significant Accounting Policies	1		
	Notes forming part of the financial statements	2-31		

As per our report of even dated.

V Dhamsania & Associates
Firm Regn. No.132499W
Chartered Accountants

Sd/-

Vipul V. Dhamsania (Partner)
M.No.140836

Bhavnagar, 1st June, 2020

UDIN - 20140836AAAAEL3255

For and on behalf of Board of Directors For,

Sd/-

Falgun V Savani (Managing Director) (DIN - 00198236)

Sd/-

Jigneshbhai V Savani (CEO)
(DIN - 00198203)

Sd/-

Chintan P Chauhan (CFO)

Sd/-

Sanket B Trivedi (Company Secretary)
(M.No.- 51758)
Bhavnagar, 1st June, 2020

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH, 2020**

PARTICULARS	Amt in Rs.			
	2019-2020	2019-2020	2018-2019	2018-2019
	Amount `	Amount `	Amount `	Amount `
A: CASH FLOW FROM OPERATING ACTIVITIES:				
Net profit before tax and extraordinary items		5,99,18,611		3,29,16,691
<u>Adjusted for:</u>				
Depreciation	2,76,15,126		3,03,69,939	
Income-tax/Prior Year Adjustment	-104,362		-44,61,428	
Interest Expense	75,40,776		1,81,15,333	
Rent, Interest & Dividend Income	-7,64,782		-8,87,016	
Profit/Loss on sale of assets	-2,20,775		0	
		3,40,65,983		4,31,36,828
Operating Profit / (loss) before working capital changes		9,39,84,593		7,60,53,519
<u>Adjustments for changes in working capital</u>				
<u>Adjustments for (increase)/decrease in operating assets</u>				
Long Term Loans & Advances	-1,92,481		99,950	
Inventories	1,37,72,938		-2,265,597	
Trade Receivables.	-3,84,86,482		2,048,729	
Short Term Loans & Advances	-1,22,645		779,894	
Other Current Assets	-2,75,933		33,840	
<u>Adjustments for increase/(decrease) in operating liabilities</u>				
Long-term provisions	592,704		3,269,407	
Short-term provisions	-1,56,879		1,951,785	
Other Current Liabilities	3,595,657		-3,79,80,918	
Trade Payables	1,27,27,148		-3,295,249	
		-8,545,973		-35,358,159
Cash Generated from / (used in) Operating activities		8,54,38,620		4,06,95,360
Less: Income-Tax paid		-85,26,734		-71,02,404
Net Cash generated from / (used in) Operating Activities:		7,69,11,886		3,35,92,956
B: CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	-1,55,86,560		-34,29,893	
Sales of Fixed Assets	2,50,000		0	
Rent, Interest & Dividend Income	7,64,782		8,87,016	
		-1,45,71,778		-25,42,876
Net Cash generated from / (used in) Investing Activities:		-1,45,71,778		-25,42,876
C: CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Issue of Shares	85,272,000		59,999,800	
Proceeds from Long Term Borrowings	0		0	
Repayment of Long Term Borrowings	-1,41,22,985		-6,56,31,534	
Repayment of Short Term Borrowings	-4,31,91,443		-7,634,114	
Dividend Paid	-76,90,398		-575	
Dividend Tax paid	-15,80,783		-93	
Interest paid	-75,40,776		-1,81,15,333	
		11,145,616		-3,13,81,849
Net Cash generated from / (used in) Financing Activities:		11,145,616		-3,13,81,849
Net Increase/(Decrease) in Cash and Cash Equivalents		73,485,724		-3,31,769

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH, 2020**

PARTICULARS	2019-2020	2019-2020	2018-2019	Amt in Rs.
				2018-2019
Opening Balance of Cash and Cash Equivalents		3,05,887		6,37,656
Closing Balance of Cash and Cash Equivalents		7,37,91,611		3,05,887
Total:		73,485,724		-3,31,769

1. Purchase of fixed assets are stated inclusive of movement of Capital Work in Progress and advance for capital goods between the commencement and end of the year and are considered as part of investing activity.

2. The cash flow statement has been prepared under the "indirect method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

Notes forming part of the financial statements 2-31

As per our report of even dated.

For and on behalf of Board of Directors

For, V Dhamsania & Associates Firm
Regn. No.132499W Chartered
Accounts

Sd/-

Vipul V. Dhamsania (Partner)
M.No.140836

Bhavnagar, 1st June, 2020

UDIN - 20140836AAAAEL3255

Sd/-

Falgun V Savani (Managing Director)
(DIN - 00198236)

Sd/-

Jigneshbhai V Savani (CEO) (DIN
- 00198203)

Sd/-

Chintan P Chauhan (CFO)

Sd/-

Sanket B Trivedi (Company Secretary)
(M.No.- 51758)
Bhavnagar, 1st June, 2020

Notes to Financial Statement for the year ended on 31st March, 2020

NOTES NO.01 : SIGNIFICANT ACCOUNTING POLICIES

(A) Corporate Information

Company was originally incorporated on February 26, 1999 as Par Drugs and Chemicals Private Limited under the provisions of the Companies Act, 1956 with the Registrar of Companies, Ahmedabad, Gujarat. Company was converted in to Public Limited Company and consequently name of company was changed from Par Drugs and Chemicals Private Limited to Par Drugs and Chemicals Limited vide special resolution passed by the Shareholders at the Extraordinary General Meeting held on October 24, 2018 and a fresh certificate of incorporation dated November 5, 2018 issued by the Registrar of Companies, Ahmedabad.

The Company is primarily engaged in manufacturing of Active Pharma Ingredients and fine chemicals (API) for domestic market as well as for exports to international markets. APIs, also known as “bulk drugs” or “bulk actives” are the principal ingredient used in making finished dosages in the form of capsules, tablets, liquid, or other forms of dosage, with the addition of other APIs or inactive ingredients.

During the year company has raised its Equity share capital with an amount of Rs. 852.72 lakhs (Including share premium) through Initial Public Offer (IPO) & the securities of the company got listed on NSE EMERGE– SME platform on May 16, 2019.

Details of the IPO are as follow:

The company has raised a sum of Rs. 852.72 lakhs by offering 16,72,000 Equity shares of the face value of Rs. 10/- each fully paid up for a cash price of Rs. 51/- per equity share (including premium of Rs. 41/- per equity share) under Initial Public Offer (IPO) during the year and the IPO proceeds were fully utilized towards purpose for which those were raised.

