



Innovation-led Growth-focused

Contents

02-28

Company Overview

| | |
|----|--|
| 02 | Introducing PDCL |
| 04 | A quick look at our financial highlights |
| 06 | Chairman's Perspective |
| 08 | Message from CEO |
| 10 | Mapping our presence |
| 12 | Reaching crucial milestones |
| 14 | Creating an innovative portfolio |
| 18 | Amplifying value through an agile model |
| 20 | Manufacturing excellence driving robust growth |
| 22 | Building stronger teams |
| 23 | Staying true to our ESG commitments |
| 26 | Board of Directors & KMPs |
| 28 | Corporate information |

29-112

Statutory Reports

| | |
|-----|----------------------------------|
| 29 | Notice |
| 59 | Directors' Report |
| 79 | Report on Corporate Governance |
| 104 | Management Discussion & Analysis |

113-141

Financial Statements

| | |
|-----|--|
| 113 | Independent Auditor's Report |
| 120 | Balance Sheet |
| 121 | Statement of Profit & Loss |
| 122 | Cash Flow Statement Annexed to the Balance Sheet |
| 124 | Notes to Financial Statement |

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Our growth in numbers

₹957 million
Revenue

₹182 million
EBITDA

19.02%
EBITDA margin

₹113 million
PAT

11.81%
PAT margin

₹9.21
EPS



Scan QR code to see this annual report online



For more additional information about the company log on to www.pardrugs.com

At Par Drugs and Chemicals (PDCL), our diverse portfolio and strong presence demonstrate our dedication to innovation and growth. With an extensive range of products in the Antacid segment, we have proven our ability to adapt and excel in various markets. Guided by experienced promoters and key managerial personnel, we are poised to organically scale our business, leveraging their expertise to navigate the dynamic operating environment.

Our R&D capabilities enable us to consistently improve processes, enhance cost efficiencies and expand our product offerings. We serve a wide customer base, coupled with an established sales and distribution network. This underscores our determination to explore new geographies and foray into diverse segments. Further, our financial stability fuels our expansion plans through internal accruals, allowing us to invest strategically in R&D, product diversification and market expansion.

Central to our growth strategy is a dedication to innovation, distinct capabilities and a focused approach. This enables us to translate ideas into reality, establish a strong foundation for growth, and consistently deliver exceptional performance. Our success rests on innovation-led research, manufacturing, and marketing expertise, ensuring that our APIs and chemicals adhere to stringent regulatory and quality standards.

In the years ahead, we will continue to follow an innovation-led and growth-focused approach to accelerate growth. We have plans to set up a new, fully owned R&D centre. This centre will focus on developing novel API molecules and chemicals. This forward-looking approach will not only diversify our product portfolio but also drive profitability through value addition. Going forward, we will continue to strategically expand our presence while maintaining the stability of our dynamic organisation.



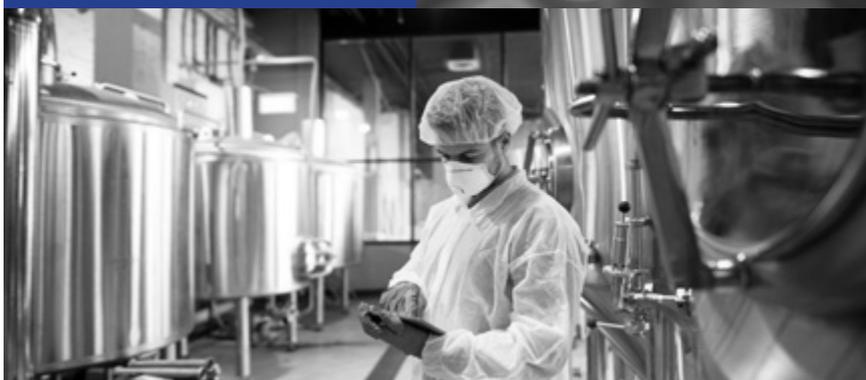
Introducing PDCL

As an organisation committed to improving and saving lives, we have developed a diversified portfolio of Active Pharmaceutical Ingredients (APIs) catering to both the domestic and international markets.

We manufacture a diverse range of Antacid molecules that are in high demand and readily available in the market. Focused on enhancing global healthcare, we consistently innovate and develop effective pharmaceutical products and chemicals. Our product portfolio comprises 15 APIs and 10 Fine Chemicals, which are marketed both within the country and abroad.

At PDCL, we have a dedicated team of scientists, researchers and professionals, who work diligently to create innovative solutions in the fields of medicine and chemicals. From developing life-saving drugs to providing essential chemicals for various industries, we strive hard to ensure the well-being of individuals and contribute to the advancement of society.

24
YEARS
Legacy





Vision

- 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 optimise 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 by-products from our existing product lines.



Mission

- 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.

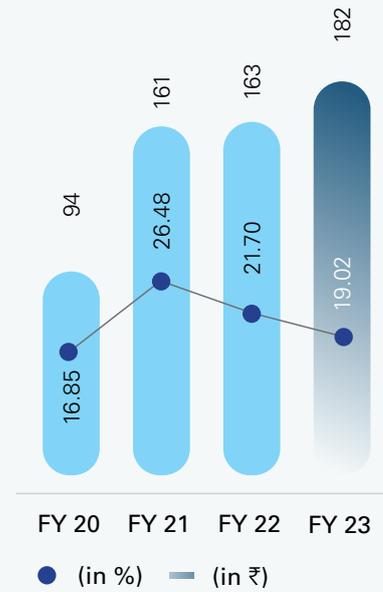


A quick look at our financial highlights

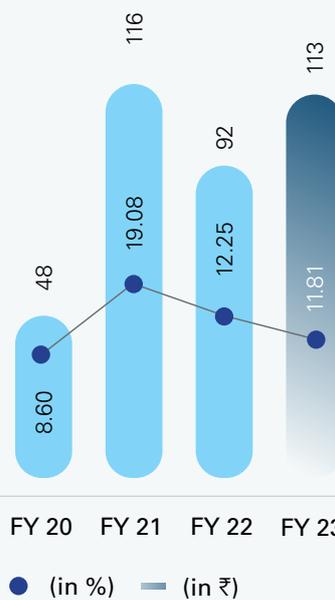
Revenue (₹ in million)



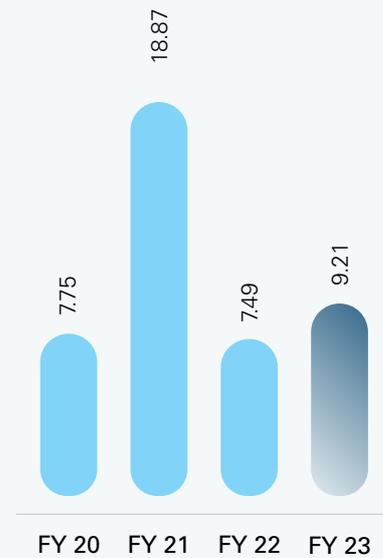
EBITDA
EBITDA margin

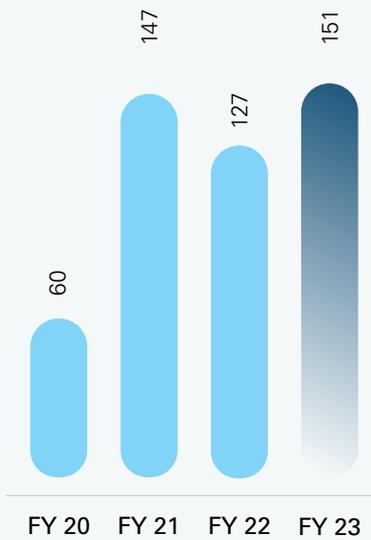
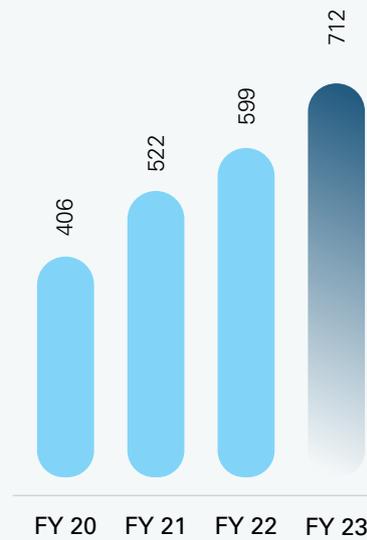
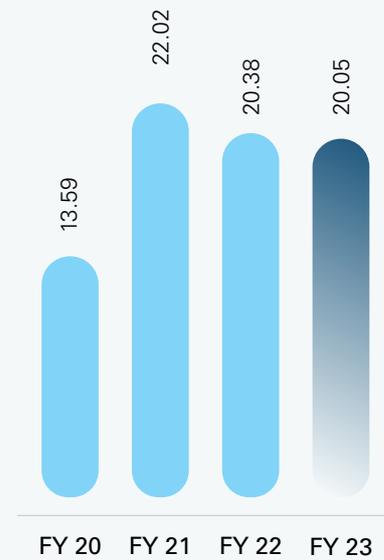
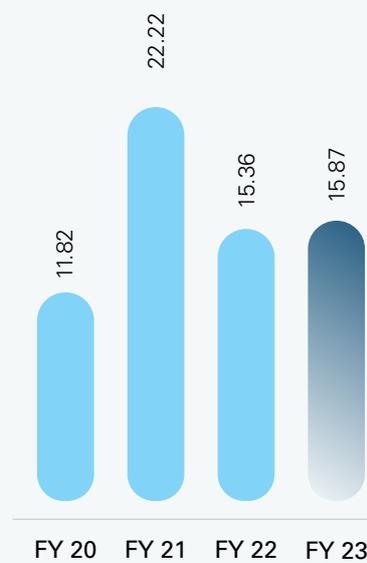
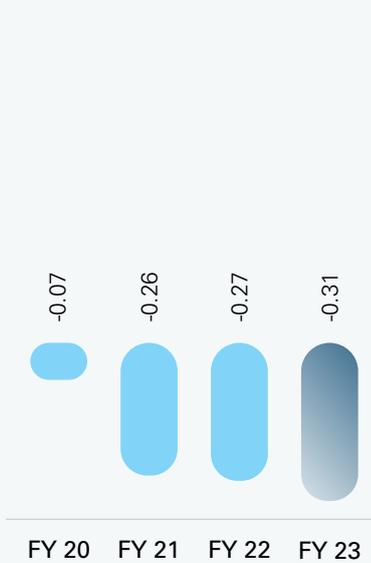


PAT
PAT margin



EPS (in ₹)



PBT (₹ in million)**Net worth** (₹ in million)**ROCE** (in %)**Net debt to equity ratio** (in times) **ROE** (in %)

Chairman's Perspective



“

Our current financial year has been exceptional in terms of growth and margin expansion. We achieved remarkable progress, with revenue reaching INR 957 million and EBITDA at INR 182 million. Notably, our sales growth for FY23 witnessed a substantial increase of approximately 27%. We have remained net debt-free while generating free cash flow, enabling us to plan expansions through internal accruals.

”

Dear Shareholders,

On a landscape marked by challenges and opportunities, I am pleased to share our journey of progress and achievement. With a steadfast dedication to innovation and growth, we have navigated the complexities of the market, leveraging our diverse portfolio and strong presence to create a path towards sustainable success.

The past year brought significant challenges, particularly concerning the costs of raw materials and fuel, including

the fluctuation of coal prices. However, I am pleased to report that compared to the previous year, these challenges have subsided, leading to improved margins. This positive shift is a result of the proactive initiatives we have undertaken to minimise risks and establish a resilient foundation for the future.

Financial performance

Our current financial year has been exceptional in terms of growth and margin expansion. We achieved

remarkable progress, with revenue reaching INR 957 million and EBITDA at INR 182 million. Notably, our sales growth for FY23 witnessed a substantial increase of approximately 27%. We have remained net debt-free while generating free cash flow, enabling us to plan expansions through internal accruals. The core of our strategy revolved around not only maintaining our customer base but also strategically enhancing our top-line growth trajectory.

Strategic roadmap

Our achievements are underpinned by a diversified portfolio, a robust sales and distribution network, and a varied customer base. Looking ahead, our primary focus is to enhance our penetration in the export market while simultaneously promoting higher-value products. As part of our long-term vision, we are preparing to establish our own fully-fledged Research and Development centre, fortified by our recognition as a recognized R&D centre by DSIR (Department of Scientific and Industrial Research, Government of India). This recognition enables us to embark on groundbreaking work involving new molecules across different therapeutic segments.

In the past fiscal year, we introduced the micronized grade of Magaldrate and Dried Aluminium Hydroxide, achieved through the establishment of an in-house micronization process. This achievement is a testament to our commitment to continuous technological advancement and product innovation.

Social responsibility

Our people are the driving force behind our innovation endeavours. We remain resolute in our commitment to provide an environment where every member of our team feels valued, empowered, and inspired to grow personally and professionally. Additionally, our sense of responsibility extends to the communities we operate in. We contribute to infrastructure development, focusing on promoting education and providing skill development opportunities to drive holistic growth.

Path forward

Our future aspirations are ambitious yet rooted in reality. We aim to achieve a minimum of 20% growth in top-line

revenue while concurrently enhancing margins. Our aim is to build enduring relationships with our customers, further expanding our business opportunities together. We are committed to not only modifying our existing products but also creating entirely new formulations that cater to different segments of the industry. Diversification remains



Our future aspirations are ambitious yet rooted in reality. We aim to achieve a minimum of 20% growth in top-line revenue while concurrently enhancing margins. Our aim is to build enduring relationships with our customers, further expanding our business opportunities together.



a cornerstone of our strategy, as we venture into new regions and territories through the development of byproducts from our existing product lines.

Our achievements so far serve as stepping stones. We have successfully launched new products, invested substantially in research, innovation, and sustainability – ultimately securing the long-term success we strive for. Reaffirming our commitment to customers, team members, partners, and stakeholders alike, we are resolute in our dedication to raising the standards of excellence.

In closing, our journey is marked by determination, resilience, and a commitment to innovation. We look forward to the path ahead, as we continue to shape a sustainable future for our Company, our stakeholders, and the communities we serve.

Warm Regards,

Mr. Falgun V. Savani

Chairman & Managing Director

Message from CEO



“

Our commitment to excellence extends to our operational efficiency. We have introduced new standards of production processes to optimise production time without compromising on the quality of our products. Automation has become an integral part of our processes, with two of our pharmaceutical blocks embracing this transformative technology.

”

Mr. Jignesh Savani

Executive Director & CEO

Dear Shareholders,

As we navigate the dynamic pharmaceutical industry, characterised by its relentless pursuit of scientific breakthroughs and innovation, I am delighted to reflect on our journey and share the remarkable strides we have made in the past fiscal year. Our industry continually strives to address unmet medical needs through novel therapies and incremental innovations in existing treatments, and in line with this ethos, we have achieved remarkable progress in the fiscal year 2022-23.

Fiscal achievements

The performance metrics of the year bear testament to our commitment to excellence. We have achieved consistent growth, with our income from operations witnessing a robust increase of 27.4% in FY23 compared to the previous year. Notably, our EBITDA has risen significantly by 11.7%. Our efforts have not only translated into financial success but have also culminated in a net cash inflow of approximately INR 42

million in FY23, even after accounting for the capital expenditures incurred in renovating our older plant facilities.

Our efforts in the domestic market yielded significant results, with a commendable 34% growth in sales during FY23. This expansion has extended our reach into new market areas, fortifying our client base. Our global outreach as our export market witnessed an 11% growth in FY23.



Responsible water usage practices and biodiversity enhancement initiatives through mangrove plantations exemplify our dedication to creating a positive impact on the environment and the communities in which we operate.



Notably, we achieved an exceptional 80% growth in our Fine Chemicals business in comparison to FY22, a testament to our strategic diversification and expansion. Our commitment to quality remains resolute, with DSIR Delhi approval validating our R&D developments, showcasing our robust chemistry capabilities and dedication to continuous enhancement.

Advancing innovation with quality

Quality and production standards have always been at the forefront of our endeavours. This commitment was recently affirmed when we received

the DSIR Delhi approval for our R&D developments in existing products and new molecules. Our robust chemistry capabilities drive our research-focused approach, aiming to develop processes, achieve process improvements, and enhance production cost efficiencies.

Looking forward, our R&D initiatives will be geared towards delivering tailored solutions to our customers, aligning our efforts with their unique specifications. We are consistently pushing the boundaries of product quality, integrating innovative practices and introducing new products into our portfolio.

Streamlining operations

Our commitment to excellence extends to our operational efficiency. We have introduced new standards of production processes to optimise production time without compromising on the quality of our products. Automation has become an integral part of our processes, with two of our pharmaceutical blocks embracing this transformative technology. The renovation and commissioning of our oldest manufacturing block stand as a testament to our determination to enhance operational efficacy.

Embracing digital transformation has been pivotal in enhancing our operational efficiency. The successful integration of Programmable Logic Controllers (PLCs) into our SCADA system has not only modernised our operations but also streamlined our processes, ensuring precision and accuracy across our plants. Our pursuit of sustainability has resulted in the harnessing of renewable energy sources, notably through our solar power initiatives. As we prepare to add a 130 KW Solar Power Plant

to our existing 119 KW installation, we emphasise our commitment to responsible energy usage.

Sustainable practices

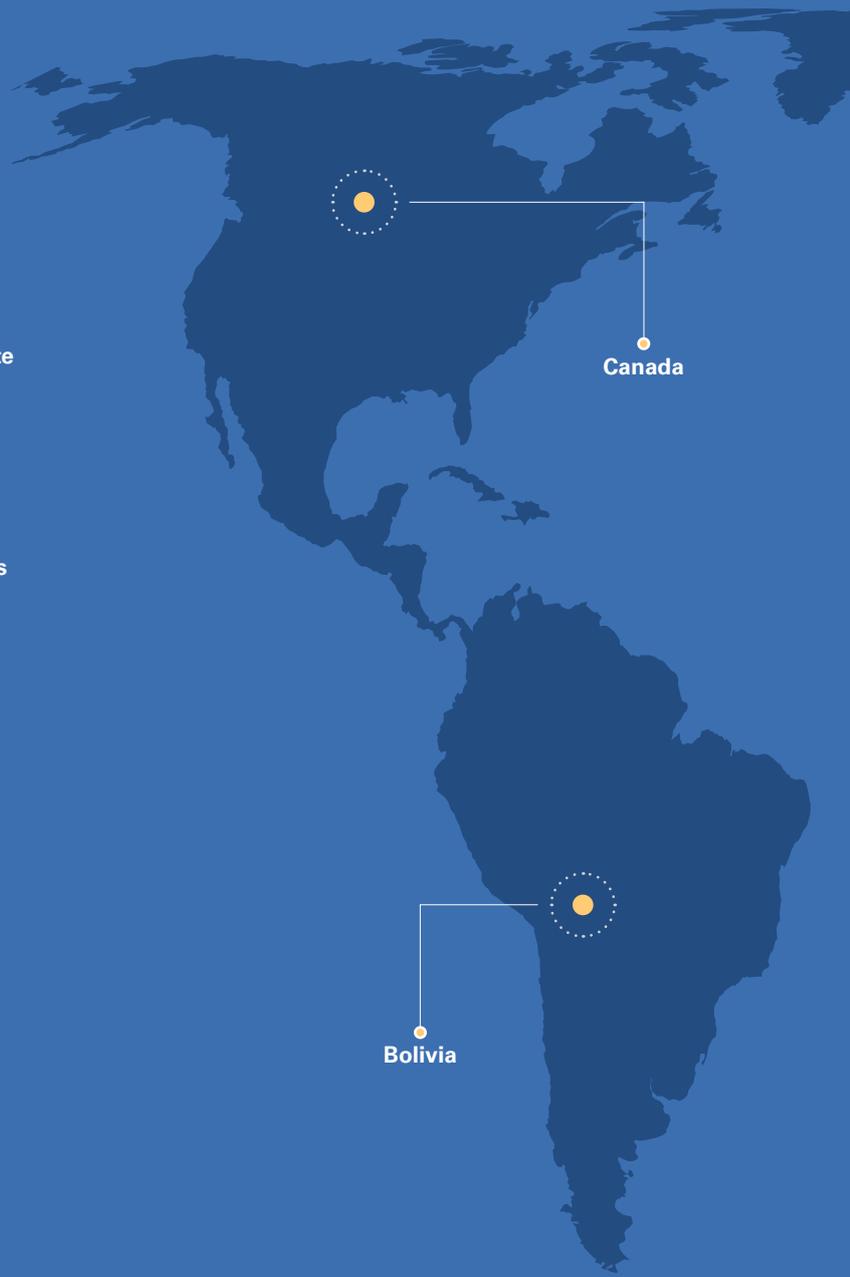
Our commitment extends beyond operational excellence to environmental stewardship and community engagement. Responsible water usage practices and biodiversity enhancement initiatives through mangrove plantations exemplify our dedication to creating a positive impact on the environment and the communities in which we operate.