Statement of utilization of IPO proceeds as on 31st March, 2020

Sr. No.	Particulars	Amt Rs. (in Lakhs)
1.	Issue related expenses	64.00
2.	Funding of working capital requirements	700.00
3.	General corporate purpose	88.72
	Total	852.72

(B) Significant Accounting Policies

1) **Basis of Preparation of Financial Statement**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2) **Use of Estimates:**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed tangible assets and intangible assets. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3) **Fixed Assets & Depreciation:**

All items of fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance expenses are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on fixed assets is provided on pro rata basis as per WDV method based on the estimated useful life of various assets, as specified in Schedule II of the Companies Act, 2013.

4) Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. Impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

5) Investments:

Investments, which are readily realizable and intended to be held for not more than 12 months from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

6) Inventories : The inventories are valued on the following basis :

- a) Raw Materials : Valued at Cost Price.
- b) Finished goods : Valued at lower of Cost or Net Realizable Value.
- c) Stock in Process : Valued at Cost Price.

7) Employee Benefits:

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

The Company's contribution to Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis.

The Company's liability towards gratuity and compensated absences, being defined benefit plans are accounted for on the basis of an independent actuarial valuation and actuarial gains/losses are charged to the Statement of Profit and Loss.

8) Revenue Recognition:

- (A) Revenue/income and Cost / Expenditure are generally accounted on accrual basis as they are earned or incurred, except those with significant uncertainties.
- (B) Sales are recognized at the point of dispatch of goods to the customers. Sales are net of discounts, GST and returns.

- (C) Interest income is recognized on time proportion basis.
- (D) Dividend on Investments is accounted when approved by the shareholders' in the annual general meeting.
- (E) Insurance claim receivable is recognized in the year of the loss to the extent ascertainable.
- (F) The CENVAT / GST Credit available on purchase of raw materials / capital items and other eligible inputs are adjusted against GST payable on clearance of finished goods.

9) Foreign Currency Transaction :

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.

The difference in translation of monetary assets and liabilities and realized gains and losses on foreign transactions are recognized in the Statement of Profit and Loss.

The premium or discount on forward exchange contracts is recognized in the statement of profit and loss over the period of the contract.

10) Accounting for Government Grants/Refunds:

Government grants/subsidies and refunds due from Government Authorities are accounted when there is reasonable certainty of their realization.

11) Taxation

Tax expenses comprise current tax (amount of tax for the period determined in accordance with the Income Tax Regulations in India) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date, Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, when there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain, as the case may be, to be realized

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and is reviewed at each Balance Sheet date.

Company has policy of not considering MAT tax credit available to them under the Income Tax Act.

12) Borrowing Cost:

Borrowing Costs relating to the acquisition/construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charge to revenue.

13) Earning Per Share:

Basic earning per share is calculated by dividing the net profit or loss after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares outstanding during the year.

Diluted earning per Share is calculated by dividing net profit or loss attributable to equity Shareholders by the weighted average number of equity shares outstanding during the year with adjustment of all dilutive potential equity shares.

14) Provisions, Contingent Liabilities & Contingent Assets:

The company recognizes as provisions, the liability being present obligations arising from past events, the settlement of which is expected to result in outflow of resources and which can be measured only by using a substantial degree of estimation. Contingent liabilities are disclosed by way of a note to the financial statement after careful evaluation by the management of the facts and legal aspect of the matters involved. Contingent assets are being neither recognized nor disclosed.

15) Curent Assets, Loans And Avances

The balance under items of Sundry Debtors, Loans and Advances and current liabilities are subject to confirmation and reconciliation and consequential adjustments, wherever applicable. However, in the opinion of the Management, the realisable value of the current assets, loans and advances in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

16) Cash Flow

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

17) Segment Reporting

As the company is dealing in only one segment i.e. manufacturing industry, API, hence segment reporting is not applicable. Company does not have distinguishable component of an enterprise that is engaged in providing an individual product or service or group of related product or services and that is subject to risks and returns that are different from those of other business segment.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

NOTES No.2. SHARE CAPITAL :

	AS AT 31.03.2020 Amount `	AS AT 31.03.2019 Amount `
1 Authorised Shares:authorized; 87,50,000 (Prev.Yr.87,50,000) Equity Shares of Rs.10/- each.	8,75,00,000	8,75,00,000
	8,75,00,000	8,75,00,000
2 Issued, subscribed and fully paid Shares 61,52,318 (Prev.Yr 44,80,318) Equity Shares of Rs.10/- each Fully paid up	6,15,23,180	4,48,03,180
	6,15,23,180	4,48,03,180

3 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period;

	AS AT 31.03.2020 No. of Shares	AS AT 31.03.2019 No. of Shares
Equity Shares		
At the beginning of the period	44,80,318	27,00,018
Issued during the period	16,72,000	1,780,300
Outstanding at the end of the period	61,52,318	44,80,318
Preference Shares		
At the beginning of the period	0	57,50,000
Issued during the period	0	0
Redeemed / conversion during the period	0	-57,50,000
Outstanding at the end of the period	0	0

4 Terms & Right attached to Equity Shares & Preference shares

Equity Shares: The company has only one class of equity shares having a par value of Rs.10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Director is subject to approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts and payment of preference shareholders, in proportionate to their shareholding.

5 Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held

a) Equity Shares, fully paid up:
Vallabhnbhai Jivabhai Savani
Falgun Vallabhnbhai Savani
Jignesh Vallabhnbhai Savani
Ghanshyambhai B Savani

AS AT 31.03.2020 No. & (%) of Shares Held	AS AT 31.03.2019 No. & (%) of Shares Held
1191236(19.36%)	1171236 (26.14%)
1306976(21.24%)	1306976 (29.17%)
1330220(21.62%)	1330220 (29.69%)
380642 (6.19%)	362642 (8.09%)

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

NOTES No.3. RESERVES AND SURPLUS :

	AS AT 31.03.2020 Amount `	AS AT 31.03.2019 Amount `
a) Reserves and Surplus:		
1 Capital Reserve:		
Opening Balance as per last financial statement	6,86,466	6,86,466
Add: During the year	0	0
Closing Balance	6,86,466	6,86,466
2 Securities Premium		
Opening Balance as per last financial statement	9,96,96,800	0
Add: During the year	68,552,000	99,696,800
Closing Balance	16,82,48,800	9,96,96,800
3 General Reserve:		
Opening Balance as per last financial statement	3,50,000	3,50,000
Add: During the year	0	0
Closing Balance	3,50,000	3,50,000
b) Surplus/(Deficit) in the statement of Profit & Loss		
Opening Balance as per last financial statement	14,47,53,020	12,41,04,005
Add: Profit/(Loss) for the year	4,76,49,781	2,51,10,443
LESS:		
Income-tax Adj. of earlier year	104,362	3,16,496
Provision for Grativity of earlier years	0	41,44,932
Interim Dividend to Equity Shareholders	76,90,398	0
Interim Tax on Dividend.	15,80,783	0
Proposed Dividend to Equity Shareholders	7,690,398	0
Closing Balance	17,53,36,861	14,47,53,020
TOTAL: RESERVES AND SURPLUS	34,46,22,127	24,54,86,286

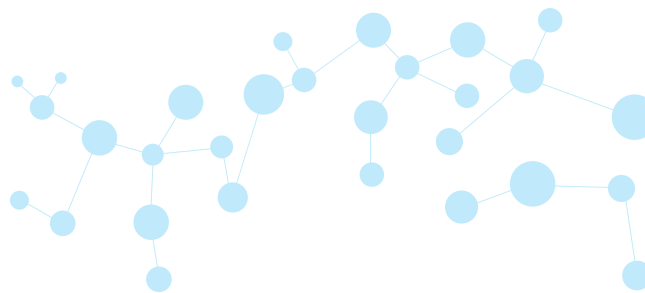
NOTES No.4. LONG-TERM BORROWINGS :

	AS AT 31.03.2020 Amount `	AS AT 31.03.2019 Amount `
1 Secured		
From Bank / Financial Institutions		
Car Loan-1 From HDFC Bank	0	25,47,065
Car Loan-2 From HDFC Bank	14,08,797	2,513,304
Car Loan From ICICI Bank	0	295,988
Car Loan From Kotak Mahindra Prime Ltd	0	1,006,752
Term Loan-1 From Kotak Mahindara Bank	1,85,99,105	24,055,355
Term Loan-2 From Kotak Mahindara Bank	0	2,924,231
Term Loan-3 From Kotak Mahindara Bank	0	1,231,220
Less: Current maturities of long-term debt	- 1,39,25,369	- 1,23,02,998
	60,82,533	2,22,70,917
2 Unsecured		
From Directors & Shareholders	4,01,08,618	3,80,43,219
TOTAL: LONG-TERM BORROWINGS	4,61,91,151	6,03,14,136

- Car Loan-1 taken from HDFC Bank Ltd during FY 2016-17, sanctioned of Rs. 41 Lakhs and carries interest @9.05% . The loan is re-payable in 60 monthly instalments of Rs.85,209 each. Loan is sanctioned against hypothecation of Mercedes benz car purchased through loan, having registration no.GJ 06 KH 8640.
- Car Loan-2 taken from HDFC Bank Ltd during FY 2017-18, sanctioned of Rs.34.49 Lakhs and carries interest @ 8.25%. The loan is re-payable in 37 monthly instalments of Rs.1,05,895 each. Loan is sanctioned against hypothecation of Skoda Kodiak car purchased through loan, having registration no. GJ 06 LK 9191.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

- 3 Car Loan taken from ICICI Bank Ltd during FY 2016-17, sanctioned of Rs. 9 Lakhs and carries interest @9.65%. The loan is re-payable in 48 monthly instalments of Rs. 22,679 each. Loan is sanctioned against hypothecation of TUV -300 car purchased through loan, having registration no.GJ 04 CJ 3073.
- 4 Car Loan taken from Kotak Mahindra Prime Ltd during FY 2016-17, sanctioned of Rs. 19.87 Lakhs and carries interest @9.65%. The loan is re-payable in 60 monthly instalments of Rs.41,633 each. Loan is sanctioned against hypothecation of Toyota Innova car purchased through loan, having registration no.GJ 06 KD 8640.
- 5 Term Loan-1 taken from Kotak Mahindara Bank Ltd during FY 2017-18, sanctioned of Rs. 300 Lakhs and carries interest @8.75% floating. The loan is re -payable in 60 monthly instalments of Rs.6,19,117 each.
- 6 Term Loan-2 taken from Kotak Mahindara Bank Ltd during FY 2017 -18, sanctioned of Rs. 437.51 Lakhs and carries interest @8.75% floating. The loan is re -payable in 15 monthly instalments of Rs. 30,89,692 each.
- 7 Term Loan-3 taken from Kotak Mahindara Bank Ltd during FY 2017 -18, sanctioned of Rs. 96.23 Lakhs and carries interest @8.75% floating. The loan is re -payable in 16 monthly instalments of Rs.6,39,343 each.
- 8 Term Loan-1, 2 & 3 are sanctioned with working capital limit of Rs.700 lakhs. All the loans are secured by the following securities
 - A) Primary Securities :
The hypothecation of all existing and future receivables/Current Assests/Movable Assest/Moveable Fixed Assests.
 - B) Collateral Securities :
 - 1) Plot no.13, Spring View Residency, Nr.Vedant Bunglows-1, Bh. Bright CBSE School, Vasna Bhayli Road, Bhayli, Vododara-390007.
 - 2) Plot No.42/B-4 & 42/B-3, Takhteshwar Plot,behind Madhav Hill,NR Waghwadi,Bhavnagar-364001.
 - 3) Plot no.5901/1, Ankleshwar Industrial Estate, R.5 No.174 Paiki, Village:Sarangpur, Takula : Ankleshwar, Dist. Bharuch-393002.
 - 4) Plot No.333/1, 333/2, 334 to 338, Chitra G.I.D.C, Rajkot Road, Bhavnagar-364004.
 - C) Gaurantees :
Personal gaurantee of Vallabhbbhai J Savani, Jignesh V Savani, Falgun V Savani, Ghanshyam B Savani and Shishir M Trivedi.
 - D) Take-over Condition :
Kotak Mahindra Bank Ltd has sanctioned all the credit facilit as take over of facility wise outstanding including accrued intereset, foreclosure charges if any, from Union Bank of India.
- 9 Unsecured loan was taken from Mr Vallabhbbhai J Savani (shareholder) for business purpose. Rate of interest is 12% yearly. Tenure of the repayment is not fixed.