As we progress, our appreciation goes to the Board for their guidance and unswerving support. Looking ahead, our journey of growth is not a solitary endeavour but a collective effort. We owe our accomplishments to our dedicated employees, the trust of our shareholders and the support of the government. The future beckons us with opportunities to advance innovation, foster growth, and deliver excellence in the pharmaceutical industry.

Sincere regards,

Mr. Jignesh Savani
Executive Director & CEO

Mapping our presence



Office

Vadodara, Gujarat



Manufacturing site

Bhavnagar, Gujarat



Laboratory

Bhavnagar, Gujarat



Domestic markets

In 2022-23

- Andhra Pradesh (New)
- Chandigarh
- Chhattisgarh
- Dadra & Nagar Haveli
- Delhi
- Goa
- Gujarat
- Haryana
- Himachal Pradesh
- Jammu & Kashmir
- Karnataka
- Madhya Pradesh
- Maharashtra
- Orissa
- Punjab
- Rajasthan
- Sikkim
- Tamil Nadu
- Telengana
- Uttar Pradesh
- Uttarakhand
- West Bengal



International markets

Germany, the United Kingdom, Bangladesh, Iran, the U.A.E.

In 2022-23

- Bangladesh
- Bolivia
- Canada
- China
- Indonesia
- Japan
- Korea
- Myanmar
- South Korea
- Taiwan
- Thailand
- UAE
- United Kingdom

22

States presence

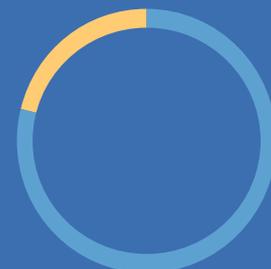
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Exporting countries

11%

Export market growth in FY 2023

Business mix



● Domestic sales **78.99%**
● International sales **21.01%**



Reaching crucial milestones

In 1999, PDCL's remarkable journey began under the visionary leadership of honorary Late Shri V.J. Savani. Over the years, we have eventually become a prominent player in the field of API manufacturing for both domestic and international markets.



We installed solar panels on our roof tops, generating 120 KW of solar energy on our premises. This helped curtail carbon emissions by an impressive 1,54,000 kg annually.

2017

We witnessed a highly successful Initial Public Offer (IPO) of 16,72,000 Equity Shares, priced at Rs. 51 per share and having a face value of Rs. 10.

2019

2015

We introduced a new API product, sucralfate, bolstering our leadership position as its sole manufacturer in India.

2018

We transitioned from Private Limited to Limited on November 5, 2018, marking a new phase of growth.

2021

We heralded the Brownfield expansion of 1,400 MTPA, which culminated in the commissioning of Fine Chemicals tailored for the discerning Japanese market. Our equity shares were listed and entered the Exchange's Capital Market Segment with effect from September 16, 2021, pursuant to migration from the SME Emerge Platform.

Creating an innovative portfolio



APIs

Magnesium Hydroxide

This substance is extensively used in various formulations as an antacid, aiding in the reduction of gastric acid. Additionally, it serves as an intermediate in the production of magnesium metal, a residual fuel additive and finds application in sulfite pulp, uranium processing, dentifrices and as an alkali, drying agent and colour retention agent in food products, including frozen desserts.

Magaldrate

This widely prescribed antacid medication is employed in the treatment of duodenal and gastric ulcers, as well as esophagitis caused by gastroesophageal reflux.

Magnesium Aluminosilicate-USP

This substance is employed as a fundamental raw material in a particular antacid formulation.

Sucralfate

The primary use of this medication is to treat active duodenal ulcers. It is also employed in the treatment of gastroesophageal reflux disease and stress ulcers.

Magnesium Trisilicate

This substance is mostly used as an antacid in various formulations. It also serves as a valuable antioxidant and decolorizing agent. Moreover, it finds application as an industrial odour absorbent.

Magnesium Oxide Heavy

This common antacid drug is widely used in the pharmaceutical industry. Additionally, it finds widespread application in the production of high-temperature-resistant materials.

Dried Aluminium Hydroxide Gel

Dried Aluminium Hydroxide Gel is a key active ingredient in antacid formulations. It is primarily used for its medicinal properties. In addition, it is used in several industries, such as the manufacturing of lake colours and inks, and as a carrier for catalysts.

Aluminium Magnesium Silicate

This compound functions as a raw material for a specific antacid formulation, serving as an antacid. Additionally, it is used as a ceramic suspending agent and a thickening agent, among other applications.

Hydrotalcite

This substance is employed as an Active Pharmaceutical Ingredient (API) in antacid formulations.

Magnesium Oxide USP

This compound is utilised for multiple purposes, including providing relief from heartburn and a sore stomach. It is used as an antacid, a magnesium supplement and also as a short-term laxative.

Almagate BP

This substance serves as a key raw material in a specific antacid formulation.

Magnesium Oxide Light

Magnesium Oxide is a common antacid drug used as a pharmaceutical aid. It finds additional applications as a filling and reinforcing agent in light-coloured plastic and rubber products. It also acts as a polishing and binding agent. It functions as an accelerator and activator for fluorine and chloroprene rubber. It is employed in the production of ceramics, enamel and advanced refractory materials. Additionally, it is utilised for making magnesium chloride cement and has diverse applications in glass, dyes, phenolic plastics and other industries.

Light Magnesium Carbonate

This substance is extensively used in various formulations as an antacid, aiding in the reduction of gastric acid. Additionally, it serves a Light Magnesium Carbonate is an inorganic compound with various applications. It is commonly used as an antacid for medicinal purposes. Additionally, it plays a significant role in the production of magnesium metal and basic refractory bricks. Moreover, it is used in flooring, fireproofing, fire extinguishing compositions, cosmetics, dusting powders and toothpastes. fuel additive and finds application in sulfite pulp, uranium processing, dentifrices and as an alkali, drying agent and colour retention agent in food products, including frozen desserts.

Synthetic Aluminium Silicate

Synthetic Aluminium Silicate is required in the formulation of cattle feed products.

Magnesium Aluminometasilicate

This compound serves as a key ingredient in a specific antacid formulation.

Magnesium Aluminium Hydrate

This substance is used as a raw material in a specific antacid formulation.

Colloidal Silicon Dioxide

This substance is extensively used in tablet manufacturing. It finds wide application as an anti-caking agent, adsorbent, disintegrant, or glidant. These properties enable the powder to flow freely during tablet processing.

Heavy Magnesium Carbonate – IP/BP/UPS

This substance is employed as a fundamental raw material in a specific antacid formulation.



Fine chemicals

PARSIL-HT

This substance is used in a specialised agro formulation.

FlowSil

This acts as a packing material in chromatographic columns.

Magnesium Aluminium Silicate Hydrated (Agro) [Increase C&D]

It serves as a plant growth supplement. [Mushroom growth]

Sodium Aluminium Silicate

It is a composition of Silicate and Aluminium Salt.

- Paper
- Paint
- Coating application

PAR ADD OP

This is used as a filler in PVC pipes manufacturing.

MagSil OF

This substance serves as a plant growth supplement.

Precipitated Silica

It is a type of silica (silicon dioxide, SiO₂) and appears as a white, powdery material. Precipitated silica is obtained through a precipitation process from a solution containing silicate salts.

- Pesticides and detergents
- Special low moisture grade
- Free flow salt and anticaking agent
- For cosmetics
- Pharmaceuticals

MagSil OF

This substance serves as a plant growth supplement.

Amorphous Aluminium Hydroxide

Amorphous Aluminium Hydroxide Dried Gel finds application in the production of construction chemicals, primarily used for manufacturing 'Short Crete.'

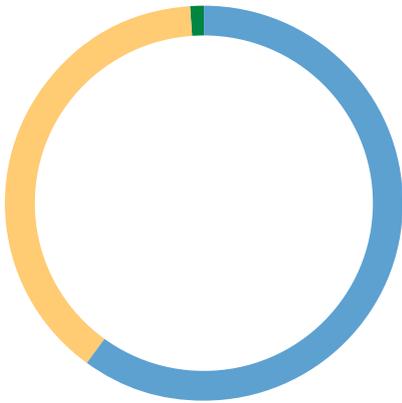
Magnesium Aluminium Silicate Hydrated (Pharma)

Magnesium Aluminium Silicate Hydrated (Pharmaceutical) serves as a crucial raw material in a specific antacid formulation. Additionally, it finds wide application as a ceramic suspending agent, thickening agent and so on.

Aluminium Hydroxide Magnesium Carbonate Co-Dried Gel

This is used as a filler in PVC pipes manufacturing.

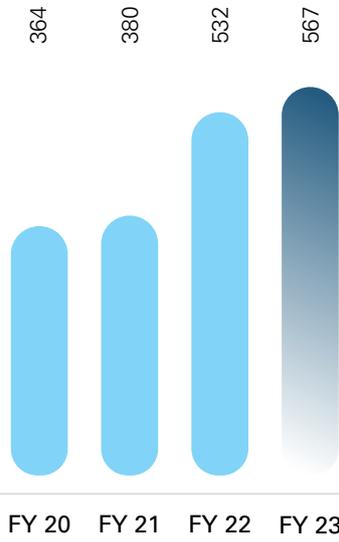
Business mix



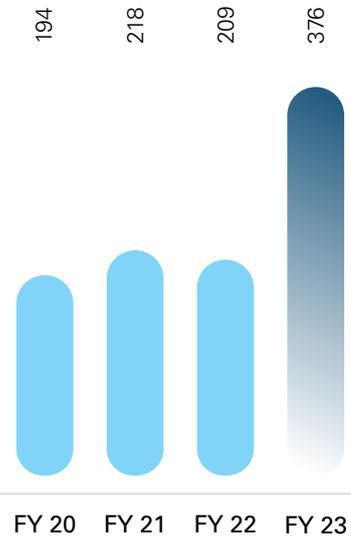
- API **60%**
- Fine chemicals **39%**
- Others **1%**

Operational revenues

API (₹ in million)



Fine chemicals (₹ in million)



Amplifying value through an agile model

Input



Finance

Our prudent capital allocation and investment decisions are based on a comprehensive assessment of the long-term market outlook, socio-economic risks and projected growth.

Net worth: ₹ **712 million**

Shareholder funds: ₹ **712 million**



Social relationships

We endeavour to build enduring alliances with several stakeholders. To promote sustainable growth and contribute to the well-being of the communities where we operate, we have implemented proactive measures.

CSR expenditure: ₹ **21.21 Lakh**

Hours dedicated to CSR activities:

50 Hours approx



Manufacturing

Our manufacturing plants are segregated into various business units, outfitted with best-in-class equipment and advanced technologies that ensure safety and quality.

Total capacity: **9,700 MTPA**

Manufacturing units: **4**



Natural resources

We prioritise the sustainable and ecologically conscious utilisation of natural resources. We are resolute in our commitment to incorporating advanced technologies that considerably curb water and energy consumption as well as mitigate emissions.

Total energy consumption: **3432090 litres**

Solar panel installed: **216 kVA**
(We have produced **139878** kWh generated during Year 22-23)

Total water consumption: **284789.7 KL**



Human resources

Our workforce comprises a diverse and highly skilled group of professionals from various fields. Their collective expertise has been instrumental in enhancing work quality and ensuring timely product delivery, reaffirming our strong brand value.

Total workforce: **105**

Total training hours: **83 hours**

Value creation process

Creating value for stakeholders



Meeting customer requirements



Sales and distribution



Key strengths

Diversified portfolio comprising **15** APIs and **10** Fine Chemicals

Global presence while exporting to **16** countries

Experienced team members and key managerial personnel with extensive knowledge of APIs and Fine Chemicals and expertise to organically scale our growth

Output

 **Finance**

Strategic planning and cost optimisation measures drive our profitability and enable us to maintain a healthy balance sheet.

Revenue: ₹ **957 million**
 EBITDA: ₹ **182 million**
 PAT: ₹ **113 million**

 **Social relationships**

By expanding our market outreach and customer base, we have effectively enhanced stakeholder value. Our focus on CSR initiatives has not only created sustainable livelihood opportunities for individuals within the community, but also bolstered our relationships with the society at large.

CSR projects conducted: **1**
 Lives touched: **About 733 students**
 Active customer count: **250+**
 Total dealers: **40+**
 Total agents: **13**

 **Manufacturing**

Our commitment to enhancing our manufacturing processes through capacity expansion and the employment of cutting-edge technologies has played a crucial role in attaining manufacturing excellence.

Total production of APIs: **3257.21 Tonne**
 Total production of Fine Chemicals: **5181.54 Tonne**

 **Natural resources**

Apart from recycling water and installing solar panels, we have made conscious efforts to preserve natural resources. Consequently, we have made significant strides in enhancing our contribution to environmental sustainability.

Reduced CO2 emissions by: **112,440 kg**
 Water recycled: **85437 kilo litres (KL)**

 **Human resources**

The effort of our workforce, combined with ongoing training, strong employee engagement initiatives and comprehensive employee wellness programmes, has led to substantial improvements in our operational efficiency and overall productivity.

Attrition rate: **5.63%**
 Employees promoted: **11**



Robust R&D efforts towards developing and improving processes to enhance cost efficiencies

Diversified customer base reached through dealers and agents across the world

Robust sales and distribution network spread globally

Maintaining a healthy balance sheet by becoming debt free and generating free cash flow

Manufacturing excellence driving robust growth

At PDCL, our manufacturing facility is equipped with the requisite infrastructure, including advanced machinery and handling equipment, to ensure seamless and efficient production processes.

Safety is of utmost importance to us; and we strictly adhere to key safety norms to create a secure working environment within our premises. This commitment to safety extends to our personnel, visitors and the surrounding community as well.

In keeping with our commitment to quality, we have established an in-house testing laboratory to conduct in-depth tests on both raw materials and finished products. This additional step helps ensure that our products meet the highest quality standards.

Our manufacturing facility

Our in-house manufacturing facility in Bhavnagar, Gujarat, is certified by the Food and Drugs Control Administration. Currently, we have four manufacturing blocks at our Bhavnagar Facility for different products. Also, we have improved the compatibility of our four production plants to cater to the different needs of our customers.

9,700 MTPA

Total capacity

Block 1

APIs

Block 2

Magnesium Hydroxide

Block 3

Fine Chemicals

Block 4

APIs/Fine Chemicals



Quality management

We employ Good Manufacturing Practice (GMP) to ensure seamless operations and that all products satisfy the criteria for their intended safe use. These requirements follow the IP/BP/EP/USP standards and are outlined in the marketing authorisation or product specifications.

We follow the below-mentioned eight pillars of Pharmaceutical Quality Systems

- Implementing quality risk management (QRM)
- Conducting internal as well as external audits of the Company
- Implementing robust quality management system
- Following good manufacturing practice and good distribution practice
- Organising internal and external quality training
- Developing and following standard operating procedures (SOPs)
- Hiring qualified and responsible personnel
- Maintaining adequate facilities for QC/QA/R&D/Production/Warehouse/Engineering

Efficient quality control

To continuously track and enhance the quality of our offerings, we have established our own Quality Control Laboratory. Our quality control department conducts physical inspections and tests to assess the feasibility of their plans. They thoroughly verify that all requirements are met and diligently identify any potential concerns that might require attention.

As part of our quality management system (QMS), we prioritise effective communication between the quality control department and other departments to ensure alignment with well-defined SOPs, specifications for in-process control and the implementation of relevant formats and record-keeping procedures.

Moreover, we conduct regular training sessions to ensure that proper quality

management practices are uniformly followed across all departments. These measures collectively contribute to the overall improvement of our products.

We are also in the process of adopting essential and advanced instruments such as Infrared Spectroscopy (IR), Gas Chromatography (GC) and Atomic Absorption Spectroscopy (AAS). These instruments will play a crucial role in eliminating analysis delays and accelerating the result acquisition process within our in-house quality control procedures.

Digitalisation

To enhance our operational efficiency and streamline our processes, we have implemented several digital initiatives. One of our key accomplishments includes the successful implementation of

Programmable Logic Controllers (PLCs) in our SCADA (Supervisory Control and Data Acquisition) system across two of our plants. This integration has empowered us to closely monitor and control various industrial processes, optimising productivity and ensuring uninterrupted operations. Moreover, to safeguard our data from cyberthreats, we have established a centralised server facility fortified with advanced firewall encryption.

Backed by these measures, we are now in the process of implementing an Enterprise Resource Planning (ERP) system into our daily workflow. This new addition will enable us to achieve enhanced coordination among various departments, facilitating data-driven decision-making and judicious resource allocation.

Building stronger teams

Our accomplishments over the years would not have been possible without the dedicated efforts of our personnel. At PDCL, we have a competent pool of professionals who work relentlessly to help us realise our vision.

To drive the personal as well as professional growth of our people, we have made a steadfast commitment to fostering an environment where each of them feels valued and empowered. Our HR policies are thoughtfully designed to prioritise employee welfare and optimise their performance through comprehensive training and developmental initiatives.

As we believe that a harmonious work environment leads to greater productivity and job satisfaction, we emphasise cultivating positive relationships between senior management and other team members.

105

Total workforce as on 31st March 2023
Total employee strength

Training and development

We have a robust employee training procedure which start with the induction of our employees. Further to strengthen the development of our people we conduct regular training programmes based on various topics including good manufacturing practices.

Safety training

The responsibility of arranging and executing safety training lies with the Department Head in collaboration with HR and administration. This training is designed for new and existing employees, aiding them in adapting to their new work environment and tasks. The safety training encompasses various crucial topics, including workplace orientation, protocols for fire safety and emergencies, fundamental first aid practices, guidelines for health and safety like risk assessments and accident reporting procedures, proper and secure utilization of workplace tools, machinery, and equipment, as well as the appropriate maintenance and storage procedures for personal protective equipment.

Health and safety

Every year, a qualified medical practitioner performs a thorough medical evaluation on each employee, assessing them according to the parameters specified in a detailed report. The individual overseeing the employee medical examinations within the factory is tasked with carefully examining and considering the comments and advice provided by the medical practitioner.



Staying true to our ESG commitments

We have adopted a comprehensive ESG approach that integrates sustainability into all that we do. Committed to translating ESG principles into action, we develop a supportive work culture, empower local communities and uphold strong corporate governance to create long-term value for all stakeholders.



Environment

To contribute to a healthier and greener future for future generations, we have rolled out several targeted initiatives. We are promoting the use of renewable energy sources and optimising our use of natural resources to minimise our environmental impact.



Energy conservation

We have made significant strides in harnessing solar power. With the installation of 116 kVA solar panels, we have effectively saved an impressive 112,440 kg of CO₂ emissions. Further, we continue to invest in renewable energy sources and have already executed a 100-kVA solar panel installation within our factory premises. During FY 2023, we have produced 139878 kWh of energy through renewable resources.

112,440 Kg of CO₂

Reduced emissions

216 kVA

Capacity of installed solar panels

Responsible water usage

Endeavouring to reduce our water footprint, we adhere to strict environmental policies concerning water discharge. To ensure compliance and continuous improvement, we subject ourselves to regular environmental audits conducted by an authorised auditor appointed by the Pollution Control Board. Moreover, we have implemented a water recycling system for our low TDS (Total Dissolved Solids) water, which enables us to conserve this precious resource and minimise our environmental impact.