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

NOTES No.5. DEFERRED TAX LIABILITIES (NET) :

	AS AT 31.03.2020 Amount `	AS AT 31.03.2019 Amount `
Deferred Tax Liabilities		
1 Fixed Assets: Impact of difference between Book and Tax	3,77,71,012	3,53,18,032
Depreciation		
Gross Deferred Tax Liabilities	<u>3,77,71,012</u>	<u>3,53,18,032</u>
Deferred Tax Assets		
1 Provision for Gratuity.	12,59,026	1,074,876
Gross Deferred Tax Assets	<u>1,259,026</u>	<u>1,074,876</u>
TOTAL: DEFERRED TAX LIABILITIES (NET)	<u>3,65,11,986</u>	<u>3,42,43,156</u>

In accordance with accounting standard 22, Accounting for taxes on Income, issued by the Institute of Chartered Accountants India, the Deferred Tax Assets (net of Liabilities) is provided in the books of account as at the end of the year using the rate of taxes that have been enacted.

NOTES No.6. LONG-TERM PROVISIONS :

	AS AT 31.03.2020 Amount `	AS AT 31.03.2019 Amount `
1 Provision for employee benefits		
Provision for Gratuity	3,862,111	3,269,407
TOTAL: LONG-TERM PROVISIONS	<u>3,862,111</u>	<u>3,269,407</u>

NOTES No.7. SHORT-TERM BORROWINGS :

	AS AT 31.03.2020 Amount `	AS AT 31.03.2019 Amount `
1 Loans repayable on demand:		
From Bank (Secured)		
EPC From Kotak Mahindra Bank Ltd	0	9,979,782
Cash Credit from Kotak Mahindara Bank Ltd	0	33,211,661
	<u>0</u>	<u>4,31,91,443</u>
TOTAL: SHORT-TERM BORROWINGS	<u>0</u>	<u>4,31,91,443</u>

- a) EPC taken from Kotak Mahindara Bank Ltd during FY 2017-18, sanctioned of Rs. 200.00 Lakhs and interest will be decided at the time of withdrawals.
- b) Cash Credit taken from Kotak Mahindara Bank Ltd during FY 2017-18, sanctioned of Rs. 700.00 Lakhs and carries floating interest rate @ 8.75% p.a.
- c) Both the above loans are secured by the property as described in the point 8 of Note No.-4

NOTES No.8. TRADE PAYABLES :

	AS AT 31.03.2020 Amount `	AS AT 31.03.2019 Amount `
Trade Payable for Goods & Services includes		
1 Due to Micro, Small & Medium Enterprise*	7,01,015	0
2 Due to Others	6,13,44,210	4,93,18,077
TOTAL: TRADE PAYABLES	<u>6,20,45,225</u>	<u>4,93,18,077</u>

- * As per the information & records furnished by the suppliers who are having registration under The Micro small and Medium Enterprise Development Act 2006.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

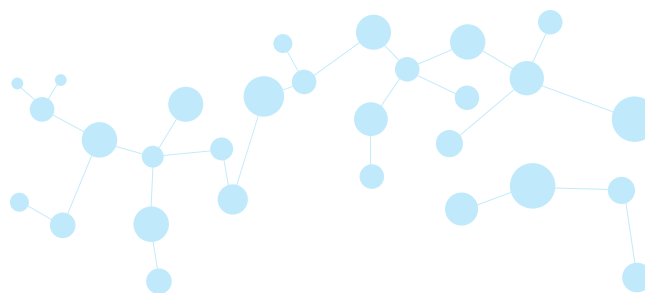
The principal amount and the interest due thereon, the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, the amount of interest due & payable for the period of delay in making payment and the amount of interest accrued as well as remaining unpaid at the end of the year under report is NIL.

NOTES No.9. OTHER CURRENT LIABILITIES :

	AS AT 31.03.2020 Amount `	AS AT 31.03.2019 Amount `
1 Current maturities of long-term debt	1,39,25,369	1,23,02,998
2 Income received in advance/Advance from Customers	1,79,013	7,33,860
3 Other Payables:		
Statutory liabilities	24,89,103	32,73,782
Provision for Expense	3,13,502	9,98,369
Provision for CSR Activity Expense	12,22,830	0
Remuneration Payable to Director	76,93,299	50,03,406
Salary & Wages Payable	10,87,889	1,002,932
	<u>1,28,06,623</u>	<u>1,02,78,490</u>
TOTAL: OTHER CURRENT LIABILITIES	<u>2,69,11,005</u>	<u>2,33,15,348</u>

NOTES No.10. SHORT-TERM PROVISIONS :

	AS AT 31.03.2020 Amount `	AS AT 31.03.2019 Amount `
1 Provision for employee benefits		
Provision for Gratuity	1,794,906	1,951,785
	<u>17,94,906</u>	<u>19,51,785</u>
2 Others:		
Provision for Taxation.	1,00,00,000	67,80,000
Proposed Dividend to Equity Shareholders.	7,690,398	0
	<u>1,76,90,398</u>	<u>67,80,000</u>
TOTAL: SHORT-TERM PROVISIONS	<u>1,94,85,304</u>	<u>87,31,785</u>



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

NOTES No.11. (I) TANGIBLE ASSETS :

		G R O S S				DE PRECIATION/AMORTIZATION				NET CARRYING BALANCE	
		As at 01-04-2019	Addition.	Disposed	AS AT 31.03.2020	As at 01-04-2019	For the Year	Disposed	AS AT 31.03.2020	AS AT 31.03.2020	AS AT 31.03.2019
Bhavnagar Unit:											
1	Land.	33,21,134	0	0	33,21,134	0	0	0	0	3,321,134	33,21,134
2	Factory Building.	13,04,19,137	0	0	13,04,19,137	2,78,99,651	4,024,505	0	3,19,24,156	98,494,981	10,25,19,486
3	Office Building.	8,46,000	0	0	8,46,000	2,57,294	23,110	0	2,80,404	565,596	5,88,706
4	Plant & Machinery.	32,67,13,664	1,972,220	0	32,86,85,884	11,75,19,338	17,643,546	0	13,51,62,885	193,522,999	20,91,94,325
5	Furniture & Fixtures.	33,18,257	63,000	0	33,81,257	21,43,565	263,780	0	24,07,344	973,913	11,74,692
6	Vehicle (Pickup Van)	75,000	0	0	75,000	73,348	0	0	73,348	1,652	1,652
7	Vehicle (Car)	1,54,93,306	5,173,348	20,97,117	1,85,69,537	1,39,90,636	768,517	20,67,892	1,26,91,261	5,878,276	15,02,670
8	Vehicle (Scooter)	6,84,073	0	0	6,84,073	6,60,998	4,313	0	6,65,311	18,762	23,075
9	Office Equipment.	12,78,750	237,852	0	15,16,601	10,82,571	173,536	0	12,56,106	260,495	1,96,179
10	Electric Installation.	67,61,957	168,660	0	69,30,617	26,50,398	350,211	0	30,00,609	3,930,008	41,11,559
11	Laboratory Equipments.	33,58,553	126,080	0	34,84,633	14,29,434	162,109	0	15,91,543	1,893,090	19,29,119
12	Air Conditioner.	11,00,662	45,858	0	11,46,519	9,51,383	71,641	0	10,23,024	123,495	1,49,278
13	Computer.	15,19,358	296,402	0	18,15,761	14,24,020	207,578	0	16,31,598	184,162	95,338
14	Water Storage Tank.	31,22,500	0	0	31,22,500	17,01,976	301,003	0	20,02,979	1,119,521	14,20,524
15	Weighing Scale	79,525	0	0	79,525	78,185	0	0	78,185	1,340	1,340
16	Solar Power Plant	7,565,419	0	0	75,65,419	2,904,396	1,437,430	0	43,41,825	3,223,594	4,661,023
17	Mobile.	142,744	112,695	0	2,55,440	126,980	28,755	0	1,55,735	99,704	15,764
	Sub-total	50,58,00,039	81,96,114	20,97,117	51,18,99,036	17,48,94,172	2,54,60,033	20,67,892	19,82,86,314	31,36,12,723	33,09,05,867
Ankleshwar Unit:											
1	GIDC Land	20,76,253	0	0	20,76,253	0	0	0	0	2,076,253	20,76,253
2	Factory Building.	1,42,60,313	0	0	1,42,60,313	48,70,831	337,005	0	52,07,835	9,052,478	93,89,483
3	Residential Flat	8,15,000	0	0	8,15,000	1,92,003	24,456	0	2,16,460	598,540	6,22,997
4	Storage Tank.	6,99,666	0	0	6,99,666	4,30,232	58,696	0	4,88,928	210,738	2,69,434
5	Plant & Machinery.	3,77,42,207	0	0	3,77,42,207	1,98,17,035	1,520,439	0	2,13,37,474	16,404,734	1,79,25,173
6	Electric Installation.	44,54,479	0	0	44,54,479	24,42,793	170,634	0	26,13,427	1,841,052	20,11,686
7	Furniture & Fixtures.	5,88,883	0	0	5,88,883	5,73,974	0	0	5,73,974	14,909	14,909
8	Motor Cycle.	1,39,173	0	0	1,39,173	1,34,968	0	0	1,34,968	4,205	4,205
9	Office Equipment.	33,755	0	0	33,755	32,963	0	0	32,963	792	792
10	Computer.	1,04,296	0	0	1,04,296	1,04,159	0	0	1,04,159	137	137
11	Laboratory Equipments.	1,45,435	0	0	1,45,435	68,195	3,355	0	71,550	73,885	77,240
12	Air Conditioner.	1,82,896	0	0	1,82,896	71,698	40,507	0	1,12,205	70,691	1,11,198
13	Weighing Scale	11,000	0	0	11,000	10,670	0	0	10,670	330	330
14	Mobile.	20,000	0	0	20,000	19,649	0	0	19,649	351	351
	Sub-total	6,12,73,357	0	0	6,12,73,357	2,87,69,169	21,55,093	0	3,09,24,262	3,03,49,094	3,25,04,187
TOTAL		56,70,73,395	81,96,114	20,97,117	57,31,72,393	20,36,63,342	2,76,15,126	20,67,892	22,92,10,576	343,961,817	36,34,10,054
Previous Year Total		56,36,43,502	34,29,893	0	56,70,73,395	17,10,78,387	3,03,69,939	0	20,36,63,342	363,410,054	39,03,50,100

NOTES No.12. (III) CAPITAL WORK-IN-PROGRESS :

	Description	G R O S S				DE PRECIATION/AMORTIZATION				NET CARRYING BALANCE	
		As at 01-04-2019	Addition.	Disposed	AS AT 31.03.2020	As at 01-04-2019	For the Year	Disposed	AS AT 31.03.2020	AS AT 31.03.2020	AS AT 31.03.2019
1	Office Building-WIP	0	63,60,446	0	63,60,446	0	0	0	0	6,360,446	0
2	Plant & Machinery -WIP	0	10,30,000	0	10,30,000	0	0	0	0	1,030,000	0
	TOTAL	0	7,390,446	0	7,390,446	0	0	0	0	7,390,446	0
	Previous Year Total	0	0	0	0	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

NOTES No.13. NON-CURRENT INVESTMENTS :

	AS AT 31.03.2020 Amount `	AS AT 31.03.2019 Amount `
1 Investments in Equity Instruments (Unquoted);		
a) 56485 (Prev. Yr. 56485) Equity Shares of Rs. 10/- each fully paid up in <u>BEAIL</u> (valued at cost)	5,64,850	5,64,850
	5,64,850	5,64,850
TOTAL: NON-CURRENT INVESTMENTS	5,64,850	5,64,850

NOTES No.14. LONG-TERM LOANS AND ADVANCES :

	AS AT 31.03.2020 Amount `	AS AT 31.03.2019 Amount `
1 Security Deposits;		
a Unsecured, considered good;	48,31,971	41,82,170
	48,31,971	41,82,170
2 Other loans and advances: Unsecured, considered good;		
a Income Tax Refund Receivable	1,501,000	1,958,320
b Mat Tax Credit	717,141	717,141
	2,218,141	2,675,461
TOTAL: LONG-TERM LOANS AND ADVANCES	70,50,112	68,57,631

NOTES No.15. INVENTORIES :

	AS AT 31.03.2020 Amount `	AS AT 31.03.2019 Amount `
- Raw Materials.	58,96,211	33,73,525
- Finished goods.	1,99,03,588	2,53,75,067
- Semi-finished goods.	6,80,841	98,54,683
- Packing Material.	18,92,557	38,79,906
- Fuel, Fire wood & lignite	7,94,814	4,57,768
TOTAL: INVENTORIES	2,91,68,011	4,29,40,949

- Raw material, Packing materials, fuel & Consumable are valued at cost on FIFO method. Cost includes purchase value, freight and duties & taxes.
- Finished goods and Semi finished goods are valued at lower of cost or net realisable value on FIFO method. Cost includes purchase value, freight, proportionate manufacturing expense, wages & salary to employees and duties & taxes.