85437 kilo litres (KL)

Water recycled

Improving bio-diversity

Believing that what is good for the planet is also good for us, we strive to preserve natural habitats. To safeguard our planet from the perils of climate change and global warming, we have launched numerous initiatives targeted at mangrove plantations that will help prevent soil erosion and maintain the green cover.



Social

As a responsible organisation, we acknowledge our responsibility to build stronger communities and contribute to their holistic growth. Following the Triple Bottom Line approach, we seek ways to uplift local communities economically and socially.



Through our initiatives, we strive to create opportunities that enhance livelihoods, empower individuals and foster self-reliance.

Additionally, we are committed to nurturing our bonds with the communities we serve. This helps us to not only understand their unique needs, but also collaborate to develop sustainable solutions for their long-term prosperity.

Infrastructure development to promote education

Throughout the year, we actively engaged in enhancing the infrastructure of Sarvodaya High School in Umrula, with the primary objective of advancing education for children belonging to marginalized communities. Our efforts included the construction of classrooms, envisioning the establishment of a robust educational framework within

rural settings. This expansion directly addresses the school's requirement for extra classroom space, ultimately facilitating the seamless operation of the institution and extending significant advantages to its student body. Notably, the students enrolled in this school receive not only subject-specific instruction but also valuable life lessons and skill development opportunities throughout their academic journey.

₹21.21 Lakh

Total CSR expenditure



Governance

At PDCL, we believe sound corporate governance is an indispensable aspect of sustaining our long-term growth. Considering it a fundamental aspect of our corporate ethos, we maintain the highest standards of good corporate governance.



The principles of corporate governance serve as the guiding force that shapes our decision-making processes and underpins our commitment to transparency, accountability and ethical conduct.

Our committees

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee

Code of Conduct

The Code of Conduct stands as a guiding principle for both the Board of Directors and Senior Management. Its primary objective is to comply with ethical standards and foster transparent processes in the management of the Company's affairs. By adhering to these principles, we aspire to retain the trust and confidence of our shareholders while nurturing a conducive corporate culture.

Vigil mechanism

Ethical conduct is encouraged across all facets of our operations. We have put in place a robust system that empowers our people to come forward and report any occurrences of illegal or unethical behaviour, potential fraud, or violations of our Company's Code of Conduct and Corporate Governance Policies. Under our Whistle Blower Policy, the confidentiality of those reporting such violations is strictly safeguarded and they are protected from any discriminatory practices. As we value transparency and accountability, we

conduct our businesses ethically and ensure that we foster a work culture built on trust and integrity.

Board diversity

Recognising the necessity of having a board that safeguards the best interests of all stakeholders, we have formed a diverse Board of Directors. This has not only informed our decision-making processes but has also enhanced our overall performance. By having individuals with various backgrounds, experiences and expertise at the helm, we foster an inclusive environment that values different perspectives.

50 %

Gender diversity on the Board

4

Independent directors

Board of Directors & KMPs



a.



f.



b.



g.



c.



h.



d.



i.



e.



j.

a.

Mr. Falgun Vallabhnbhai Savani, Chairman & MD

Mr. Falgun Vallabhnbhai Savani, aged 48 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 22 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.

b.

Mr. Jignesh Vallabhnbhai Savani, Executive Director & CEO

Mr. Jignesh Vallabhnbhai Savani, aged 45 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 22 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.

c.

Mr. Ghanshayambhai Bhagvanbhai Savani, Whole-time Director

Mr. Ghanshayambhai Bhagvanbhai Savani, aged 53 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 32 years of experience in the API Industry. His expertise and business acumen helped in the sustainable growth of the Company.

d.

Mrs. Nayna Jignesh Savani, Non-Executive Director

Mrs. Nayna Jignesh Savani, aged 44 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.

e.

Mr. Pravin Manjibhai Bhayani, Independent Director

Mr. Pravin Manjibhai Bhayani, aged 51 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 commerce graduation i.e. B. Com. from Gujarat University. He also holds Post Qualification degree in Information System Audit (DISA) from ICAI. He has 24 years of vast experience in the field of Audit, Accounts, System Implementation, Cost Review, Income-tax, GST and Finance.

f.

Mrs. Krishna Mitulbhai Shah, Independent Director

Mrs. Krishna Mitulbhai Shah, aged 44 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 successfully qualified online proficiency for Independent Director's Data bank on February 1, 2022 from Indian Institute of Corporate Affairs.

g.

Mrs. Kajal Chintanbhai Vaghani, Independent Director

Mrs. Kajal Chintanbhai Vaghani, aged 43 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 19 years in Automobiles Industry. She has successfully qualified online proficiency for Independent Director's Data bank on April 25, 2022 from Indian Institute of Corporate Affairs.

h.

Mrs. Bintal Bhaveshkumar Shah, Independent Director

Mrs. Bintal Bhaveshkumar Shah, aged 47 years, is an Independent Director of our Company. She was appointed as an Additional Independent Director of the Company on September 28, 2020 and regularised for five year with effect from 29th September, 2022 at AGM of the Company . She holds a Bachelor's degree in Commerce from the Shreemati Nathibai Damodar Thackersey

Women's University, Mumbai. She has successfully qualified online proficiency for Independent Director's Data bank on July 14 , 2022 from Indian Institute of Corporate Affairs.

i.

Mr. Chintan Pratapbhai Chauhan, Chief Financial Officer

Mr. Chintan Pratapbhai Chauhan, aged 41 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. He has an experience of about 18 years in finance field. He is responsible for handling the financial operations of the Company.

j.

CS Sanket Bhupendrabhai Trivedi, Company Secretary & Compliance Officer

Mr. Sanket Bhupendrabhai Trivedi, aged 33 years, is Company Secretary and Compliance Officer of our Company. He is qualified Company Secretary by profession and an Associate member of the Institute of Company Secretaries of India. He has 6 years of professional experience in filed of Company Secretarial, Legal & Compliance. He is entrusted with the responsibility of handling corporate secretarial functions 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 also holds degree of Bachelor of Legislative Law (LLB) from Sheth H. J. Law College, Bhavnagar, affiliated with Maharaja Krishnakumarsinhji Bhavnagar University.

Corporate Information

Board of Directors

Mr. Falgun Vallabhbhai Savani

Chairman & Managing Director

Mr. Jignesh Vallabhbhai Savani

Executive Director & CEO

Mr. Ghanshayambhai Bhagvanbhai Savani

Whole-Time Director

Mr. Pravin Manjibhai Bhayani

Independent Director

Mrs. Kajal Chintanbhai Vaghani

Independent Director

Mrs. Krishna Mitulbhai Shah

Independent Director

Mrs. Nayna Jignesh Savani

Non - Executive Director

Mrs. Bintal Bhaveshkumar Shah

Independent Director

Chief Financial Officer

Mr. Chintan P. Chauhan

E-mail: cfo.par@pardrugs.com

Company Secretary & Compliance Officer

Mr. Sanket B. Trivedi

E-mail: cs.sanket@pardrugs.com

Statutory Auditor

Sarupria Somani & Associates

Chartered Accountants

314, 3rd Floor, Imperial Arc,

Opp. Shamaldas College Gate,

Waghawadi Road, Bhavnagar-364002.

E-mail: somanibvn@gmail.com

Secretarial Auditor

DG PATEL & ASSOCIATES

Practicing Company Secretaries

Mr. Dip G. Patel, Company Secretary

204, Imperial Arc, Opp. University Gate,

Waghawadi Road,

Bhavnagar - 364002, Gujarat

E-mail: csdgp Patel@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

Factory Unit: 333/1, GIDC, Estate.

Phase-II, Chitra, Bhavnagar - 364004.

Gujarat, India., +91 - 278 - 244 6342

Factory Unit

333/1, G.I.D.C. Industrial Estate,

Phase-II, Chitra, Bhavnagar– 364004

Phone No.: 0278-2446342 /

02782447013

Banker

Kotak Mahindra Bank Limited

21, Vicenza House, Friends Society,

Alkapuri, Vadodara -390007

Landline : 02656620351

Registered Office

815, Nilamber Triumph, Gotri Vasna Road,
Vadodara-390007, Gujarat, India

Phone no.: 0265-2991021, 0265-2991022

E-mail: investors@pardrugs.com

Website: www.pardrugs.com

General Information

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



Par Drugs And Chemicals Limited

CIN: L24117GJ1999PLC035512

Registered office: 815, Nilamber Triumph, Gotri Vasna Road, Vadodara-390007, Gujarat, India

Phone no.: 0265-2991021, 0278-2447013

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

Notice of 24th Annual General Meeting to Members

Notice is hereby given that the Twenty Fourth (24th) Annual General Meeting ("AGM") of the Members of PAR **DRUGS AND CHEMICALS LIMITED** ("the Company") will be held on **Saturday, 16th Day of September, 2023 at 11:00 A.M.** at Hotel Tara Suns, B/h Yash Complex, B/s Sonal Park, G.E.R.I. Road, Gotri, Vadodara -390021, Gujarat, India to transact the following business to transact the following business:

ORDINARY BUSINESS:

ITEM NO. 1: To receive, consider and adopt the Audited Standalone Financial Statements of the company for the financial year ended on 31st March, 2023 together with the report of the Board of Directors and Auditors thereon.

ITEM NO. 2: To appoint a Director in place of Mr. Jignesh Vallabhbhai Savani, Director & CEO (DIN: 00198203), who retires by rotation and being eligible offer himself for re-appointment.

ITEM NO. 3: 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 thereunder, **M/s. Sarupria Somani & Associates, Chartered Accountants (Firm Registration No.: 010674C)** be and are hereby appointed as the Statutory Auditors of the Company from the conclusion of this 24th Annual General Meeting till the conclusion of the next 25th Annual General Meeting of the Company to be held for the F.Y. 2023-24 at an annual remuneration / fees of ₹ 2,25,000/- (Rupees Two Lakh Twenty Five 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:

ITEM NO. 4: To re-appoint Mr. Pravin Manjibhai Bhayani (DIN: 08332851) as an Independent Director of the Company and to fix remuneration payable to him and if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with the Schedule IV and any other applicable provisions of the Companies Act, 2013, ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment/ modification or re-enactment thereof) and pursuant to the approval and recommendation of the Nomination & Remuneration Committee and the approval of the Board of Directors of the Company, **Mr. Pravin Manjibhai Bhayani, Independent Director (DIN: 08332851)** of the Company who holds office of Independent Director upto **16th January, 2024** and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Rules framed thereunder and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying intention to propose **Mr. Pravin Manjibhai Bhayani's** candidature for the office of Independent Director and who is eligible for re-appointment, be and is hereby **re-appointed as an Independent Director for a second term of Five consecutive years w.e.f. 17th January, 2024 to 16th January, 2029** and whose office shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT in accordance with the provisions of Section 149(9), 197(3) and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment/ modification or re-enactment thereof) and pursuant to the approval and recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded to pay remuneration of ₹ 24 Lakhs (Rupees Twenty Four Lakhs Only) per annum, to Mr. Pravin Manjibhai Bhayani (DIN: 08332851) Independent Director of the Company, for the period of one year w.e.f. 1st October, 2023 to 30th September, 2024, payable on a quarterly, half yearly or yearly basis, as decided by the Board of Directors of the Company.

"RESOLVED FURTHER THAT such remuneration shall exclude all the fees payable to Mr. Pravin Manjibhai Bhayani for attending the meetings of the Board and Committees of the Board and also exclude the expenses incurred/reimbursement of expenses for attending the meetings of the Board, the Committees, Shareholders and such other meetings as organized by the Company from time to time.

"RESOLVED FURTHER THAT any present Directors of the company be and are hereby authorized to do sign/digitally sign all such necessary forms, documents, papers, and to do all such acts, matters, deeds as may be required under the Companies Act, 2013 and rules made there under to give effect to the aforesaid resolution and any matters consequential thereto."

ITEM NO. 5: To re-appoint Mrs. Krishna Mitulbhai Shah (DIN: 08317678) as an Independent Director of the Company and if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with the Schedule IV and any other applicable provisions of the Companies Act, 2013, ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment/ modification or re-enactment thereof) and pursuant to the approval and recommendation of the Nomination & Remuneration Committee and the approval of the Board of Directors of the Company, **Mrs. Krishna Mitulbhai Shah, Independent Director (DIN: 08317678)** of the Company who holds office of Independent Director upto **16th January, 2024** and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Rules framed thereunder and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying intention to propose **Mrs. Krishna Mitulbhai Shah's** candidature for the office of Independent Director and who is eligible for re-appointment, be and is hereby **re-appointed as an Independent**

Director for a second term of Five consecutive years w.e.f. 17th January, 2024 to 16th January, 2029 and whose office shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT any present Directors of the company be and are hereby authorized to do sign/digitally sign all such necessary forms, documents, papers, and to do all such acts, matters, deeds as may be required under the Companies Act, 2013 and rules made there under to give effect to the aforesaid resolution and any matters consequential thereto."

ITEM NO. 6: To re-appoint Mrs. Kajal Chintanbhai Vaghani (DIN: 08317641) as an Independent Director of the Company and if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with the Schedule IV and any other applicable provisions of the Companies Act, 2013, ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment/ modification or re-enactment thereof) and pursuant to the approval and recommendation of the Nomination & Remuneration Committee and the approval of the Board of Directors of the Company, **Mrs. Kajal Chintanbhai Vaghani, Independent Director (DIN: 08317641)** of the Company who holds office of Independent Director upto 16th January, 2024 and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Rules framed thereunder and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying intention to propose **Mrs. Kajal Chintanbhai Vaghani's** candidature for the office of Independent Director and who is eligible for **re-appointment, be and is hereby re-appointed as an Independent Director for a second term of Five consecutive years w.e.f. 17th January, 2024 to 16th January, 2029** and whose office shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT any present Directors of the company be and are hereby authorized to do sign/digitally sign all such necessary forms, documents, papers, and to do all such acts, matters, deeds as may be required under the Companies Act, 2013 and rules made there under to give effect to the aforesaid resolution and any matters consequential thereto."

ITEM NO. 7: To re-appoint Mr. Falgun Vallabhkhani Savani (DIN: 00198236) as Chairman & Managing Director of the company and fix Remuneration payable to him 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 the provisions of Sections 196, 197, 198, 203 and any other applicable provisions, if any, read along with Schedule V of the Companies Act, 2013 ("Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force); applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and pursuant to the approval and recommendation of the Nomination & Remuneration Committee and the approval of the Board of Directors of the Company, the consent of the Members be and is hereby accorded to **re-appoint Mr. Falgun Vallabhbhai Savani (DIN: 00198236) as Chairman & Managing Director** of the Company for a **period of 5 years w.e.f. 26th Day of November, 2023 to 25th Day of November, 2028** and to fix Remuneration payable to him as per terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of remuneration as it may deem fit and in such manner as may be agreed to between the Board and Mr. Falgun Vallabhbhai Savani."

"RESOLVED FURTHER THAT the Board of Directors of the Company may pay the remuneration to Mr. Falgun Vallabhbhai Savani, Chairman & Managing Director, whether by way of Salary, Commission, Perquisites and/ or any combination of the same as mutually agreed by the Board and Mr. Falgun Vallabhbhai Savani."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary and/or modify the terms and conditions of remuneration payable to the said Chairman & Managing Director in such manner as may be mutually agreed between the Board and Mr. Falgun Vallabhbhai Savani within the limits as prescribed in Section 197 read Schedule V of the Companies Act, 2013, including any amendment, modification, variation or re-enactment thereof."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, Mr. Falgun Vallabhbhai Savani shall be paid salary, perquisites and other allowances as set out in explanatory statement as the minimum remuneration, subject to ceiling as specified in Section 197 read Schedule V of the Companies Act, 2013 from time to time and subject to the approval of the Central Government, if so required, in accordance with the provisions of the Companies Act, 2013."

"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."

ITEM NO. 8: To re-appoint Mr. Ghanshayambhai Bhagvanbhai Savani (DIN: 03055941) as a Wholtime Director and to fix Remuneration payable to him 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 the provisions of Sections 196, 197, 198, 203 and any other applicable provisions, if any, read along with Schedule V of the Companies Act, 2013 ("Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force); Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and pursuant to the approval and recommendation of the Nomination & Remuneration Committee and the approval of the Board of Directors of the Company, the consent of the Members be and is hereby accorded to re-appoint **Mr. Ghanshayambhai Bhagvanbhai Savani (DIN: 03055941) as a Wholtime Director** of the Company for a **period of 5 years w.e.f. 26th Day of November, 2023 to 25th Day of November, 2028** and to fix Remuneration payable to him as per terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of remuneration as it may deem fit and in such manner as may be agreed to between the Board and Mr. Ghanshayambhai Bhagvanbhai Savani."

"RESOLVED FURTHER THAT the Board of Directors of the Company may pay the remuneration to Mr. Ghanshayambhai Bhagvanbhai Savani, Wholtime Director, whether by way of Salary, Commission, Perquisites and/ or any combination of the same as mutually agreed by the Board and Mr. Ghanshayambhai Bhagvanbhai Savani."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary and/or modify the terms and conditions of remuneration payable to the said Wholtime Director in such manner as may be mutually agreed between the Board and Mr. Ghanshayambhai Bhagvanbhai Savani within the limits as prescribed in Section 197 read Schedule V of the Companies Act, 2013, including any amendment, modification, variation or re-enactment thereof."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, Mr. Ghanshayambhai Bhagvanbhai Savani shall be paid salary, perquisites and other allowances as set out in explanatory statement as the minimum remuneration, subject to ceiling as specified in Section 197 read Schedule V of the Companies Act, 2013 from time to time and subject to the approval of the Central Government, if so required, in accordance with the provisions of the Companies Act, 2013."

"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.”

ITEM NO. 9: To re-appoint Mr. Jignesh Vallabhbhai Savani (DIN: 00198203) as a CEO of the company and to fix Remuneration payable to him 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 the provisions of Sections 196, 197, 198, 203 and any other applicable provisions, if any, read along with Schedule V of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force); Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and pursuant to the approval and recommendation of the Nomination & Remuneration Committee and the approval of the Board of Directors of the Company, the consent of the Members be and is hereby accorded to **re-appoint Mr. Jignesh Vallabhbhai Savani (DIN: 00198203)** as a CEO of the Company for a **period of 5 years w.e.f. 26th Day of November, 2023 to 25th Day of November, 2028** and to fix Remuneration payable to him as per terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of remuneration as it may deem fit and in such manner as may be agreed to between the Board and Mr. Jignesh Vallabhbhai Savani.”

“RESOLVED FURTHER THAT the Board of Directors of the Company may pay the remuneration to Mr. Jignesh Vallabhbhai Savani, CEO & Director, whether by way of Salary, Commission, Perquisites and/ or any combination of the same as mutually agreed by the Board and Mr. Jignesh Vallabhbhai Savani.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary and/or modify the terms and conditions of remuneration payable to the said CEO in such manner as may be mutually agreed between the Board and Mr. Jignesh Vallabhbhai Savani within the limits as prescribed in Section 197 read Schedule V of the Companies Act, 2013, including any amendment, modification, variation or re-enactment thereof.”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, Mr. Jignesh Vallabhbhai Savani shall be paid salary, perquisites and other allowances as set out in explanatory statement as the minimum remuneration, subject to ceiling as specified in Section 197 read Schedule V of the Companies Act, 2013 from time to time and subject to the approval of the Central Government, if so required, in accordance with the provisions of the Companies Act, 2013.”

“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.”

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

Sd/-

Sanket B. Trivedi

Place: Bhavnagar Company Secretary & Compliance Officer
Date: August 17, 2023 (Membership No: ACS: 51758)

NOTES**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

THE ENCLOSED PROXY FORM, IF INTENDED TO BE USED, MUST BE RECEIVED BY THE COMPANY, DULY FILLED, STAMPED AND SIGNED, AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.

Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable, issued on behalf of the nominating organization.

2. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 setting out facts concerning the business under Item No. 3 to 9 of the Notice is annexed hereto.
5. 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.
6. The Register of Members and Share Transfer Books shall remain closed from **Saturday, 9th September, 2023 to Saturday, 16th September, 2023** (both days inclusive) for the purpose of annual general meeting.
7. 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.
8. SEBI vide its circular dated June 8, 2018 amended regulation 40 of the Listing Regulations pursuant to which requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form. 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.
9. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
10. Members who hold shares in de-materialization form are requested to bring their demat/depository account number for identification.
11. In case of joint holders attending the Meeting only such joint holder who is higher in the order of names will be entitled to vote.
12. 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. to 5:00 p.m. up to the date of meeting and shall be available at the website of our Company during the AGM at www.pardrugs.com
13. 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.
14. Members holding shares in dematerialized mode are requested to intimate all changes with respect to their 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.
15. 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.
16. 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.
17. 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.
18. Non-Resident Indian Members are requested to inform Link Intime India Private Limited, 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.
19. 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), 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 Link Intime India Private Limited (RTA) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system will be provided by RTA.
20. 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 2021-22 and earlier years are requested to approach the Company 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. The details of unclaimed dividends are available on the Company's website at www.pardrugs.com.

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 Web IEPF-5 Form and by following such procedures as prescribed in the IEPF Rules (as may be amended from time to time).

21. 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.

The notice of the 24th AGM along with the Annual Report 2022-23 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may please note that this Notice and Annual Report 2022-23 will also be available on

the Company's website at www.pardrugs.com, websites of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com and on the website of RTA at <https://instavote.linkintime.co.in/>. Members who would like to receive such notices / documents in electronic mode in lieu of physical copy and 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:

- In respect of electronic shareholding - through their respective Depository Participants;
- In respect of physical shareholding - by sending a request to the Company's Share Transfer Agent, mentioning therein their folio number and e-mail address.
- 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 or via email to RTA at ahmedabad@linkintime.co.in or at investors@pardrugs.com

22. The route map showing directions to reach the venue of the 24th AGM is annexed.

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 Link Intime India Private Limited (RTA) 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 Friday, September 08, 2023**, shall be entitled to avail the facility of remote e-voting. Persons who are not members as on the cut-off date should treat this notice for information purpose only.
- 3) **Remote e-voting will commence at 09.00 a.m. on Tuesday, 12th September, 2023 and will end at 5.00 p.m. on Friday, 15th September, 2023**, then remote e-voting will be blocked by RTA.
- 4) 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 RTA website <https://instavote.linkintime.co.in>

- 5) 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.
- 6) 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.
- 7) The Company has appointed CS Dip G. Patel, Proprietor of DG Patel & Associates, Practicing Company Secretary (Membership No. FCS: 10533; COP 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 submit 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 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 RTA <https://instavote.linkintime.co.in/> 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 will also be communicated to the National Stock Exchange.

REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

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

1. Individual Shareholders holding securities in demat mode with NSDL
 1. Existing IDeAS user can visit the e-Services website of NSDL viz. <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added

services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.

2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
2. Individual Shareholders holding securities in demat mode with CDSL
 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.
 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
 3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
 4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email

as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

- Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

- Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
- Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -
 - User ID:** Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
 - PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
 - Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*Shareholders holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

*Shareholders holding shares in NSDL form, shall provide 'D' above

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
 - Click "confirm" (Your password is now generated).
- Click on 'Login' under **'SHARE HOLDER'** tab.
 - Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'**.

Cast your vote electronically:

- After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.
- E-voting page will appear.
- Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
- After selecting the desired option i.e. Favour / Against, click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes'**, else to change your vote, click on **'No'** and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: -Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

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

Sd/-

Sanket B. Trivedi

Place: Bhavnagar Company Secretary & Compliance Officer
Date: August 17, 2023 (Membership No: ACS: 51758)

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

ITEM NO. 3: 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 **M/s. Sarupria Somani & Associates, Chartered Accountants (Firm Registration No.: 010674C)**, 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 an annual remuneration / fees of ₹ 2,25,000/- (Rupees Two Lakh Twenty Five Thousand only). On the recommendation of the Committee, the Board also recommended for the approval of the Members, the remuneration of **M/s. Sarupria Somani & Associates**, Chartered Accountants for the financial year 2023-24 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 **M/s. Sarupria Somani & Associates** to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

M/s. Sarupria Somani & 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. 3 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 NO. 4: TO RE-APPOINT MR. PRAVIN MANJIBHAI BHAYANI (DIN: 08332851) AS AN INDEPENDENT DIRECTOR OF THE COMPANY AND TO FIX REMUNERATION PAYABLE:

Mr. Pravin Manjibhai Bhayani (DIN: 08332851) was appointed as an Independent Director of the company pursuant to Section 149 of the Companies Act, 2013 and Rules made thereunder on 17th January, 2019 and holds office upto **16th January, 2024**.

As per the Section 149 of the Companies Act, 2013, an Independent Director can hold office for a term up to 5 (Five) consecutive years on the Board of a Company and shall be eligible for re-appointment on passing a Special Resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of the Nomination & Remuneration Committee and after taking into account the performance evaluation of Mr. Pravin Manjibhai Bhayani during his first term of five years and considering his experience, knowledge, continued valuable guidance to the management and strong performance, Board of Directors at its meeting held on **17th August, 2023** proposed to re-appoint him as an Independent Director of the Company for a second term of five consecutive years **w.e.f. 17th January, 2024 to 16th January, 2029** not liable to retire by rotation.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Pravin Manjibhai Bhayani for his re-appointment to the office of Independent Director.

Brief profile of the above Independent Director is as under:

| Name of Director | Pravin Manjibhai Bhayani |
|---|--|
| Date of Birth | 22/09/1971 |
| Date of Appointment on the Board | 17/01/2019 |
| Expertise in specific functional area | He has 24 years of vast experience in the field of Audit, Accounts, System Implementation, Cost Review, Income-tax, GST and Finance. |
| Qualifications | FCA (Chartered Accountant), DISA (ICAI), B.Com |
| Directorships in Public Limited Companies | NIL |
| Shareholding of Director in the Company | NIL |

Membership of Committees in Public Limited Companies:

| | |
|---------------------------------------|-----|
| Audit Committee | NIL |
| CSR Committee | NIL |
| Nomination and remuneration committee | NIL |

Mr. Pravin Manjibhai Bhayani, aged 51 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 commerce graduation i.e. B. Com. from Gujarat University. He also holds Post Qualification degree in Information System Audit (DISA) from ICAI. He has 24 years of vast experience in the field of Audit, Accounts, System Implementation, Cost Review, Income-tax, GST and Finance.

The Company has received from Mr. Pravin Manjibhai Bhayani –

- (i) consent in writing to act as an Independent Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,
- (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect he is not disqualified for being appointed a Director under sub-section (2) of Section 164 of the Companies Act, 2013 and
- (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Pravin Manjibhai Bhayani has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA'). Mr. Pravin Manjibhai Bhayani is exempt from the requirement to undertake online proficiency self-assessment test conducted by IICA.

In terms of Regulation 25(8) of the SEBI Listing Regulations, Mr. Pravin Manjibhai Bhayani has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Mr. Pravin Manjibhai Bhayani has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circular dated June 20, 2018 issued by the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

In the opinion of the Board, Mr. Pravin Manjibhai Bhayani fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and the SEBI Listing Regulations for appointment as an Independent Director of the Company and that the proposed director is independent of the management. Copy of the letter for appointment of Independent Director setting out terms and conditions would be available for inspection at the Registered Office of the Company during business hours on any working day up to the date of Annual General Meeting.

Further, Section 197 of the Companies Act, 2013 ("Act"), as amended, permits payment of remuneration to Director(s) who is neither Managing Director nor Whole-time Director, in excess of 1% of the net profits of a company, if there is a managing or whole-time director or manager; and in excess of 3% of the net profits of a company, if there is no managing or whole-time director or manager, by obtaining approval of the Shareholders in general meeting by passing a special resolution. Further, the Companies (Amendment) Act, 2020 effective March 18, 2021 inter alia provides that if, in any financial year, a company has no profits or its profits are inadequate, the company shall not pay to its Non-Executive Directors, including an Independent Director, any remuneration except in accordance with the provisions of Schedule V of the Act. The remuneration thresholds as prescribed in Schedule V of the Act can be exceeded by passing a special resolution by the Members of the Company.

Regulation 17(6) of SEBI LODR Regulations, inter alia provides that the Board shall recommend to the Members for their approval all fees or compensation, if any, paid to Non-Executive Directors, including Independent Directors.

Mr. Pravin Manjibhai Bhayani plays an important role in overseeing the governance, performance and sustainable growth of the Company. Mr. Pravin Manjibhai Bhayani contributes his wealth of knowledge, skills, expertise, independent perspective, strategies and experience to the business of the Company and provide required diversity in Board's decision-making process. With the enhanced corporate governance requirements, increased responsibilities and duties of the Independent Directors under the Act and the SEBI LODR Regulations and the competitive business environment, the role of the Independent Directors, has become more onerous, requiring enhanced level of decision making ability, greater time commitments with high level of oversight.

In view of the above and in appreciation to the contribution and services Mr. Pravin Manjibhai Bhayani has rendered and continue to render to the Company, the Board, on the basis of the recommendation of the Nomination and Remuneration Committee ("NRC") and Audit Committee ("AC"), at their meeting held on August 17, 2023, have approved payment of remuneration to Mr. Pravin Manjibhai Bhayani amounting to ₹ 24,00,000/- (Rupees Twenty Four Lakhs Only), per annum **for the period of one year w.e.f. 1st October, 2023 to 30th September, 2024, payable on a quarterly**, half yearly or yearly basis, as decided by the Board of Directors of the Company.

The aforesaid remuneration shall exclude all the fees payable to Mr. Pravin Manjibhai Bhayani for attending the meetings of the Board and Committees of the Board and also exclude the expenses incurred/reimbursement of expenses for attending the meetings of the Board, Committees, Shareholders and such other meetings as organized by the Company from time to time.

The remuneration may exceed the statutory limits prescribed under Section 197 of the Act but shall be subject to a maximum limit of ₹ 24,00,000/- (Rupees Twenty Four Lakhs Only) per annum. Further, in case of loss or inadequacy of profits, the said amount would be paid as minimum remuneration in accordance with Schedule V of the Act, with requisite approvals.

The Company has not defaulted in payment of dues to any bank or public financial institution or any other secured creditors. The Company have not issued any debentures.

Statement pursuant to Clause (iv) of Section II of Part-II of schedule V of the Companies Act, 2013:

I. GENERAL INFORMATION:

| 1. | Nature of Industry. | Active Pharma Ingredients & Fine Chemicals | | | | | | | | | | | | | | | |
|-------------------------|--|--|-------------|------------------------|------------------------|-------------------------|----------|----------|-------------------|----------|----------|------------------|----------|--------|-----|------|------|
| 2. | Date or Expected Date of Commencement of Commercial Production. | Company is already engaged in manufacturing activities. | | | | | | | | | | | | | | | |
| 3. | In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | Not applicable. | | | | | | | | | | | | | | | |
| 4. | Financial performance based on given indicators | <table border="1"> <thead> <tr> <th>Particulars</th> <th>2022-23 (₹ in Lacs)</th> <th>2021-22 (₹ in Lacs)</th> </tr> </thead> <tbody> <tr> <td>Revenue from operations</td> <td>9,574.88</td> <td>7,507.44</td> </tr> <tr> <td>Profit before Tax</td> <td>1,507.92</td> <td>1,270.32</td> </tr> <tr> <td>Profit After Tax</td> <td>1,133.41</td> <td>921.33</td> </tr> <tr> <td>EPS</td> <td>9.21</td> <td>7.49</td> </tr> </tbody> </table> | Particulars | 2022-23 (₹ in Lacs) | 2021-22 (₹ in Lacs) | Revenue from operations | 9,574.88 | 7,507.44 | Profit before Tax | 1,507.92 | 1,270.32 | Profit After Tax | 1,133.41 | 921.33 | EPS | 9.21 | 7.49 |
| Particulars | 2022-23 (₹ in Lacs) | 2021-22 (₹ in Lacs) | | | | | | | | | | | | | | | |
| Revenue from operations | 9,574.88 | 7,507.44 | | | | | | | | | | | | | | | |
| Profit before Tax | 1,507.92 | 1,270.32 | | | | | | | | | | | | | | | |
| Profit After Tax | 1,133.41 | 921.33 | | | | | | | | | | | | | | | |
| EPS | 9.21 | 7.49 | | | | | | | | | | | | | | | |
| 5. | Foreign Investments or Collaborators, if any. | At present, the Company does not have any foreign investments or collaborations. | | | | | | | | | | | | | | | |

II. INFORMATION ABOUT THE APPOINTEE:

1. Background Details:

Mr. Pravin Manjibhai Bhayani (DIN: 08332851) was appointed as an Independent Director of the company pursuant to Section 149 of the Companies Act, 2013 and Rules made thereunder on 17th January, 2019 and holds office upto **16th January, 2024**.

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 commerce graduation i.e. B. Com. from Gujarat University. He also holds Post Qualification degree in Information System Audit (DISA) from ICAI. He has 24 years of vast experience in the field of Audit, Accounts, System Implementation, Cost Review, Income-tax, GST and Finance.

2. Past Remuneration:

| Period | Remuneration paid (₹ in Lakhs) |
|---------|--|
| 2021-22 | Remuneration: NIL Sitting Fees : 0.38 |
| 2020-21 | Remuneration: NIL Sitting Fees: 0.21 |

3. Recognition or awards:

Mr. Pravin Manjibhai Bhayani plays an important role in overseeing the governance, performance and sustainable growth of the Company. Mr. Pravin Manjibhai Bhayani contributes his wealth of knowledge, skills, expertise, independent perspective, strategies and experience to the business of the Company and provide required diversity in Board's decision-making process.

4. Job Profile and his suitability:

In the capacity of Independent Director of the Company Mr.

Pravin Manjibhai Bhayani shall be responsible for ensuring adoption of good governance practices and provide his professional expertise and rich experience and knowledge in the filed of finance, accounts business strategy, finance, Information Technology etc.

5. Remuneration proposed:

₹ 24,00,000/- (Rupees Twenty Four Lakhs Only), per annum **for the period of one year w.e.f. 1st October, 2023 to 30th September, 2024**, payable on a quarterly, half yearly or yearly basis, as decided by the Board of Directors of the Company.

The aforesaid remuneration shall exclude all the fees payable to Mr. Pravin Manjibhai Bhayani for attending the meetings of the Board and Committees of the Board and also exclude the expenses incurred/reimbursement of expenses for attending the meetings of the Board, Committees, Shareholders and such other meetings as organized by the Company from time to time.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

Since the Company is engaged in manufacturing of variety of products, it would not be possible to compare the remuneration payable in similar type of Industry.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Pravin Manjibhai Bhayani is not holding any the equity share capital of the company. However, his Spouse is holding 40000 equity shares in the company. Apart form this, he is not having pecuniary relation, directly and indirectly, with the company.

III. OTHER INFORMATION:

1. Reasons of Loss or Inadequate Profits:

Company is primarily engaged the manufacturing of Active Pharma Ingredients & Fine Chemicals. Due to fiercely competitive environment in the industry, profitability of the company might affected.

2. Steps taken or proposed to be taken for improvement:

Focus has been placed on promotion and marketing so as to increase the sales turnover of the Company and efforts are being made towards cost reduction and this will result into increase in profits of the Company.

3. Expected increase in productivity and profits in measurable terms:

Looking at the past performance and efforts being made during the year, the Company is expecting around Twenty per cent increase in the sales turnover and increase the profits of the Company during the financial year 2023-24.

IV. REASONS AND JUSTIFICATION FOR PAYMENT BEYOND LIMITS SPECIFIED IN SCHEDULE.

Mr. Pravin Manjibhai Bhayani 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 commerce graduation i.e. B. Com. from Gujarat University. He also holds Post Qualification degree in Information System Audit (DISA) from ICAI. He has 24 years of vast experience in the field of Audit, Accounts, System Implementation, Cost Review, Income-tax, GST and Finance.

Mr. Pravin Manjibhai Bhayani plays an important role in overseeing the governance, performance and sustainable growth of the Company. Mr. Pravin Manjibhai Bhayani contributes his wealth of knowledge, skills, expertise, independent perspective, strategies and experience to the business of the Company and provide required diversity in Board's decision-making process. In the capacity of Independent Director of the Company Mr. Pravin Manjibhai Bhayani shall be responsible for ensuring adoption of good governance practices and provide his professional expertise and rich experience and knowledge in the filed of Audit, Accounts, System Implementation, Cost Review, Income-tax, GST and Finance.

Pursuant to the provisions of Sections 197 and other applicable provisions read along with Schedule V of the Companies Act, 2013 and applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 payment of remuneration to Mr. Pravin Manjibhai Bhayani required to be approved by the members of the company by Special Resolution.

The Board commends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

Except Mr. Pravin Manjibhai Bhayani, 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 NO. 5: TO RE-APPOINT MRS. KRISHNA MITULBHAI SHAH (DIN: 08317678) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

Mrs. Krishna Mitulbhai Shah (DIN: 08317678) was appointed as an Independent Director of the company pursuant to Section 149 of the Companies Act, 2013 and Rules made thereunder on 17th January, 2019 and holds office upto **16th January, 2024**.

As per the Section 149 of the Companies Act, 2013, an Independent Director can hold office for a term up to 5 (Five) consecutive years on the Board of a Company and shall be eligible for re-appointment on passing a Special Resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of the Nomination & Remuneration Committee and after taking into account the performance evaluation of Mrs. Krishna Mitulbhai Shah during her first term of five years and considering her experience, knowledge, continued valuable guidance to the management and strong performance, Board of Directors at its meeting held on 17th August, 2023 proposed to re-appoint her as an Independent Director of the Company for a second term of five consecutive years **w.e.f. 17th January, 2024 to 16th January, 2029** not liable to retire by rotation.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mrs. Krishna Mitulbhai Shah for her re-appointment to the office of Independent Director.

Brief profile of the above Independent Director is as under:

| Name of Director | Mrs. Krishna Mitulbhai Shah |
|---|-----------------------------|
| Date of Birth | 21/07/1979 |
| Date of Appointment on the Board | 17/01/2019 |
| Expertise in specific functional area | General Management |
| Qualifications | Graduation/Bachelor |
| Directorships in Public Limited Companies | NIL |
| Shareholding of Director in the Company | NIL |

Membership of Committees in Public Limited Companies:

| | |
|---------------------------------------|-----|
| Audit Committee | NIL |
| CSR Committee | NIL |
| Nomination and remuneration committee | NIL |

Mrs. Krishna Mitulbhai Shah Bachelor's degree in Commerce from the Shreemati Nathibai Damodar Thackersey Women's University, Mumbai. She is having expertise in the general management of the company.

The Company has received from Mrs. Krishna Mitulbhai Shah –

- (i) consent in writing to act as an Independent Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,
- (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect she is not disqualified for being appointed a Director under sub-section (2) of Section 164 of the Companies Act, 2013 and
- (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mrs. Krishna Mitulbhai Shah has also confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA'). Mrs. Krishna Mitulbhai Shah has cleared proficiency self-assessment test conducted by IICA.

In terms of Regulation 25(8) of the SEBI Listing Regulations, Mrs. Krishna Mitulbhai Shah has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. Mrs. Krishna Mitulbhai Shah has also confirmed that she is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circular dated June 20, 2018 issued by the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

In the opinion of the Board, Mrs. Krishna Mitulbhai Shah fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and the SEBI Listing Regulations for appointment as an Independent Director of the Company and that the proposed director is independent of the management. Copy of the letter

for appointment of Independent Director setting out terms and conditions would be available for inspection at the Registered Office of the Company during business hours on any working day up to the date of Annual General Meeting.