NOTES No.16. TRADE RECEIVABLES :

	AS AT 31.03.2020 Amount `	AS AT 31.03.2019 Amount `
1 Trade Receivables		
Unsecured, considered good unless stated otherwise		
O/s for period exceeding 6 months from the date of due:	6,415	24,52,296
Other Receivables:	12,36,77,112	8,27,44,749
TOTAL: TRADE RECEIVABLES	12,36,83,527	8,51,97,045

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

NOTES No.17. CASH AND CASH EQUIVALENTS :

	AS AT 31.03.2020 Amount `	AS AT 31.03.2019 Amount `
Cash and cash equivalents:		
a Balances with banks; In current accounts	5,33,90,480	2,02,712
b Cash on hand	2,32,764	1,03,175
	<u>5,36,23,244</u>	<u>3,05,887</u>
c Deposits with Banks maturity more than 3 months but less than 12 months	20,168,367	0
TOTAL: CASH AND CASH EQUIVALENTS	<u>73,791,611</u>	<u>3,05,887</u>

NOTES No.18. SHORT-TERM LOANS AND ADVANCES :

	AS AT 31.03.2020 Amount `	AS AT 31.03.2019 Amount `
Other loans and advances:		
Unsecured, considered good unless stated otherwise:		
a Loans to Employee	4,88,948	1,02,789
b Advance to suppliers of goods & services.	57,38,280	60,01,794
	<u>62,27,227</u>	<u>61,04,583</u>
TOTAL: SHORT-TERM LOANS AND ADVANCES	<u>62,27,227</u>	<u>61,04,583</u>

NOTES No.19. OTHER CURRENT ASSETS :

	AS AT 31.03.2020 Amount `	AS AT 31.03.2019 Amount `
Other Assets:		
Unsecured, considered good unless stated otherwise:		
a Advance payment of Income tax	86,29,438	68,82,704
b Pre-paid Expense	4,78,217	2,20,073
c Balances with Govt. Authorities	40,620	35,234
d Other (Interest Receivable)	1,66,212	1,53,808
	<u>93,14,487</u>	<u>72,91,819</u>
TOTAL: OTHER CURRENT ASSETS	<u>93,14,487</u>	<u>72,91,819</u>

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

NOTES No.20. REVENUE FROM OPERATIONS :

	2019-2020 Amount `	2018-2019 Amount `
Sales of Products		
Finished Goods Sold during the year:	55,08,83,591	45,55,21,186
GST Recovered.	7,69,23,211	6,64,44,477
	62,78,06,802	52,19,65,663
Other Operating Revenue		
Job & Other Work Income.(Bhavnagar)	29,32,600	35,04,820
Job Work Income.(Ankleshwar)	8,33,000	18,36,780
Discount, Kasar & Rebate (Bhavnagar)	0	10,770
Discount, Kasar & Rebate (Ankleshwar)	82,785	2,77,661
Duty Drawback & Export License Sale Income	11,32,113	1,918,126
Exchange Rate Difference	23,60,822	0
Misc. Income	2,61,963	163,964
	76,03,283	77,12,121
Revenue From operations (Gross)	63,54,10,084	52,96,77,784
Less : GST	7,69,23,211	6,64,44,477
TOTAL: REVENUE FROM OPERATIONS	55,84,86,873	46,32,33,307
FOB Value of Exports	87,446,412	48,589,936
Details of Sales of Products:		
Magnesium Hydroxide	11,02,73,526	108,193,706
Alluminium Hydroxide	8,54,33,521	59,477,386
Sucralfate	8,30,45,591	65,920,576
Precipitated Silica	17,82,29,414	140,998,936
Magnesium Trisilicate	2,27,43,620	17,244,505
Magaldrate	2,35,98,006	23,373,162
Magnesium Oxide	2,03,65,322	15,550,450
Allusil (Sodium All. Silicate)	1,37,34,575	15,630,825
Magnesium Alluminium Silicate	96,73,566	5,548,823
Magnesium Carbonate	34,62,100	3,521,640
Almagate	2,150	0
Others	3,22,200	61,178
Total	550,883,591	455,521,186

NOTES No.21. OTHER INCOME :

	2019-2020 Amount `	2018-2019 Amount `
Interest Income	6,04,832	8,87,016
Other non-operating income:		
Insurnace & Other Claim Income	1,59,950	0
Profit on Sale of Assets	2,20,775	0
	3,80,725	0
TOTAL: OTHER INCOME	9,85,557	8,87,016

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

NOTES No.22. COST OF MATERIALS CONSUMED :

	2019-2020 Amount `	2018-2019 Amount `
Raw Materials Consumed		
Inventory at the beginning of the year	33,73,525	38,69,325
Add: Purchases	22,44,34,655	19,17,07,717
	22,78,08,180	19,55,77,042
Less: Inventory at the end of the year	-58,96,211	-33,73,525
TOTAL:	22,19,11,969	19,22,03,517
Details of Raw Materials Consumed:		
Sodium Silicate	93,086,469	74,913,901
Caustic Soda Lye	51,919,059	52,269,959
Soda Ash	14,525,279	13,007,806
Allum.Hydro Cake/gel	29,821,899	18,138,584
Magnesium Oxide (Light)	19,136,250	14,907,550
Lime	5,188,423	7,596,901
Sulphuric Acid	2,169,741	3,336,856
Caustic Soda Flake	0	1,110,150
Magnesium Hydroxide (light)	500,000	0
Bitern	782,601	1,080,973
Alluminium Sulphate	1,560,000	1,752,441
Magnesium Carbonate (Light)	2,040,500	1,461,900
Other Materials	1,181,748	2,626,497
Total	221,911,969	192,203,517

NOTES No.23. CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE :

	2019-2020 Amount `	2018-2019 Amount `
Inventories at the end of the year Bhavnagar Unit:		
Finished Good	1,85,84,620	2,40,56,098
Semi-Finished Good	6,80,841	95,99,672
Ankleshwar Unit:		
Finished Good	13,18,968	13,18,968
Semi-Finished Good	0	2,55,011
	2,05,84,429	3,52,29,750
Inventories at the beginning of the year		
Bhavnagar Unit:		
Finished Good	2,40,56,098	2,07,03,285
Semi-Finished Good	95,99,672	1,26,79,910
Ankleshwar Unit:		
Finished Good	13,18,968	16,14,979
Semi-Finished Good	2,55,011	2,42,894
	3,52,29,750	3,52,41,069
TOTAL CHANGE (Net)	1,46,45,321	11,319

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

NOTES No.24. EMPLOYEE BENEFITS EXPENSE :

	2019-2020 Amount `	2018-2019 Amount `
Salaries, Wages & Bonus	3,67,90,170	3,27,71,282
Contribution to Funds	24,41,840	18,57,346
Provision for Gratuity	9,69,399	10,76,260
Staff welfare expenses	9,32,931	6,86,326
TOTAL: EMPLOYEE BENEFITS EXPENSE	4,11,34,340	3,63,91,214

Salaries, Wages & bonus includes:

Remuneration to the Managing Directors & other Whole time Directors:	1,28,98,024	1,42,65,673
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As per Accounting standard 15 "Employee benefits", the disclosure defined in the accounting standard are given as below:

Defined Contribution Plan: Contribution paid to the plan recognized as expense for the year as under

	2019-2020 Amount `	2018-2019 Amount `
Employer's Contribution to Provident Fund	13,27,565	6,12,366
Contribution to Employees Linked Funds	4,03,791	4,34,625
Re-imb.of Contribution to PF & ESI of Contractors	4,98,218	1,77,251

Defined Benefit Plan: The present value of obligation is determined based on actuarial valuation which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures, each unit separately to build up the final obligation. Based on it, the contribution has been paid to the plan recognized as expense for the year as under.

Provision for Gratuity	9,32,931	52,53,823
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NOTES No.25. FINANCE COSTS :

	2019-2020 Amount `	2018-2019 Amount `
Interest on Long term borrowings to Banks	24,51,348	55,15,755
Interest on Short term borrowings to Banks	4,73,203	40,22,171
Interest on Unsecured loans	4,616,225	8,577,407
Bank charges & Processing Fees	397,977	1,514,544
TOTAL: FINANCE COSTS	79,38,753	1,96,29,877

NOTES No.26. DEPRECIATION AND AMORTIZATION EXPENSE :

	2019-2020 Amount `	2018-2019 Amount `
Depreciation/Amortization of tangible assets	2,76,15,126	3,03,69,939
Total Depreciation And Amortization Expense	2,76,15,126	3,03,69,939

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

NOTES No.27. OTHER EXPENSES :

	2019-2020 Amount `	2018-2019 Amount `
Manufacturing expenses.		
Bhavnagar Unit:		
Freight Octroi & Transportation.	1,99,58,793	1,75,84,978
Fuel & Fire wood.	5,58,23,596	4,54,48,391
Laboratory Expenses.	6,65,364	5,34,314
Machinery Repairs & Maintenance.	61,72,794	63,83,825
Motive Power.	2,63,51,962	2,02,94,028
Packing material consumed.	1,70,31,720	1,15,69,701
Stores & Spares	14,72,069	8,09,864
Water, Drainage & Development Charges.	1,99,54,533	1,65,53,681
Testing Expense	4,62,260	5,03,520
Factory Expense.	66,47,687	54,92,432
Ankleshwar Unit:		
Freight Octroi & Transportation.	785	60,250
Fuel & Fire wood.	16,35,378	50,91,050
Laboratory Expenses.	1,030	8,900
Machinery Repairs & Maintenance.	3,21,262	6,53,710
Motive Power.	9,32,898	14,73,113
Stores & Spares	3,000	70,225
Water & Drainage Charges.	22,78,755	1,44,869
	15,97,13,887	13,26,76,851
Administrative expenses.		
Bhavnagar Unit:		
Auditor's Remuneration	3,55,000	1,50,000
Bad Debts	-53,605	0
Charity & Donation	5,60,460	1,00,911
Communication Expense	2,83,356	2,55,905
Director Sitting Fees	63,000	0
Insurance Premium	12,40,533	22,36,690
Legal & Professional Fees	66,01,919	44,76,350
Other Administrative Expenses	18,64,179	17,70,308
Rent, Rates & Taxes	12,63,769	9,11,457
Sales & Distribution Expenses	1,18,38,077	81,39,404
Vehicle Running & Maint.	6,36,985	7,17,523
CSR Activity Fund	12,22,830	0
Traveling & Conveyance Expense	2,50,593	7,833
Exchange Rate Difference	0	1,15,128
Ankleshwar Unit:		
Insurance Premium	85,452	82,222
Legal & Professional Fees	33,683	34,000
Bad Debts	60,186	0
Other Administrative Expense	98,150	7,26,549
Rent, Rates & Taxes	1,49,278	1,77,372
Vehicle Running & Maint.	23,245	0
Communication Expense	17,334	19,262
	2,65,94,424	1,99,20,915
TOTAL: OTHER EXPENSES	18,63,08,312	15,25,97,765
<u>Payment to auditor includes</u>		
Statutory Audit Fees	150,000	150,000
Other Fees	25,000	0
Internal Auditor's Fees	1,80,000	0
<u>Expenditure in Foreign Exchange</u>		
Commission Expenses (Included in Sales & Distribution Expenses)	2,570,425	1,459,067

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

NOTES No.28. EARNINGS PER EQUITY SHARE: :

	2019-2020	2018-2019
	Amount`	Amount`
Total operations for the year		
Profit/(loss) after tax	4,76,49,781	2,51,10,443
Less: Dividends on convertible preference share & tax thereon	0	0
Net profit/(loss) available for equity shareholders	4,76,49,781	2,51,10,443
Weighted average number of equity shares in calculating basic EPS	61,52,318	44,80,318
Weighted average number of equity shares in calculating diluted EPS	61,52,318	44,80,318
Earning Per Share:		
(1) Basic.	7.75	5.60
(2) Diluted.	7.75	5.60

NOTES No.29. CONTINGENT LIABILITIES :

Contingent liabilities in respect of:

1	Claims against the company not acknowledged as debts	0	0
2	Bank Gaurantee issued by bank Kotak Mahindra Bank	24,08,229	24,08,229
3	Bills discounted from bank	0	0
4	Letter of credit outstanding	0	0

NOTES NO.30:

30.1 In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the same value if realised in the ordinary courses of business and the provision for all known liabilities is adequately made and not in excess of the amount reasonably consider necessary.