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

Except Mrs. Krishna Mitulbhai Shah, 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 NO. 6: TO RE-APPOINT MRS. KAJAL CHINTANBHAI VAGHANI (DIN: 08317641) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

Mrs. Kajal Chintanbhai Vaghani (DIN: 08317641) was appointed as an Independent Director of the company pursuant to Section 149 of the Companies Act, 2013 and Rules made thereunder on 17th January, 2019 and holds office upto **16th January, 2024**.

As per the Section 149 of the Companies Act, 2013, an Independent Director can hold office for a term up to 5 (Five) consecutive years on the Board of a Company and shall be eligible for re-appointment on passing a Special Resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of the Nomination & Remuneration Committee and after taking into account the performance evaluation of Mrs. Kajal Chintanbhai Vaghani during her first term of five years and considering her experience, knowledge, continued valuable guidance to the management and strong performance, Board of Directors at its meeting held on 17th August, 2023 proposed to re-appoint her as an Independent Director of the Company for a second term of five consecutive years **w.e.f. 17th January, 2024 to 16th January, 2029** not liable to retire by rotation.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mrs. Kajal Chintanbhai Vaghani for her re-appointment to the office of Independent Director.

Brief profile of the above Independent Director is as under:

| Name of Director | Mrs. Kajal Chintanbhai Vaghani |
|---|--------------------------------|
| Date of Birth | 08/11/1979 |
| Date of Appointment on the Board | 17/01/2019 |
| Expertise in specific functional area | General Management |
| Qualifications | Graduation/Bachelor |
| Directorships in Public Limited Companies | NIL |
| Shareholding of Director in the Company | NIL |

Membership of Committees in Public Limited Companies:

| | |
|---------------------------------------|-----|
| Audit Committee | NIL |
| CSR Committee | NIL |
| Nomination and remuneration committee | NIL |

She holds a Bachelor's degree in Commerce from the Shreemati Nathibai Damodar Thackersey Women's University, Mumbai. Mrs. Kajal Chintanbhai Vaghani has more than 19 years of experience of in Automobiles Industry. She has is having expertise in the general management of the company.

The Company has received from Mrs. Kajal Chintanbhai Vaghani –

- (i) consent in writing to act as an Independent Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,
- (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect she is not disqualified for being appointed a Director under sub-section (2) of Section 164 of the Companies Act, 2013 and
- (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mrs. Kajal Chintanbhai Vaghani has also confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA'). Mrs. Kajal Chintanbhai Vaghani has cleared proficiency self-assessment test conducted by IICA.

In terms of Regulation 25(8) of the SEBI Listing Regulations, Mrs. Kajal Chintanbhai Vaghani has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. Mrs. Kajal Chintanbhai Vaghani has also confirmed that she is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circular dated June 20, 2018 issued by the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

In the opinion of the Board, Mrs. Kajal Chintanbhai Vaghani fulfils the conditions specified in the Companies Act, 2013 and

rules made thereunder and the SEBI Listing Regulations for appointment as an Independent Director of the Company and that the proposed director is independent of the management. Copy of the letter for appointment of Independent Director setting out terms and conditions would be available for inspection at the Registered Office of the Company during business hours on any working day up to the date of Annual General Meeting.

The Board recommends the Special Resolution set out at Item No. 6 for approval of the Members.

Except Mrs. Kajal Chintanbhai Vaghani, 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 NO. 7: TO RE-APPOINT MR. FALGUN VALLABHBHAI SAVANI (DIN: 00198236) AS A CHAIRMAN & MANAGING DIRECTOR AND TO FIX REMUNERATION PAYABLE TO HIM:

Mr. Falgun Vallabhbhai Savani was appointed as a Chairman & Managing Director of the Company by the Board of Directors of the company at its meeting held on 26th Day of November, 2018 for a period of 5 (Five) years from 26th Day of November, 2018 to 25th Day of November, 2023. The same was subsequently approved by the members at the Extra-ordinary General Meeting held on 18th December, 2018. His term as Chairman & Managing Director ends on 25th Day of November, 2023.

Mr. Falgun Vallabhbhai Savani 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.

Considering his contribution and progress made by the company under his leadership and guidance and as per the recommendations of Nomination and Remuneration Committee and Audit Committee, the Board at its meeting held on 17th August, 2023 approved to re-appoint him as Chairman & Managing Director for further **period of 5 years from 26th Day of November, 2023 to 25th Day of November, 2028** and **Board**

approved the remuneration of Mr. Falgun Vallabhkhai Savani for a period of 3 years from 26th Day of November, 2023 to 25th Day of November, 2026 on terms and conditions furnished below:

1) Salary, perquisites and allowances:

Salary, perquisites and allowances at the rate of ₹ 51,50,000/- (Rupees Fifty One Lacs Fifty Thousands Only) per annum for a period of 3 years from 26th Day of November, 2023 to 25th Day of November, 2026. The said remuneration is within the limit of remuneration as specified under Section 197 of the Companies Act, 2013 and Rules made thereunder.

Provided Salary, perquisites and allowances may be revised periodically by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee and Audit Committee subject to the condition that the value of any increment in the annual Salary, perquisites and allowances payable to Managing Director shall not exceed 3% of the Annual Net Profit of the company as per the latest audited financial statements of the company.

Perquisites and allowances shall include –

- A. Car with driver:** Managing Director will be provided a Car with driver for use on Company's business. All the expenses for maintenance and running of the same including salary of the driver to be borne by the company.
- B. Medical reimbursement / allowance:** As per the rules of the Company.
- C. Personal accident insurance:** As per the rules of the Company.
- D.** The Company shall reimburse actual entertainment and travelling expenses incurred by the Managing Director in connection with the Company's business.

2) Sitting Fees:

Sitting fees at the rate of ₹ 5,000/- (Rupees Five Thousands Only) per meeting of Board of Directors and its committees attended.

3) Perquisites as per the Section IV of the Schedule V of the Act as provided below:

- A.** The Board has considered the relation of the Managing Director in terms of his involved in the management of the company through his substation interest in the company and based on that, it is duly considered that there is no employer and employee relation between the company and Managing Director on his appointment but the same is an agency relationship. Hence, the remuneration as mentioned in point no. 1 above shall not be subject to the provisions of any Provident Fund or ESI under the respective Act(s) and/or Rules framed thereunder and no provisions under the aforesaid Act(s) shall be made over and above of the remuneration payable to the Managing Director.
- B.** Encashment of leave at the end of tenure as per rules of the company.
- C.** Gratuity computed as per the provisions of the Gratuity Act shall be payable on retirement of the director from the Company.

It is clarified that employees stock options as might be granted to Mr. Falgun Vallabhkhai Savani, from time to time, shall not be considered as a part of perquisites mentioned above and that the perquisite value of stock options exercised shall be in addition to the remuneration under point no. 1 above.

It is hereby confirmed that the company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

It is hereby submitted that based on projections, the managerial remuneration may exceed the limits prescribed under Section 197 of the Companies Act, 2013.

Statement pursuant to Clause (iv) of Section II of Part-II of schedule V of the Companies Act, 2013:

I. GENERAL INFORMATION:

| 1. | Nature of Industry. | Active Pharma Ingredients & Fine Chemicals | | | | | | | | | | | | | | | |
|-------------------------|--|--|-------------|------------------------|------------------------|-------------------------|----------|----------|-------------------|----------|----------|------------------|----------|--------|-----|------|------|
| 2. | Date or Expected Date of Commencement of Commercial Production. | Company is already engaged in manufacturing activities. | | | | | | | | | | | | | | | |
| 3. | In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | Not applicable. | | | | | | | | | | | | | | | |
| 4. | Financial performance based on given indicators | <table border="1"> <thead> <tr> <th>Particulars</th> <th>2022-23 (₹ in Lacs)</th> <th>2021-22 (₹ in Lacs)</th> </tr> </thead> <tbody> <tr> <td>Revenue from operations</td> <td>9,574.88</td> <td>7,507.44</td> </tr> <tr> <td>Profit before Tax</td> <td>1,507.92</td> <td>1,270.32</td> </tr> <tr> <td>Profit After Tax</td> <td>1,133.41</td> <td>921.33</td> </tr> <tr> <td>EPS</td> <td>9.21</td> <td>7.49</td> </tr> </tbody> </table> | Particulars | 2022-23 (₹ in Lacs) | 2021-22 (₹ in Lacs) | Revenue from operations | 9,574.88 | 7,507.44 | Profit before Tax | 1,507.92 | 1,270.32 | Profit After Tax | 1,133.41 | 921.33 | EPS | 9.21 | 7.49 |
| Particulars | 2022-23 (₹ in Lacs) | 2021-22 (₹ in Lacs) | | | | | | | | | | | | | | | |
| Revenue from operations | 9,574.88 | 7,507.44 | | | | | | | | | | | | | | | |
| Profit before Tax | 1,507.92 | 1,270.32 | | | | | | | | | | | | | | | |
| Profit After Tax | 1,133.41 | 921.33 | | | | | | | | | | | | | | | |
| EPS | 9.21 | 7.49 | | | | | | | | | | | | | | | |
| 5. | Foreign Investments or Collaborators, if any. | At present, the Company does not have any foreign investments or collaborations. | | | | | | | | | | | | | | | |

II. INFORMATION ABOUT THE APPOINTEE:

1. Background Details:

Falgun Vallabhbhai Savani, aged 48 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 22 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.

2. Past Remuneration:

| Period | Remuneration paid (₹ in Lakhs) |
|---------|--------------------------------|
| 2021-22 | 45.95 |
| 2020-21 | 43.00 |

3. Recognition or awards:

Mr. Falgun Vallabhbhai Savani is well recognized for his leadership, visionary, and entrepreneur skills in managing business activities and has been efficiently managing overall affairs of the Company.

4. Job Profile and his suitability:

In the capacity of Managing Director of the Company Mr. Falgun Vallabhbhai Savani shall be responsible for defining and executing business strategy, strengthening governance practices and providing overall leadership to the Company's operations or such other roles and responsibilities as may be assigned to him by the Board from time to time.

5. Remuneration proposed:

Salary, perquisites and allowances at the rate of ₹ 51,50,000/- (Rupees Fifty One Lacs Fifty Thousands Only) per annum for a period of 3 years from 26th Day of November, 2023 to 25th Day of November, 2026. The said remuneration is within the limit of remuneration as specified under Section 197 of the Companies Act, 2013 and Rules made thereunder.

Provided Salary, perquisites and allowances may be revised periodically by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee and Audit Committee subject to the condition that the value of any increment in the annual Salary, perquisites and allowances payable to Managing Director shall not exceed 3% of the Annual Net Profit of the company as per the latest audited financial statements of the company.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

Since the Company is engaged in manufacturing of variety of products, it would not be possible to compare the remuneration payable in similar type of Industry.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Falgun Vallabhbhai Savani is holding 21.50% of the equity share capital of the company. In addition to above, his relatives are also holding shares in the company. Accordingly, he may be deemed having pecuniary relation, directly and indirectly, with the company.

III. OTHER INFORMATION:

1. Reasons of Loss or Inadequate Profits:

Company is primarily engaged the manufacturing of Active Pharma Ingredients & Fine Chemicals. Due to fiercely competitive environment in the industry, profitability of the company might be affected.

2. Steps taken or proposed to be taken for improvement:

Focus has been placed on promotion and marketing so as to increase the sales turnover of the Company and efforts are being made towards cost reduction and this will result into increase in profits of the Company.

3. Expected increase in productivity and profits in measurable terms:

Looking at the past performance and efforts being made during the year, the Company is expecting around Twenty per cent increase in the sales turnover and increase the profits of the Company during the financial year 2023-24.

IV. REASONS AND JUSTIFICATION FOR PAYMENT BEYOND LIMITS SPECIFIED IN SCHEDULE.

Mr. Falgun Vallabhbhai Savani has more than 22 years of experience in the industry. He has been instrumental in taking major policy decision of the Company. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.

Pursuant to the provisions of Sections 197 and other applicable provisions read along with Schedule V of the Companies Act, 2013 and applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 remuneration of Mr. Falgun Vallabhbhai Savani is required to be approved by the members of the company by Special Resolution.

The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the members.

Mr. Falgun Vallabhbhai Savani is interested in the resolution set out at Item No. 7 of the Notice. The relatives of Mr. Falgun Vallabhbhai Savani i.e. Mr. Jignesh Vallabhbhai Savani, CEO & Director and Mrs. Nayna Jignesh Savani, Non-executive Director may be deemed to be interested in

the resolution set out at Item No. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, 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 NO. 8: TO RE-APPOINT MR. GHANSHAYAMBHAI BHAGVANBHAI SAVANI (DIN: 03055941) AS A WHOLETIME DIRECTOR AND TO FIX REMUNERATION PAYABLE TO HIM:

Mr. Ghanshayambhai Bhagvanbhai Savani was appointed as Whole-time Director of the Company by the Board of Directors of the company at its meeting held on 26th Day of November, 2018 for a period of 5 (Five) years w.e.f. 26th Day of November, 2018 to 25th Day of November, 2023. The same was subsequently approved by the members at the Extra-ordinary General Meeting held on 18th December, 2018. His term as Whole-time Director ends on 25th Day of November, 2023.

Mr. Ghanshayambhai Bhagvanbhai Savani is under Matriculate. He is actively engaged in Production Activity of the Company. He has 32 years of experience in the API Industry. His expertise and business acumen helped in the sustainable growth of the Company. Considering his contribution and progress made by the company under his leadership and guidance and as per the recommendations of Nomination and Remuneration Committee and Audit Committee, the Board at its meeting held on 17th August, 2023 approved to re-appoint him as Wholetime Director for further period of 5 years from 26th Day of November, 2023 to 25th Day of November, 2028 and Board approved the remuneration of Mr. Ghanshayambhai Bhagvanbhai Savani for a period of 3 years from 26th Day of November, 2023 to 25th Day of November, 2026 on terms and conditions furnished below:

1) Salary, perquisites and allowances:

Salary, perquisites and allowances at the rate of ₹ 51,50,000/- (Rupees Fifty One Lacs Fifty Thousands Only) per annum for a period of 3 years from 26th Day of November, 2023 to 25th Day of November, 2026. The said remuneration is within the limit of remuneration as specified under Section 197 of the Companies Act, 2013.

Provided Salary, perquisites and allowances may be revised periodically by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee and Audit Committee subject to the condition that the value of any increment in the annual Salary, perquisites and allowances payable to Wholetime Director shall not exceed 3% of the Annual Net Profit of the company as per the latest audited financial statements of the company.

Perquisites and allowances shall include –

- A. Car with driver: Wholetime Director will be provided a Car with driver for use on Company's business. All the expenses for maintenance and running of the same including salary of the driver to be borne by the company.
- B. Medical reimbursement / allowance: As per the rules of the Company.
- C. Personal accident insurance: As per the rules of the Company.
- D. The Company shall reimburse actual entertainment and travelling expenses incurred by the Wholetime Director in connection with the Company's business.

2) Sitting Fees:

Sitting fees at the rate of ₹ 5,000/- (Rupees Five Thousands Only) per meeting of Board of Directors and its committees attended.

3) Perquisites as per the Section IV of the Schedule V of the Act as provided below:

- A. The Board has considered the relation of the Wholetime Director in terms of his involved in the management of the company through his substation interest in the company and based on that, it is duly considered that there is no employer and employee relation between the company and Wholetime Director on his appointment but the same is an agency relationship. Hence, the remuneration as mentioned in point no. 1 above shall not be subject to the provisions of any Provident Fund or ESI under the respective Act(s) and/or Rules framed thereunder and no provisions under the aforesaid Act(s) shall be made over and above of the remuneration payable to the Wholetime Director.
- B. Encashment of leave at the end of tenure as per rules of the company.
- C. Gratuity computed as per the provisions of the Gratuity Act shall be payable on retirement of the Wholetime Director from the Company.

It is clarified that employees stock options as might be granted to Mr. Ghanshayambhai Bhagvanbhai Savani, from time to time, shall not be considered as a part of perquisites mentioned above and that the perquisite value of stock options exercised shall be in addition to the remuneration under point no. 1 above.

It is hereby confirmed that the company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

It is hereby submitted that based on projections, the managerial remuneration may exceed the limits prescribed under Section 197 of the Companies Act, 2013.

Statement pursuant to Clause (iv) of Section II of Part-II of schedule V of the Companies Act, 2013:**I. GENERAL INFORMATION:**

| 1. | Nature of Industry. | Active Pharma Ingredients & Fine Chemicals | | | | | | | | | | | | | | | |
|-------------------------|--|--|-------------|------------------------|------------------------|-------------------------|----------|----------|-------------------|----------|----------|------------------|----------|--------|-----|------|------|
| 2. | Date or Expected Date of Commencement of Commercial Production. | Company is already engaged in manufacturing activities. | | | | | | | | | | | | | | | |
| 3. | In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | Not applicable. | | | | | | | | | | | | | | | |
| 4. | Financial performance based on given indicators | <table border="1"> <thead> <tr> <th>Particulars</th> <th>2022-23 (₹ in Lacs)</th> <th>2021-22 (₹ in Lacs)</th> </tr> </thead> <tbody> <tr> <td>Revenue from operations</td> <td>9,574.88</td> <td>7,507.44</td> </tr> <tr> <td>Profit before Tax</td> <td>1,507.92</td> <td>1,270.32</td> </tr> <tr> <td>Profit After Tax</td> <td>1,133.41</td> <td>921.33</td> </tr> <tr> <td>EPS</td> <td>9.21</td> <td>7.49</td> </tr> </tbody> </table> | Particulars | 2022-23 (₹ in Lacs) | 2021-22 (₹ in Lacs) | Revenue from operations | 9,574.88 | 7,507.44 | Profit before Tax | 1,507.92 | 1,270.32 | Profit After Tax | 1,133.41 | 921.33 | EPS | 9.21 | 7.49 |
| Particulars | 2022-23 (₹ in Lacs) | 2021-22 (₹ in Lacs) | | | | | | | | | | | | | | | |
| Revenue from operations | 9,574.88 | 7,507.44 | | | | | | | | | | | | | | | |
| Profit before Tax | 1,507.92 | 1,270.32 | | | | | | | | | | | | | | | |
| Profit After Tax | 1,133.41 | 921.33 | | | | | | | | | | | | | | | |
| EPS | 9.21 | 7.49 | | | | | | | | | | | | | | | |
| 5. | Foreign Investments or Collaborators, if any. | At present, the Company does not have any foreign investments or collaborations. | | | | | | | | | | | | | | | |

II. INFORMATION ABOUT THE APPOINTEE:**1. Background Details:**

Mr. Ghanshayambhai Bhagvanbhai Savani, aged 53 years, is a Wholetime 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 Wholetime Director of the Company w.e.f. November 26, 2018. Mr. Ghanshayambhai Bhagvanbhai Savani is under Matriculate. He is actively engaged in Production Activity of the Company. He has 32 years of experience in the API Industry. His expertise and business acumen helped in the sustainable growth of the Company.

2. Past Remuneration:

| Period | Remuneration paid (₹ in Lakhs) |
|---------|--------------------------------|
| 2021-22 | 45.95 |
| 2020-21 | 43.00 |

3. Recognition or awards:

Mr. Ghanshayambhai Bhagvanbhai Savani is well recognized for his leadership, visionary, and entrepreneur skills in managing business activities and has been efficiently managing overall affairs of the Company.

4. Job Profile and his suitability:

In the capacity of Whole-time Director of the Company Mr. Ghanshayambhai Bhagvanbhai Savani shall be responsible for defining and executing business strategy, strengthening governance practices and providing overall leadership to the Company's operations or such other roles and responsibilities as may be assigned to him by the Board from time to time.

5. Remuneration proposed:

Salary, perquisites and allowances at the rate of ₹ 51,50,000/- (Rupees Fifty One Lacs Fifty Thousands Only) per annum

for a period of 3 years from 26th Day of November, 2023 to 25th Day of November, 2026. The said remuneration is within the limit of remuneration as specified under Section 197 of the Companies Act, 2013.

Provided Salary, perquisites and allowances may be revised periodically by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee and Audit Committee subject to the condition that the value of any increment in the annual Salary, perquisites and allowances payable to Wholetime Director shall not exceed 3% of the Annual Net Profit of the company as per the latest audited financial statements of the company.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

Since the Company is engaged in manufacturing of variety of products, it would not be possible to compare the remuneration payable in similar type of Industry.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Ghanshayambhai Bhagvanbhai Savani is holding 6.52% of the equity share capital of the company. Accordingly, he may be deemed having pecuniary relation, directly and indirectly, with the company.

III. OTHER INFORMATION:**1. Reasons of Loss or Inadequate Profits:**

Company is primarily engaged the manufacturing of Active Pharma Ingredients & Fine Chemicals. Due to fiercely competitive environment in the industry, profitability of the company might affected.

2. Steps taken or proposed to be taken for improvement:

Focus has been placed on promotion and marketing so as to increase the sales turnover of the Company and efforts are being made towards cost reduction and this will result into increase in profits of the Company.

3. Expected increase in productivity and profits in measurable terms:

Looking at the past performance and efforts being made during the year, the Company is expecting around Twenty per cent increase in the sales turnover and increase the profits of the Company during the financial year 2023-24.

IV. REASONS AND JUSTIFICATION FOR PAYMENT BEYOND LIMITS SPECIFIED IN SCHEDULE.

Mr. Ghanshayambhai Bhagvanbhai Savani is actively engaged in Production Activity of the Company since he joined the company. He has more than 32 years of experience in the Company. His expertise and business acumen helped in the substantial growth of the company.

Pursuant to the provisions of Sections 197 and other applicable provisions read along with Schedule V of the Companies Act, 2013 and applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 remuneration of Mr. Ghanshayambhai Bhagvanbhai Savani is required to be approved by the members of the company by Special Resolution.

The Board commends the Special Resolution set out at Item No. 8 of the Notice for approval by the members.

Mr. Ghanshayambhai Bhagvanbhai Savani is interested in the resolution set out at Item No. 8 of the Notice. The relatives of Mr. Ghanshayambhai Bhagvanbhai Savani may be deemed to be interested in the resolution set out at Item No. 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, 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 NO. 9: TO RE-APPOINT MR. JIGNESHVALLABHBHAI SAVANI (DIN: 00198203) AS A CEO OF THE COMPANY AND TO FIX REMUNERATION PAYABLE TO HIM:

Mr. Jignesh Vallabhbhai Savani was appointed as CEO of the Company by the Board of Directors of the company at its meeting held on 26th Day of November, 2018 for a period of 5 (Five) years w.e.f. 26th Day of November, 2018 to 25th Day of November, 2023. The same was subsequently approved by the members at the Extra-ordinary General Meeting held on 18th December, 2018. His term as CEO of company ends on 25th Day of November, 2023.

Mr. Jignesh Vallabhbhai Savani has completed Matriculation education from Gujarat Secondary Education Board. He has 22 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. He has work experience in all departments of Company like logistics, HR, Manufacturing, Accounts etc. Considering his contribution and progress made by the company under his leadership and guidance and as per the recommendations of Nomination and Remuneration Committee and Audit Committee, the Board at its meeting held on 17th August, 2023 approved to re-appoint him as Chief Executive Officer (CEO) for further **period of 5 years from 26th Day of November, 2023 to 25th Day of November, 2028** and **Board approved the remuneration of Mr. Jignesh Vallabhbhai Savani for a period of 3 years from 26th Day of November, 2023 to 25th Day of November, 2026** on terms and conditions furnished below:

1) Salary, perquisites and allowances:

Salary, perquisites and allowances at the rate of ₹ 51,50,000/- (Rupees Fifty One Lacs Fifty Thousands Only) per annum for a period of 3 years from 26th Day of November, 2023 to 25th Day of November, 2026.

Provided Salary, perquisites and allowances may be revised periodically by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee and Audit Committee subject to the condition that the value of any increment in the annual Salary, perquisites and allowances payable to CEO shall not exceed 3% of the Annual Net Profit of the company as per the latest audited financial statements of the company.

Perquisites and allowances shall include –

- A. Car with driver:** CEO will be provided a Car with driver for use on Company's business. All the expenses for maintenance and running of the same including salary of the driver to be borne by the company.
- B. Medical reimbursement / allowance:** As per the rules of the Company.
- C. Personal accident insurance:** As per the rules of the Company.
- D.** The Company shall reimburse actual entertainment and travelling expenses incurred by the CEO in connection with the Company's business.

3) Sitting Fees:

Sitting fees at the rate of ₹ 5,000/- (Rupees Five Thousands Only) per meeting of Board of Directors and its committees attended.

5) Perquisites as per the Section IV of the Schedule V of the Act as provided below:

- A.** The Board has considered the relation of the CEO in terms of his involved in the management of the

company through his substation interest in the company and based on that, it is duly considered that there is no employer and employee relation between the company and CEO on his appointment but the same is an agency relationship. Hence, the remuneration as mentioned in point no. 1 above shall not be subject to the provisions of any Provident Fund or ESI under the respective Act(s) and/or Rules framed thereunder and no provisions under the aforesaid Act(s) shall be made over and above of the remuneration payable to the CEO.

- B. Encashment of leave at the end of tenure as per rules of the company.
- C. Gratuity computed as per the provisions of the Gratuity Act shall be payable on retirement of the CEO from the Company.

It is clarified that employees stock options as might be granted to Mr. Jignesh Vallabhnbhai Savani, from time to time, shall not be considered as a part of perquisites mentioned above and that the perquisite value of stock options exercised shall be in addition to the remuneration under point no. 1 above.

It is hereby confirmed that the company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

It is hereby submitted that the managerial remuneration exceeds the limits prescribed under Section 197 of the Companies Act, 2013.

Statement pursuant to Clause (iv) of Section II of Part-II of schedule V of the Companies Act, 2013:

I. GENERAL INFORMATION:

| 1. | Nature of Industry. | Active Pharma Ingredients & Fine Chemicals | | | | | | | | | | | | | | | |
|-------------------------|--|--|-------------|------------------------|------------------------|-------------------------|----------|----------|-------------------|----------|----------|------------------|----------|--------|-----|------|------|
| 2. | Date or Expected Date of Commencement of Commercial Production. | Company is already engaged in manufacturing activities. | | | | | | | | | | | | | | | |
| 3. | In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | Not applicable. | | | | | | | | | | | | | | | |
| 4. | Financial performance based on given indicators | <table border="1"> <thead> <tr> <th>Particulars</th> <th>2022-23 (₹ in Lacs)</th> <th>2021-22 (₹ in Lacs)</th> </tr> </thead> <tbody> <tr> <td>Revenue from operations</td> <td>9,574.88</td> <td>7,507.44</td> </tr> <tr> <td>Profit before Tax</td> <td>1,507.92</td> <td>1,270.32</td> </tr> <tr> <td>Profit After Tax</td> <td>1,133.41</td> <td>921.33</td> </tr> <tr> <td>EPS</td> <td>9.21</td> <td>7.49</td> </tr> </tbody> </table> | Particulars | 2022-23 (₹ in Lacs) | 2021-22 (₹ in Lacs) | Revenue from operations | 9,574.88 | 7,507.44 | Profit before Tax | 1,507.92 | 1,270.32 | Profit After Tax | 1,133.41 | 921.33 | EPS | 9.21 | 7.49 |
| Particulars | 2022-23 (₹ in Lacs) | 2021-22 (₹ in Lacs) | | | | | | | | | | | | | | | |
| Revenue from operations | 9,574.88 | 7,507.44 | | | | | | | | | | | | | | | |
| Profit before Tax | 1,507.92 | 1,270.32 | | | | | | | | | | | | | | | |
| Profit After Tax | 1,133.41 | 921.33 | | | | | | | | | | | | | | | |
| EPS | 9.21 | 7.49 | | | | | | | | | | | | | | | |
| 5. | Foreign Investments or Collaborators, if any. | At present, the Company does not have any foreign investments or collaborations. | | | | | | | | | | | | | | | |

II. INFORMATION ABOUT THE APPOINTEE:

1. Background Details:

Mr. Jignesh Vallabhnbhai Savani, aged 45 years, is a CEO and Director of Company. Mr. Jignesh Vallabhnbhai Savani has completed Matriculation education from Gujarat Secondary Education Board. He has 22 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. He has work experience in all departments of Company like logistics, HR, Manufacturing, Accounts etc.

2. Past Remuneration:

| Period | Remuneration paid (₹ in Lakhs) |
|---------|--------------------------------|
| 2021-22 | 45.95 |
| 2020-21 | 43.00 |

3. Recognition or awards:

Mr. Jignesh Vallabhnbhai Savani is well recognized for his leadership, visionary, and entrepreneur skills in managing business activities and has been efficiently managing overall affairs of the Company.

4. Job Profile and his suitability:

In the capacity of CEO of the Company, Mr. Jignesh Vallabhnbhai Savani shall be responsible for executing business strategy and providing overall leadership to the Company's operations or such other roles and responsibilities as may be assigned to him by the Board from time to time.

5. Remuneration proposed:

Salary, perquisites and allowances at the rate of ₹ 51,50,000/- (Rupees Fifty One Lacs Fifty Thousands Only) per annum for a period of 3 years from 26th Day of November, 2023 to 25th Day of November, 2026.

Provided Salary, perquisites and allowances may be revised periodically by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee and Audit Committee subject to the condition that the value of any increment in the annual Salary, perquisites and allowances payable to CEO shall not exceed 3% of the Annual Net Profit of the company as per the latest audited financial statements of the company.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

Since the Company is engaged in manufacturing of variety of products, it would not be possible to compare the remuneration payable in similar type of Industry.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Jignesh Vallabhbhai Savani is holding 21.88% of the equity share capital of the company. In addition to above, his relatives are also holding shares in the company. Accordingly, he may be deemed having pecuniary relation, directly and indirectly, with the company.

III. OTHER INFORMATION:

1. Reasons of Loss or Inadequate Profits:

Company is primarily engaged the manufacturing of Active Pharma Ingredients & Fine Chemicals. Due to fiercely competitive environment in the industry, profitability of the company might affected.

2. Steps taken or proposed to be taken for improvement:

Focus has been placed on promotion and marketing so as to increase the sales turnover of the Company and efforts are being made towards cost reduction and this will result into increase in profits of the Company.

3. Expected increase in productivity and profits in measurable terms:

Looking at the past performance and efforts being made during the year, the Company is expecting around Twenty per cent increase in the sales turnover and increase the profits of the Company during the financial year 2023-24.

IV. REASONS AND JUSTIFICATION FOR PAYMENT BEYOND LIMITS SPECIFIED IN SCHEDULE.

Mr. Jignesh Vallabhbhai Savani is actively engaged in administrative work of the company since he was appointed as a Director. He has more than 22 years of experience in the Company. He has work experience in all departments of Company like logistics, HR, Manufacturing, Accounts etc.

Pursuant to the provisions of Sections 197 and other applicable provisions read along with Schedule V of the Companies Act, 2013 and applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 remuneration of Mr. Jignesh Vallabhbhai Savani is required to be approved by the members of the company by Special Resolution.

The Board commends the Special Resolution set out at Item No. 9 of the Notice for approval by the members.

Mr. Jignesh Vallabhbhai Savani is interested in the resolution set out at Item No. 9 of the Notice. The relatives of Mr. Jignesh Vallabhbhai Savani i.e. Mr. Falgun Vallabhbhai Savani, Chairman & Managing Director and Mrs. Nayna Jignesh Savani, Non-executive Director may be deemed to be interested in the resolution set out at Item No. 9 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, 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.

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

Sd/-

Sanket B. Trivedi

Place: Bhavnagar Company Secretary & Compliance Officer
Date: August 17, 2023 (Membership No: ACS: 51758)

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 24th ANNUAL GENERAL MEETING.

Director retiring by rotation and eligible for reappointment & seeking reappointment:



Mr. Jignesh Vallabhnbhai Savani
(Director & CEO)
(DIN: 00198203)

| | |
|---|--|
| DIN No. | 00198203 |
| Designation | Director & CEO |
| Date of Birth | 15/12/1977 |
| Age | 45 Years |
| Date of first appointment on the Board | Appointed as Director on 26/02/1999. Appointed as CEO on 26/11/2018 |

Qualification / Brief Resume / Expertise in specific functional area / experience

Mr. Jignesh Vallabhnbhai Savani was appointed as CEO of the Company by the Board of Directors of the company at its meeting held on 26th Day of November, 2018 for a period of 5 (Five) years w.e.f. 26th Day of November, 2018 to 25th Day of November, 2023. The same was subsequently approved by the members at the Extra-ordinary General Meeting held on 18th December, 2018.

Mr. Jignesh Vallabhnbhai Savani has completed Matriculation education from Gujarat Secondary Education Board. He has 22 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. He has work experience in all departments of Company like logistics, HR, Manufacturing, Accounts etc.
2692440 Equity Shares

No. of Shares held in the Company as on 31/03/2023

Remuneration

Relationship with other Directors and Key Managerial Personnel

No of meetings of the Board attended during the year

Other Directorships

Chairmanship / Membership of Committees of other companies

₹ 45.95 Lakhs Remuneration and 0.14 lakhs sitting fees F.Y. 2021-22

Husband of Mrs. Nayna Savani, Non-executive Director and Brother of Mr. Falgun Vallabhnbhai Savani, Chairman & Managing Director of the company.

5 (Five)

NIL

NIL

Directors seeking reappointment:**Mr. Pravin Manjibhai Bhayani**

(Independent Director)

(DIN: 08332851)

| | |
|---|--|
| DIN No. | 08332851 |
| Designation | Independent Director |
| Date of Birth | 22/09/1971 |
| Age | 51 Years |
| Date of first appointment on the Board | Appointed as an Additional Independent Director on 17/01/2019 and regularized an Independent Director on 09/02/2019. |

Qualification / Brief Resume / Expertise in specific functional area / experience

Mr. Pravin Manjibhai Bhayani 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 commerce graduation i.e. B. Com. from Gujarat University. He also holds Post Qualification degree in Information System Audit (DISA) from ICAI. He has 24 years of vast experience in the field of Audit, Accounts, System Implementation, Cost Review, Income-tax, GST and Finance.

No. of Shares held in the Company as on 31/03/2023

NIL

Remuneration

Sitting Fees as approved by the Board from time to time.

Relationship with other Directors and Key Managerial Personnel

Not Applicable

No of meetings of the Board attended during the year

5 (Five)

Other Directorships

NIL

Chairmanship / Membership of Committees of other companies

NIL

Directors seeking reappointment:**Mrs. Krishna Mitulbhai Shah**

(Independent Director)

(DIN: 08317678)

| | |
|---|--|
| DIN No. | 08317678 |
| Designation | Independent Director |
| Date of Birth | 21/07/1979 |
| Age | 44 Years |
| Date of first appointment on the Board | Appointed as an Additional Independent Director on 17/01/2019 and regularized an Independent Director on 09/02/2019. |

Qualification / Brief Resume / Expertise in specific functional area / experience

Mrs. Krishna Mitulbhai Shah holds a Bachelor's degree in Commerce from the Shreemati Nathibai Damodar Thackersey Women's University, Mumbai.

No. of Shares held in the Company as on 31/03/2023

NIL

Remuneration

Sitting Fees as approved by the Board from time to time.

Relationship with other Directors and Key Managerial Personnel

Not Applicable

No of meetings of the Board attended during the year

5 (Five)

Other Directorships

NIL

Chairmanship / Membership of Committees of other companies

NIL



Mrs. Kajal Chintanbhai Vaghani

(Independent Director)

(DIN: 08317641)

| | |
|---|--|
| DIN No. | 08317641 |
| Designation | Independent Director |
| Date of Birth | 08/11/1979 |
| Age | 43 Years |
| Date of first appointment on the Board | Appointed as an Additional Independent Director on 17/01/2019 and regularized an Independent Director on 09/02/2019. |

| | |
|--|---|
| Qualification / Brief Resume / Expertise in specific functional area / experience | She holds a Bachelor's degree in Commerce from the Shreemati Nathibai Damodar Thackersey Women's University, Mumbai. She has an experience of about 19 years in Automobiles Industry. |
| No. of Shares held in the Company as on 31/03/2023 | NIL |
| Remuneration | Sitting Fees as approved by the Board from time to time. |
| Relationship with other Directors and Key Managerial Personnel | Not Applicable |
| No of meetings of the Board attended during the year | 4 (Four) |
| Other Directorships | NIL |
| Chairmanship / Membership of Committees of other companies | NIL |



Mr. Falgun Vallabhbbhai Savani

(Chairman & Managing Director)

(DIN: 08332851)

| | |
|---|--|
| DIN No. | 00198236 |
| Designation | Chairman and Managing Director |
| Date of Birth | 24/09/1974 |
| Age | 48 Years |
| Date of first appointment on the Board | 26/02/1999 Appointed as Chairman and Managing Director w.e.f. 26/11/2018. |

| | |
|--|--|
| Qualification / Brief Resume / Expertise in specific functional area / experience | Mr. Falgun Vallabhbbhai Savani, aged 48 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 22 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. |
| No. of Shares held in the Company as on 31/03/2023 | 2645952 Equity Shares |
| Remuneration | 45.95 Lacs plus Sitting of ₹ 0.25 Lacs for FY 2021-22 |
| Relationship with other Directors and Key Managerial Personnel | Brother of Mr. Jignesh Vallabhbbhai Savani, Director & CEO of the company and Brother-in-law of Mrs. Nayna Jignesh Savani, Non-executive Director of the company. |
| No of meetings of the Board attended during the year | 5 (Five) |
| Other Directorships | NIL |
| Chairmanship / Membership of Committees of other companies | NIL |



Mr. Ghanshyam Bhagvanbhai Savani

(Wholetime Director)

(DIN: 03055941)

| | |
|---|---|
| DIN No. | 03055941 |
| Designation | Wholetime Director |
| Date of Birth | 01/08/1970 |
| Age | 53 Years |
| Date of first appointment on the Board | Appointed as an 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. 26/11/2018. |

| | |
|--|---|
| Qualification / Brief Resume / Expertise in specific functional area / experience | Mr. Ghanshayambhai Bhagvanbhai Savani is under Matriculate. He is actively engaged in Production Activity of the Company. He has 32 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 31/03/2023 | 802284 Equity Shares |
| Remuneration | 45.95 Lacs plus Sitting of ₹ 0.13 Lacs for FY 2021-22 |
| Relationship with other Directors and Key Managerial Personnel | Cousin of Mr. Jignesh Vallabhbhai Savani, Director & CEO of the company and Mr. Falgun Vallabhbhai Savani, Chairman & Managing Director of the company. |
| No of meetings of the Board attended during the year | 5 (Five) |
| Other Directorships | NIL |
| Chairmanship / Membership of Committees of other companies | NIL |

ATTENDANCE SLIP

(TO BE HANDED OVER AT THE ENTRANCE)

I/we hereby record my/our presence at the 24th Annual General Meeting of the Company held on Saturday, September 16, 2023 at 11.00 a.m. at TaraSuns, B/h Yash Complex, B/s Sonal Park, G.E.R.I. Road, Gotri, Vadodara -390021, Gujarat.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Full name of the member attending:

Address:

Name of Proxy:

Regd. Folio No.:

DP Id: , Client Id :

No. Of shares held:

Full Name of Shareholder (In block letters)

Signature of Shareholder

Full Name of Proxy (In block letters)

Signature of Proxy

FORM NO. MGT- 11**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Venue of Meeting: TaraSuns, B/h Yash Complex, B/s Sonal Park, G.E.R.I. Road, Gotri, Vadodara -390021, Gujarat, India

Day, date & time: 24th Annual General Meeting, Saturday, 16th Day of September, 2023 at 11:00 A.M.

| |
|---|
| <p>Name of the member(s) _____</p> <p>Registered address : _____</p> <p>Email Id : _____</p> <p>Folio No./Client Id : _____, DP ID : _____</p> |
|---|