30.2 Both the plant of the company was shut-down in March 2020 following country wide lockdown due to COVID-19. The company has obtained the required permission and start the production in the end of April 2020. This global pandemic significantly affects economic activities worldwide and as a result, the same could affect the operation of the company in terms of impacting supply chain, industrial stock demand, price of materials and availability of employees/workersas. At the date of approval of this financial statement, the company has evaluate the impact of COVID-19 on its business operation and based on its review and current indicators of future economic conditions, there is no significant impact on its financial results.

30.3 The figures and groupings of the previous year are re-grouped/reclassified whenever necessary so as to make them comparable with the current year.

30.4 The Company is primarily engaged in manufacturing of API, which constitute single business segment in terms of Accounting Standard 17 on Segment Reporting. Accordingly, there are no other business segments to be reported under Accounting Standard 17.

30.5 Paise have been round off to the nearest rupee amount.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

NOTES NO.31: RELATED PARTY DISCLOSURES :

Disclosure of Transactions with related parties as required under Accounting Standard AS 18 on Related Party disclosures issued by The Institute of Chartered Accountants of India are given below :

A) The related parties where common control exists :

i) Details of Key Management Personnel :

Directors : Vallabhbbhai J
Savani Falgunbhai V
Savani Jignesh V Savani
Ghanshyambhai B Savani
Shishirbhai Trivedi
Naynaben J Savani
Shilapben F Savani

ii) Transactions with the enterprise in which significant influence is exercised by Key Management Personnel during the year:

Par Pharmaceuticals
F.V.Savani(Huf)
G.B.Savani(Huf)
J.V.Savani(Huf)
V.J.Savani(Huf)
Phal-Jig Fine Chemicals Pvt Ltd

iii) Transactions with Relatives of key Management Personnel during the year:

Saritaben V Savani

B) The following transactions were carried out with related parties in the ordinary course of business :

i) Details of Key Management Personnel :

Name	Nature Of Transaction	AS AT 31.03.2020	AS AT 31.03.2019
		Amount `	Amount `
Falgunbhai V Savani	Director's Remuneration	4,300,008	3,645,891
	Director Sitting Fees	9,000	3,000
	Interest Paid On Loan	-	8,169
	Loan Received	-	90,353
	Loan Paid	-	188,875
	Closing balance-Loan a/c	-	-
	Closing balance-Salary	766,276	379,953
Ghanshyambhai B Savani	Director's Remuneration	4,300,008	3,645,891
	Director Sitting Fees	9,000	2,000
	Interest Paid On Loan	-	48,770
	Loan Received	-	600,738
	Loan Paid	-	1,130,246
	Closing balance-Loan a/c	-	-
	Closing balance-Salary	2,954,238	1,055,950

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

NOTES NO.31: RELATED PARTY DISCLOSURES :

Jignesh V Savani	Director's Remuneration	4,298,008	3,645,891
	Director Sitting Fees	9,000	2,000
	Interest Paid On Loan	-	132,066
	Loan Received	-	1,943,098
	Loan Paid	-	3,378,262
	Closing balance-Loan a/c	-	-
	Closing balance-Salary a/c	3,575,491	1,626,907
Vallabhbhai J Savani	Director's Remuneration	-	3,103,000
	Interest Paid On Loan	4,563,882	5,906,111
	Loan Received	15,652,638	114,391,279
	Loan Paid	17,694,678	148,717,539
	Closing balance-Loan a/c	40,108,618	38,043,219
	Closing balance-Salary a/c	397,294	1,940,596
Shishirbhai Trivedi	Director's Remuneration	-	225,000
	Closing balance-Salary	-	-
Naynaben J Savani	Interest Paid On Loan	-	2,871
	Director Sitting Fees	9,000	2,000
	Loan Received	-	30,708
	Loan Paid	-	65,982
	Closing balance-Loan a/c	-	-
	Closing balance-Salary a/c	-	-
Shilapben F Savani	Interest Paid On Loan	-	2,926
	Director Sitting Fees	5,000	2,000
	Loan Received	-	32,368
	Loan Paid	-	67,662
	Closing balance-Loan a/c	-	-
	Closing balance-Salary a/c	-	-

ii) Transactions with the enterprise in which significant influence is exercised by Key Management Personnel during the year

Name	Nature Of Transaction	AS AT 31.03.2020 Amount `	AS AT 31.03.2019 Amount `
F.V.Savani(Huf)	Interest Paid On Loan	-	367,726
	Loan Received	-	630,953
	Loan Paid	-	4,769,228
	Closing balance	-	-
G.B.Savani(Huf)	Interest Paid On Loan	-	407,422
	Loan Received	-	765,000
	Loan Paid	-	5,698,317
	Closing balance	-	-
J.V.Savani(Huf)	Interest Paid On Loan	-	469,153
	Loan Received	-	880,000
	Loan Paid	-	6,139,394
	Closing balance	-	-

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

NOTES NO.31: RELATED PARTY DISCLOSURES :

Par Pharmaceuticals	Loan Paid	-	19,250
	Closing balance	-	-
V.J.Savani(Huf)	Interest Paid On Loan	-	961,752
	Loan Received	-	1,795,000
	Loan Paid	-	12,476,025
	Closing balance	-	-
Phal- Jig Fine Chemicals Pvt Ltd	Loan Paid	-	24,296
	Loan Received	-	624,885
	Closing balance	6,415	6,415

iii) Transactions with Relatives of key Management Personnel during the year:

Name	Nature Of Transaction	AS AT 31.03.2020 Amount `	AS AT 31.03.2019 Amount `
Saritaben v Savani	Interest Paid On Loan	-	441
	Loan Received	-	4,877
	Loan Paid	-	10,195
	Closing balance	-	-

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