I/We, being the member(s) of equity shares of the above named company, hereby appoint

1. **Name :** _____
Address : _____
E-mail ID: _____ **Signature** _____

or failing him

2. **Name :** _____
Address : _____
E-mail ID: _____ **Signature** _____

or failing him

3. **Name :** _____
Address : _____
E-mail ID: _____ **Signature** _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on Saturday, September 16, 2023 at 11.00 a.m. at TaraSuns, B/h Yash Complex, B/s Sonal Park, G.E.R.I. Road, Gotri, Vadodara -390021, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

| Resolution No. | Particulars of Resolution(s) | Vote | |
|--------------------------|--|------|---------|
| | | For | Against |
| ORDINARY BUSINESS | | | |
| 1 | To receive, consider and adopt the Audited Standalone Financial Statements of the company for the financial year ended on 31 st March, 2023 together with the report of the Board of Directors and Auditors thereon. | | |
| 2 | To appoint a Director in place of Mr. Jignesh Vallabhbhai Savani, Director & CEO (DIN: 00198203), who retires by rotation and being eligible offer himself for re-appointment. | | |
| 3 | 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), resolution as an Ordinary resolution | | |
| SPECIAL BUSINESS | | | |
| 4 | To re-appoint Mr. Pravin Manjibhai Bhayani (DIN: 08332851) as an Independent Director of the Company and to fix remuneration payable to him and if thought fit, to pass with or without modification(s), resolution as a Special Resolution | | |
| 5 | To re-appoint Mrs. Krishna Mitulbhai Shah (DIN: 08317678) as an Independent Director of the Company and if thought fit, to pass with or without modification(s), resolution as a Special Resolution | | |
| 6 | To re-appoint Mrs. Kajal Chintanbhai Vaghani (DIN: 08317641) as an Independent Director of the Company and if thought fit, to pass with or without modification(s), resolution as a Special Resolution | | |
| 7 | To re-appoint Mr. Falgun Vallabhbhai Savani (DIN: 00198236) as Chairman & Managing Director of the company and fix Remuneration payable to him and to consider and if thought fit, to pass with or without modification(s), resolution as a Special Resolution | | |
| 8 | To re-appoint Mr. Ghanshayambhai Bhagvanbhai Savani (DIN: 03055941) as a Wholtime Director and to fix Remuneration payable to him and to consider and if thought fit, to pass with or without modification(s), resolution as a Special Resolution | | |
| 9 | To re-appoint Mr. Jignesh Vallabhbhai Savani (DIN: 00198203) as a CEO of the company and to fix Remuneration payable to him and to consider and if thought fit, to pass with or without modification(s), resolution as a Special Resolution | | |

Please put a tick mark (√) in the appropriate column against the resolutions indicated in the box. If a Member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a Member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

Signed thisday of.....2023

Signature of member (s)

Signature of Proxy holder(s)

Affix
Revenue
stamp Here

Note:

- The Proxy to be effective should be deposited at the Registered office of the company not less than FORTY EIGHT HOURS before the commencement of the Meeting. A Proxy need not be a Member of the Company.
- In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- A member may vote either for or against each resolution.

Route Map of Venue of 24th Annual General Meeting of the Company to be held on Saturday, September 16, 2023 at 11.00 a.m. at Hotel Tara Suns, B/h Yash Complex, B/s Sonal Park, G.E.R.I. Road, Gotri, Vadodara -390021, Gujarat, India.



Map Link: <https://goo.gl/maps/7jQeoU8434ggfvAP6>

Directors' Report

Dear Members,

Your Directors have immense pleasure in presenting the Twenty Fourth (24th) 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, 2023.

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 Lakhs except EPS)

| Particulars | For the Year ended 31 st March, 2023 | For the Year ended 31 st March, 2022 |
|--|--|--|
| Revenue from Operations | 9,574.88 | 7,507.44 |
| Other Income | 23.83 | 18.39 |
| Total Income | 9,598.71 | 7,525.83 |
| Less: Total Expenses (excluding Depreciation) | 7,767.47 | 5,927.39 |
| Profit Before Depreciation & Tax | 1,831.24 | 1,598.44 |
| Less: Depreciation | 323.32 | 328.12 |
| Profit before extraordinary items and tax | 1,507.92 | 1,270.32 |
| Less: Extraordinary Items | 0.00 | 0.00 |
| Profit before tax | 1,507.92 | 1,270.32 |
| Less: (i) Current Tax | 379.51 | 334.50 |
| (ii) Deferred Tax | -5.00 | 14.49 |
| Net Profit/(Loss) For The Year | 1,133.41 | 921.33 |
| EPS (Basic) | 9.21 | 7.49* |
| EPS (Diluted) | 9.21 | 7.49* |

*worked out after bonus issued.

2. Performance Review

- The Company is engaged in the Manufacturing business of Active Pharma Ingredients ("APIs"), and Fine Chemicals. Our product portfolio presently comprises 15 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 ₹ 9,574.88/- Lakhs during the current year compared to previous year of ₹ 7,507.44/- Lakhs i.e. the increase in the current year is approx 27.54%.
 - Net Profit after tax for the current year increased to ₹ 1,133.41/- Lakhs compared to the previous year of ₹ 921.33/- Lakhs i.e. variation in the current year is approx 23.02%
 - The earning per share has been increased from ₹ 7.49 to 9.21 as compared to previous year i.e.

various in the current year is approx. 22.96%.

- For Fiscal 2023, our domestic and international operations accounted for approx. 78.99% and 21.01%, respectively, of our total sales.
- The domestic and international sales improved 33.49% and 11.43% respectively.
- There are four Manufacturing Blocks at Bhavnagar which are for different products having a capacity of approx 9,700 MTPA. Block 1 – APIs, Block 2 - Magnesium Hydroxide, Block 3 - Fine Chemicals and Block 4 – APIs/ Fine Chemicals.

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 listed on NSE Platform having Symbol –“PAR”; ISIN: INE04LG01015. The following table shows High, Low during the respective month and number of equity shares traded during each month in the FY 2022-23 on NSE*;

| Months | Average of Open | Month's High Price | Month's Low Price | Average of Previous Close | Month's total No. of Trades | Month's Total Volume |
|----------------|-----------------|--------------------|-------------------|---------------------------|-----------------------------|----------------------|
| April-2022 | 168.22 | 180.00 | 151.20 | 166.29 | 6099 | 233754 |
| May-2022 | 153.85 | 186.00 | 138.15 | 154.02 | 6666 | 273087 |
| June-2022 | 145.05 | 162.50 | 132.00 | 144.74 | 5243 | 213683 |
| July-2022 | 176.71 | 199.65 | 141.00 | 175.56 | 31434 | 1362507 |
| August-2022 | 170.93 | 187.50 | 160.10 | 170.50 | 5967 | 205482 |
| September-2022 | 166.18 | 182.00 | 149.10 | 165.23 | 7354 | 228562 |
| October-2022 | 153.12 | 163.70 | 145.80 | 151.46 | 4510 | 147275 |
| November-2022 | 160.60 | 187.40 | 144.55 | 158.93 | 21523 | 728376 |
| December-2022 | 155.08 | 164.95 | 139.90 | 154.23 | 11622 | 381161 |
| January-2023 | 159.40 | 182.00 | 148.10 | 159.05 | 20277 | 614724 |
| February-2023 | 156.16 | 169.30 | 142.55 | 154.39 | 5866 | 157254 |
| March-2023 | 146.08 | 157.00 | 128.35 | 143.43 | 6875 | 172713 |

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



4. CHANGE IN THE BUSINESS OF THE COMPANY:

Company is engaged in manufacturing business of Active Pharma Ingredients (“APIs”) and Fine Chemicals and there is no change in the nature of business of the company occurred during the year.

5. DIVIDEND:

Your directors don't recommend any Interim and final dividend for the year under review.

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. During the year an amount of ₹ 1,133.41/- Lakhs transferred to the Surplus in the Statement of Profit & Loss whereas an amount of ₹ 2.70/- Lakhs utilized for income tax adjustment of earlier year.

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

There are no any 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.

8. 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, 2023, 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.

The records of the inventories are maintained on a manual basis. The company is engaged in bulk drug production and the consumption of the raw materials are not 100% standardize in nature. So, board recommended replacing the manual system by implementing the computerized system so that the movement of the inventories access at each level and its reports on day to day basis.

On recommendation, the company has started the process to move to the system called as 'infinity' but the comprised system is still under the going stage. Considering that, it is recommended herewith to complete the computerized system. Accordingly, physical Verification of Inventories and movement of each items needs to be improved to the stage of in-built system.

The physical verification of the work in progress of the office building as on the end of the year and the plant & machinery installed during the year are not possible to do as the work in the unit is still going on. There are numbers of items replaced and added during the last two years. Therefore, it is recommended to do the physical verification of all the assets on completing all installations at the Bhavnagar Unit.

The long term pending outstanding & receivables of exports and local dues needs to be followed up urgently and it is recommended to settle the same.

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.

9. 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.

Further, following approval granted by NSE for Reclassification of Promoters/Promoter Group which does not have any impact on the going concern status and company's operations in future:

The Company has received request from Siddhi Silica Private Limited for declassifying as 'promoters/Promoter Group' and for reclassifying into the category of 'public shareholders' under the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Subject to approval of the Member of the Par Drugs and Chemicals Limited, the board has analysed, considered, approved the request received from Siddhi Silica Private Limited. Further, in the Twenty Third (23rd) Annual General Meeting ("AGM") of the Members of PAR DRUGS AND CHEMICALS LIMITED ("Company") held on Saturday, 10th Day of September, 2022 at 11:00 A.M. at TaraSuns, B/h Yash Complex, B/s Sonal Park, G.E.R.I. Road, Gotri, Vadodara -390021, Gujarat, India, considered, discussed and approved the matter by passing ordinary resolution. Consequently, Company made an application to the NSE for seeking Reclassification of Promoters under the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on submissions made by the company, the Exchange approved the application for reclassification of Siddhi Silica Private Limited as per the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on January 17, 2023.

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

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

11. 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.

12. AUDITORS & AUDITORS' REPORT:

Statutory Auditors:

It is recommended to appoint M/s. Sarupria Somani & Associates, Chartered Accountants (Firm Registration No.: 010674C), having valid Peer Review certificate, as the Statutory Auditors of the company from the conclusion of the 24th Annual General Meeting till the conclusion of the 25th Annual General Meeting of the Company to be held for the F.Y. 2023-24 at an annual remuneration / fees of ₹ 2,25,000/- (Rupees Two Lakh Twenty Five 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. As required under the provisions of Section 139 of the Companies Act, 2013, company has obtained confirmation from M/s. Sarupria Somani & Associates, Chartered Accountants (Firm Registration No.: 010674C), 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 had appointed M/s. DG Patel & Associates, Practising Company Secretaries (C.P. No.: 13774) as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2022-23.

Secretarial Auditor's Report:

The Secretarial Audit Report for the financial year ended 31st March, 2023 is self-explanatory and does not call for any further comments.

There is no qualification, reservations or adverse remarks made by the Secretarial Auditor.

The Secretarial Audit Report for the financial year ended 31st March, 2023 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.

13. 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.

14. 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.

15. 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, 2023, 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 Vallabhbai Savani DIN: 00198236 | Chairman and Managing Director (Promoter) | 48 | NIL | NIL |
| 2. | Mr. Jignesh Vallabhbai Savani DIN: 00198203 | Executive Director & CEO(Promoter) | 45 | NIL | NIL |
| 3. | Mr. Ghanshayambhai Bhagvanbhai Savani DIN: 03055941 | Whole Time Director(Promoter Group) | 53 | NIL | NIL |
| 4. | Mrs. Nayna Jignesh Savani DIN: 00198189 | Non- Executive Director (Promoter Group) | 44 | NIL | NIL |
| 5. | Mr. Pravin Manjibhai Bhayani DIN: 08332851 | Non- Executive Independent Director | 51 | NIL | NIL |
| 6. | Mrs. Krishna Mitulbhai Shah DIN: 08317678 | Non- Executive Independent Director | 44 | NIL | NIL |
| 7. | Mrs. Kajal Chintanbhai Vaghani DIN: 08317641 | Non- Executive Independent Director | 43 | NIL | NIL |
| 8. | Mrs. Bintal Bhaveshkumar Shah DIN: 08893054 | Non- Executive Independent Director | 47 | 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 except Mr. Falgun Vallabhbhai 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, 2023, Mr. Falgun Vallabhbhai Savani, Chairman & Managing Director; Mr. Ghanshayambhai Bhagvanbhai Savani, Whole-time Director; Mr. Jignesh Vallabhbhai Savani, Chief Executive Officer; Mr. Chintan Pratapbhai Chauhan, Chief Financial Officer and Mr. Sanket Bhupendrabhai Trivedi, Company Secretary and Compliance Officer 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 and seeking appointment/re-appointment:

In terms of section 152 of the Companies Act, 2013, **Mr. Jignesh Vallabhbhai Savani, Director & CEO (DIN: 00198203)**, who retires by rotation and being eligible offers himself for re-appointment. Based on the performance evaluation and recommendation of the nomination and remuneration committee, the Board recommends his reappointment.

Mr. Falgun V. Savani Chairman & Managing Director (DIN:00198236) who retired by rotation re-appointed in the 23rd Annual General Meeting of the company held on 10th September, 2022.

Term of **Mr. Falgun Vallabhbhai Savani (DIN: 00198236)** as Chairman & Managing Director ends on 25th Day of November, 2023. It is proposed to re-appoint him as Chairman & Managing Director for further period of 5 years from 26th Day of November, 2023 to 25th Day of November, 2028.

Term of **Mr. Ghanshayambhai Bhagvanbhai Savani (DIN: 03055941)** as Whole-time Director ends on 25th Day of November, 2023. It is proposed to re-appoint him as Whole-time Director for further period of 5 years from 26th Day of November, 2023 to 25th Day of November, 2028.

Term of **Mr. Jignesh Vallabhbhai Savani (DIN: 00198203)** as CEO ends on 25th Day of November, 2023. It is proposed to re-appoint him as CEO for further period of 5 years from 26th Day of November, 2023 to 25th Day of November, 2028.

Term of **Mr. Pravin Manjibhai Bhayani (DIN: 08332851)** as an Independent Director of the Company ends on 16th Day of January, 2024. It is proposed to re-appointed as an Independent Director for a second term of Five consecutive years w.e.f. 17th January, 2024 to 16th January, 2029

Term of **Mrs. Krishna Mitulbhai Shah (DIN: 08317678)** as an Independent Director of the Company ends on 16th Day of January, 2024. It is proposed to re-appointed as an Independent Director for a second term of Five consecutive years w.e.f. 17th January, 2024 to 16th January, 2029

Term of **Mrs. Kajal Chintanbhai Vaghani (DIN: 08317641)** as an Independent Director of the Company ends on 16th Day of January, 2024. It is proposed to re-appointed as an Independent Director for a second term of Five consecutive years w.e.f. 17th January, 2024 to 16th January, 2029

16.4 Meetings of Board of Directors:

Details of the Board Meetings held during the Financial Year ended 31st March, 2023 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 |
|-------------|-----------------------|------------------------|--------------------------|
| 1/2022-23 | 07-05-2022 | 8 | 7 |
| 2/2022-23 | 13-06-2022 | 8 | 7 |
| 3/2022-23 | 28-07-2022 | 8 | 8 |
| 4/2022-23 | 09-11-2022 | 8 | 8 |
| 5/2022-23 | 10-02-2023 | 8 | 8 |

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. 2022-23 |
|---------------------------------------|--|---|
| Mr. Falgun Vallabhbbhai Savani | 5 | 5 |
| Mr. Jignesh Vallabhbbhai Savani | 5 | 5 |
| Mr. Ghanshayambhai Bhagvanbhai Savani | 5 | 5 |
| Mrs. Nayna Jignesh Savani | 5 | 5 |
| Mrs. Krishna Mitulbhai Shah | 5 | 5 |
| Mrs. Kajal Chintanbhai Vaghani | 5 | 4 |
| Mr. Pravin Manjibhai Bhayani | 5 | 5 |
| Mrs. Bintal Bhaveshkumar Shah | 5 | 4 |

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, 2023.

The Composition of the Committee as on March 31, 2023 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 | 4/4 |
| Mrs. Kajal Chintanbhai Vaghani | Non-Executive & Independent Director | Member | 4/4 |
| Mr. Falgun Vallabhbbhai Savani | Chairman & Managing Director | Member | 4/4 |
| Mrs. Krishna Mitulbhai Shah | Non-Executive & Independent Director | Member | 4/4 |

| Meeting No. | Date of Audit Committee Meeting | Total no. of Member | No. of Member present |
|--------------|---------------------------------|---------------------|-----------------------|
| 1/AC/2022-23 | 07-05-2022 | 4 | 4 |
| 2/AC/2022-23 | 27-07-2022 | 4 | 4 |
| 3/AC/2022-23 | 09-11-2022 | 4 | 4 |
| 4/AC/2022-23 | 10-02-2023 | 4 | 4 |

The Chairman of the Committee has attended the last Annual General Meeting of the Company held on September 10, 2022.

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, 2023.

The Committee met two times during the year on July 27, 2022 and February 10, 2023. The Composition of the Committee as on March 31, 2023 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 | 2/2 |
| Mrs. Krishna Mitulbhai Shah | Non-Executive & Independent Director | Member | 2/2 |
| Mrs. Nayna J. Savani | Non-Executive Director | Member | 2/2 |

The Chairman of the Committee has attended the last Annual General Meeting of the Company held on September 10, 2022.

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 Executive Director as on 31st March, 2023.

The Committee met on July 27, 2022. The Composition of the Committee as on March 31, 2023 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 V. Savani | Executive Director & CEO | Member | 1/1 |

The Chairman of the Committee has attended the last Annual General Meeting of the Company held on September 10, 2022.

4. CSR Committee:

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.

The CSR Committee comprises of three members with two Independent Directors and one Non-executive Director as on March 31, 2023.

The Committee met two times during the year i.e. on July 27, 2022 and February 10, 2023. The Composition of the Committee as on March 31, 2023 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 | 2/2 |
| Mrs. Krishna Mitulbhai Shah | Non-Executive & Independent Director | Member | 2/2 |
| Mrs. Nayna J. Savani | Non-Executive Director | Member | 2/2 |

The Chairman of the Committee has attended the last Annual General Meeting of the Company held on September 10, 2022.

5. Independent Director Meeting:

One Meeting of Independent Directors held on 31/03/2023 during the year under review and 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. Kajal Chintanbhai Vaghani | Non-Executive & Independent Director | Member | 1/1 |
| Mrs. Bintal Bhaveshkumar Shah | Non-Executive & Independent Director | Member | 1/1 |

16.6 Details of Remuneration paid to Directors/KMPs:

| Name of Member | Category | No. of meeting attended/ held |
|---------------------------------------|--|-------------------------------|
| Mr. Falgun Vallabhbai Savani | Chairman & Managing Director | 51.50 0.45* |
| Mr. Jignesh Vallabhbai Savani | CEO and Executive Director | 51.50 0.30* |
| Mr. Ghanshayambhai Bhagvanbhai Savani | Whole-time Director | 51.50 0.25* |
| Mrs. Nayna Jignesh Savani | Non- Executive Director | 0.45* |
| Mrs. Krishna Mitulbhai Shah | Non- Executive Independent Director | 0.75* |
| Mrs. Kajal Chintanbhai Vaghani | Non- Executive Independent Director | 0.45* |
| Mr. Pravin Manjibhai Bhayani | Non- Executive Independent Director | 0.75* |
| Mrs. Bintal Bhaveshkumar Shah | Non- Executive Independent Director | 0.25* |
| Mr. Sanket Bhupendrabhai Trivedi | Company Secretary & Compliance Officer | 6.30 |
| Mr. Chintan Pratapbhai Chauhan | Chief Financial Officer (CFO) | 5.46 |

*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 at <http://pardrugs.com/pdf/policies/Nomination%20and%20Remuneration%20Policy%20-%20PAR.pdf>.

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 at <http://pardrugs.com/pdf/policies/Code%20of%20Director%20&%20Senior%20Management%20Personnel%20-%20PAR.pdf>.

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 at <http://pardrugs.com/familiraisation-programme.php>

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 all 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 and also they have successfully qualified online proficiency for Independent Director's Data bank from Indian Institute of Corporate Affairs as on date this report.

19. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTU/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. WEB LINK OF ANNUAL RETURN:

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return as of March 31, 2022, on its website at www.pardrugs.com/annual-reports.php. The Company will also place annual return in Form No MGT-7 for FY 2022-23 on completion of ensuing annual general meeting of shareholders of the Company.

21. SHARE CAPITAL:

Authorized Share Capital:

The authorized share capital of the Company is ₹ 12,50,00,000/- divided into 1,25,00,000 Equity Shares

Paid up Share Capital:

At present, paid-up equity share capital is ₹ 12,30,46,360/- consisting of 12304636 equity shares of ₹ 10/- 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:

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

Employees Stock Option Plan:

The Company has not provided any Stock Option Scheme to the employees during the year under review.

22. DEMATERIALISATION OF SHARES:

100% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2023.

23. 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. 30 to the Balance Sheet as on 31st March, 2023.

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 <https://www.pardrugs.com/pdf/policies/Policy%20on%20Related%20Party%20Transactions%20-%20PAR.pdf>.

24. 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-II** and forms part of this report.

B. Foreign Exchange earnings and Outgo:

Foreign Earnings: ₹ 19,97,58,663/-

Foreign Outgo: ₹ 3,07,55,320/-

25. PARTICULARS OF EMPLOYEES:

During the year under review, none of the employees of the Company were in receipt of remuneration exceeding ₹ 1,02,00,000/- p.a., if employed throughout the year or ₹ 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(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- Ratio of the remuneration of each director to the median remuneration of the employees and percentage increase in remuneration of each Director, CEO, CFO and CS of the Company for the financial year 2022-23:

| Name | Designation | % increase**/ (decrease) in remuneration in the FY 2022-23 | Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year |
|--|--|--|--|
| SHRI FALGUN VALLABHBHAI SAVANI | Chairman & Managing Director | 12.07 | 31.14:1 |
| SHRI JIGNESH VALLABHBHAI SAVANI | Executive Director & Chief Executive Officer | 12.07 | 31.14:1 |
| SHRI GHANSHAYAMBHAI BHAGVANBHAI SAVANI | Whole-time Director | 12.07 | 31.14:1 |
| SMT. NAYNA JIGNESH SAVANI | Non-Executive Director * | 125.00 | 0.27:1 |
| SHRI PRAVIN MANJIBHAI BHAYANI | Independent Director* | 97.37 | 0.45:1 |
| SMT. KRISHNA MITULBHAI SHAH | Independent Director* | 97.37 | 0.45:1 |
| SMT. KAJAL CHINTANBHAI VAGHANI | Independent Director* | 73.08 | 0.27:1 |
| SMT. BINTAL BHAVESHKUMAR SHAH | Independent Director* | 92.31 | 0.15:1 |
| SHRI SANKET B. TRIVEDI | Company Secretary and Compliance Officer | 18.43 | - |
| SHRI CHINTAN P. CHAUHAN | Chief Financial Officer | 15.14 | - |

Note: *Remuneration of the Directors consists only of sitting fees drawn by them.

**The percentage increase in remuneration is calculated basis the remuneration as per Section 17 of the Income Tax Act, 1961.

- Median remuneration of employee during the year of the company is ₹ 1.65 Lakh
- Percentage increase in the median remuneration of employees in the financial year (Median 2022-23/Median 2021-22): 7.48%
- The number of permanent employees on the rolls of company are 105

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 percentage increase in salary of employees other than managerial personnel is 7.51%
 - b. Average percentage increase in salary of managerial personnel is 11.86%
6. The Company hereby affirm that the remuneration is as per remuneration policy of the Company

Information pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 also forms part of this report pursuant to proviso to Section 136(1) of the Act. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary at the registered office address of the Company

26. 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 an approach towards risk assessment, risk management and risk monitoring, which is periodically reviewed by the Board.

27. CORPORATE SOCIAL RESPONSIBILITY:

The brief outline of the corporate social responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure-III** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the said Report, which is a part of this report. CSR Policy is available on the Company's website at http://pardrugs.com/pdf/policies/Final_CSR_POLICY.pdf

28. 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 <https://www.pardrugs.com/pdf/policies/Vigil%20Mechanism%20Policy%20-%20PAR.pdf>

29. 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.

30. CORPORATE GOVERNANCE:

Your company is committed to good Corporate Governance and has taken adequate steps to ensure that the requirements of Corporate Governance SEBI (LODR) Regulations, 2015 are complied with. The Corporate Governance Report with the Auditors' Certificate thereon, and Management Discussion and Analysis Report are attached, and Corporate Governance Report is attached as an **Annexure-IV**. Further Company regularly filed Corporate Governance Report as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which are available on the website of the Company at <http://pardrugs.com/corporate-governance-report.php>

31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is enclosed as a part of this report.

32. 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.

33. 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 Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

34. COMPLIANCE WITH SECRETARIAL STANDARDS:

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

35. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

Not applicable as no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

36. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

Not applicable.

37. 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.

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

Sd/-

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

Sd/-

(Mr. Jignesh V. Savani)
Director & CEO
(DIN: 00198203)

Date: August 17, 2023
Place: Vadodara

Annexure - I

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31ST March, 2023

[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
815, Nilamber Triumph, Gotri Vasna Road,
Vadodara- 390007 Gujarat, India.

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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 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, 2023 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 as amended from time to time;
- g. The Drugs and Cosmetic Rules, 1945 as amended from time to time;
- 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 other than those held at shorter notice, 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.

FOR DG PATEL & ASSOCIATES

Company Secretaries

Sd/-

Dip G. Patel

(Proprietor)

FCS: 10533

C.P No.: 13774

PR: 1839/2022

Place: Bhavnagar

Date: 27/04/2023

UDIN: F010533E000212251

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
815, Nilamber Triumph, Gotri Vasna Road,
Vadodara- 390007 Gujarat, India.

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

Sd/-

Dip G. Patel

(Proprietor)

FCS: 10533

C.P. No.: 13774

PR: 1839/2022

Place: Bhavnagar
Date: 27/04/2023
UDIN: F010533E000212251

Annexure-II

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

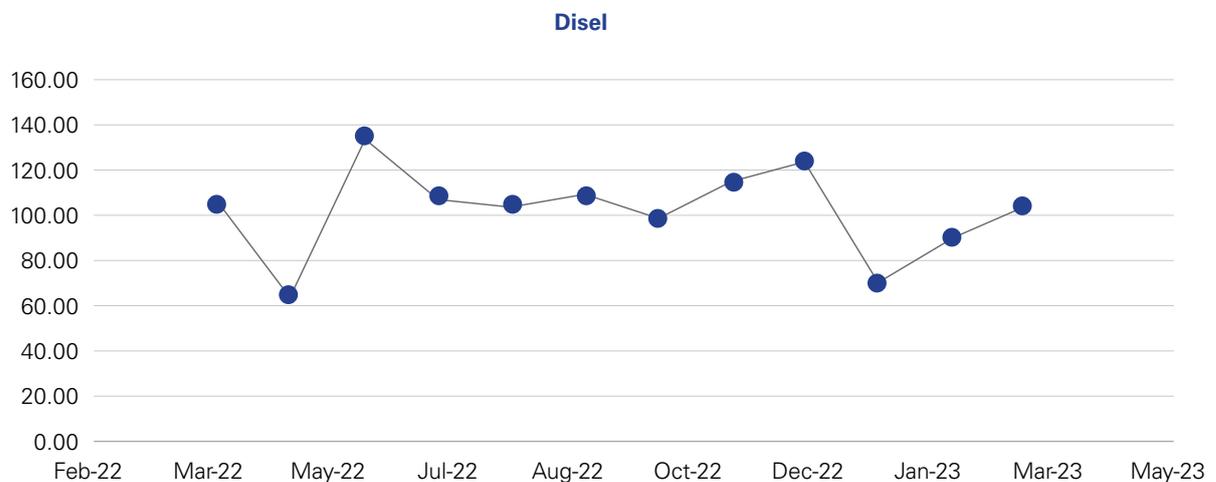
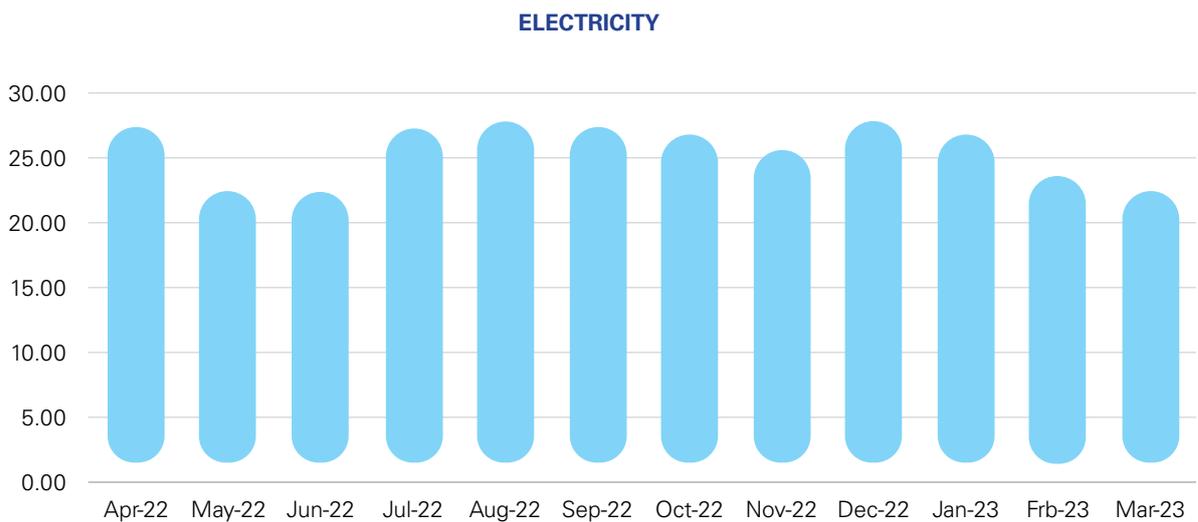
(A) Conservation of energy-

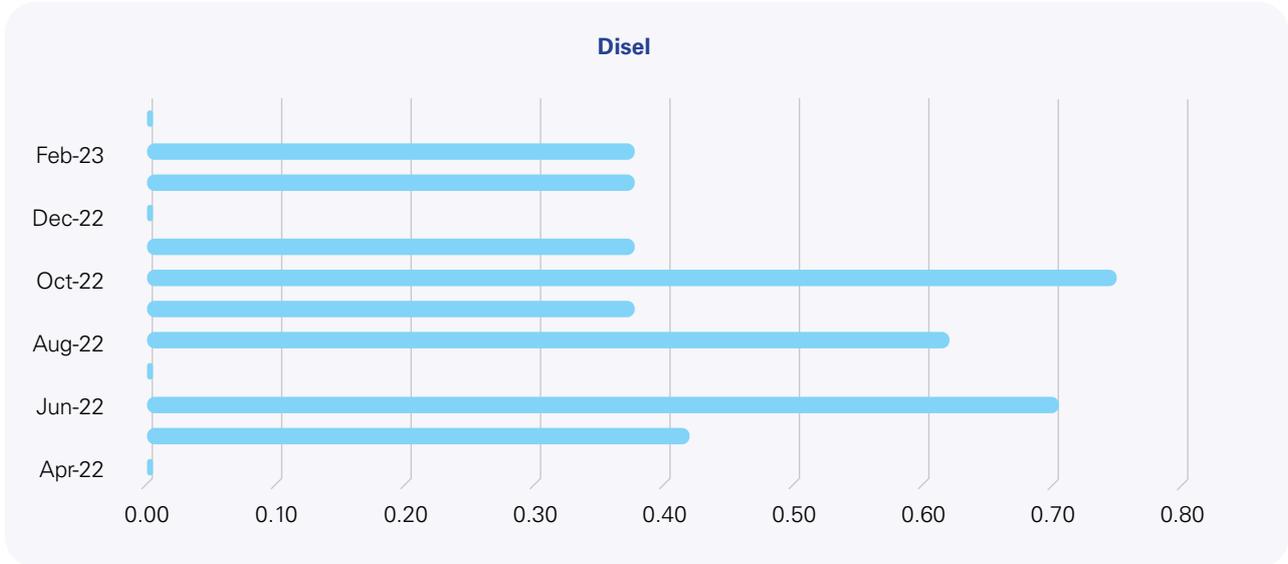
(i) the steps taken or impact on conservation of energy:

The Company is engaged in the Manufacturing business of Active Pharma Ingredients ("APIs"), Antacid Molecules and other chemical and pharmaceuticals products. Our product portfolio presently comprises 15 APIs and 10 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. 2022-23 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) |
| 3489404 | 290.56 | 8704.43 | 1225.19 | 4060.29 | 4.00 |

Graph showing the month wise cost of conservation of energy (₹ In Lakh)





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

During the financial year 2022-23, solar panel generated the electrical energy 132283.0488 Kwah which equals to reduction of CO2 emission of 112440.591 KG.

(iii) the capital investment on energy conservation equipments – Nil

(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:

LIST OF MODIFICATION WORK CARRIED OUT DURING THE FINANCIAL YEAR 2022-23

| Sr. No. | Work Description |
|---------|---|
| 1 | Installation of New Air Jett Mill Unit in Hydroxide Plant Building Product Material Micronization and Light material production |
| 2 | Installation of New R O Water Plant for Raw Water Processing (Improvement in Product Quality) (Fulfil Pharma Norms for Quality Product) |
| 3 | Installation of New connection Inlet Water Point and new pipe line laying work for Municipal Water. (Reduction in water transportation cost) |
| 4 | Silica Plant Cake Storage Hopper Lumps Cutter unit modification work. (For uniform Cake feeding to Paddle Mixer) (Uninterrupted Cake supply - improvement in efficiency of product) |

(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: ₹ 10,05,609/-

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

Sd/-

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

Sd/-

(Mr. Jignesh V. Savani)
Director & CEO
(DIN: 00198203)

Date: August 17, 2023
Place: Vadodara

Annexure - III

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company

Company vision is to empower communities by connecting people by recognizing economic organs of society and draw on societal resources, it is Company's belief that its performance must be measured by its Triple Bottom Line contribution to building economic, social and environmental capital towards enhancing societal sustainability. Company believes that in the strategic context of business, enterprises possess beyond mere financial resources, the transformational capacity to create game-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. In line with this belief, company will continue crafting unique models to generate livelihoods and environmental capital. Such Corporate Social Responsibility ("CSR") projects are far more replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and environmental replenishment. These initiatives are independent of the normal conduct of Company's business. Programmes, projects and activities (collectively "CSR Programmes") carried out in this regard are the subject matter of this Policy.

The key purpose of this Policy is to:

- Define governance structure for CSR management within the Company.
- Serve as a guiding document aiding in identification, execution and monitoring the CSR projects.
- Describe the treatment of surpluses from CSR activities
- Outline the development areas in which the Company shall get involved in

Scope of the Policy : This Policy applies to all CSR projects that will be undertaken by the Company and shall fulfill all the requirements of Section 135 of the Companies Act, 2013. The Company shall ensure all these activities are over and above the normal course of business and are in line with Schedule VII of the Companies Act, 2013. This Policy will be periodically reviewed and updated in line with the relevant codes of legislation and best practices that can be adopted by the Company.

Policy: It is Company's policy to direct Company's CSR Programmes, inter alia, towards achieving one or more of the following:

1. To promote education –
 - a. By way of promoting digital literacy in the rural villages around Bhavnagar, Gujarat or within the state of Gujarat especially in the primary schools,

government Institutes etc. by Contributing towards innovative learning, technical assistance with latest equipments like computers, projectors, Interactive flat panel, building or development of digital class etc. and help students to learn in facilitative environment;

- b. Offering scholarships to the students of colleges/ universities for supplying study materials, instruments for practical experiments, arranging Industry visit at our Company etc. as we endeavor to support education initiatives and give wings to students' dreams especially to the students of Masters.
 - c. Offering scholarship to the PHD students for helping them viz their research and producing a thesis of their specialization.
 - d. Any other educational activities for the promotion & development of education sector as deemed fit which will fall within the CSR activities as per Companies Act, 2013.
2. To promote health care including preventive health care and sanitation in the local areas nearer to the factory site of the company and such other areas as may be determined by the CSR committee.
 3. To promote health care by way of contributions to PM CARES Fund, State Disaster Management Authority to combat COVID-19 or any other fund set up by the government and spending CSR funds for COVID-19 related activities etc.
 4. To undertake any of the CSR activities as prescribed under Schedule VII of the Companies Act, 2013.

Implementation: To implement the Company's CSR Programmes through Company personnel or through external implementing agencies or through Trusts, Society and Section 8 companies that may be established by the Company from time to time. In such cases, the Company will specify the CSR Programmes which may be undertaken by those Trusts in accordance with their Objects and administrative and accounting processes laid down in the respective Trust Deeds/ Memorandum and Articles of Association.

Governance: Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary. The CSR Committee will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may

deem fit. The persons/bodies to which the implementation is assigned will carry out such CSR Programmes as determined by the CSR Committee within the specified budgets and timeframes and report back to the CSR Committee on the progress thereon at such frequency as the CSR Committee may direct. The CSR Committee shall review the implementation of the CSR Programmes once in every six months and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy. At the end of every financial year, the CSR Committee will submit its report to the Board.

CSR Expenditure: CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. Moreover, any surplus arising from any CSR Programmes shall be used for CSR. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

The above CSR Policy is available at our website link at http://pardrugs.com/pdf/policies/Final_CSR_POLICY.pdf

2. Composition of the CSR committee:

| Sr. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|------------------------------|---|--|--|
| 1 | Mr. Pravin Manjibhai Bhayani | Chairman, Independent, Non-Executive Director | 2 | 2 |
| 2 | Mrs. Krishna Mitulbhai Shah | Member, Independent, Non-Executive Director | 2 | 2 |
| 3 | Mrs. Nayna Jignesh Savani | Member, Non-Independent, Non-Executive Director | 2 | 2 |

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

Composition of the CSR committee shared above and is available on the Company's website on <http://pardrugs.com/corporate-governance-committee.php>

CSR policy - http://pardrugs.com/pdf/policies/Final_CSR_POLICY.pdf

CSR projects - <http://pardrugs.com/csr-par-drugs-and-chemicals.php>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

As per Rule (3) (a) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, Every company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. Hence, Company is out of purview of this rule due to the less CSR obligation i.e. less than ten crore rupees for the F.Y. 2022-23

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

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

6. Average net profit of the Company as per Section 135(5): ₹ 10,51,17,904 /-**7. (a) Two percent of average net profit of the Company as per section 135(5) : ₹ 21,02,358 /-****(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : NIL****(c) Amount required to be set off for the financial year, if any : NIL****(d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 21,02,358 /-****8. (a) CSR amount spent or unspent for the financial year:**

| Total Amount Spent for the Financial Year. (In ₹) | Amount Unspent | | | | |
|--|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per Section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 21,21,000 | NIL | - | - | NIL | - |

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

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | | |
|---------|---------------------|---|---------------------|-------------------------|----------|------------------|---|---|---|--|--|-------------------------|
| Sr. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | | Project duration | Amount allocated for the project (In ₹) | Amount spent in the current financial Year (In ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation Through Implementing Agency | |
| | | | | State | District | | | | | | Name | CSR Registration number |
| - | - | - | - | - | - | - | - | - | - | - | - | - |

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

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | | |
|---------|---|---|---------------------|-------------------------|----------------------|------------------------------|--|--|-------------------------|
| Sr. No. | Name of the Project | Item from the list of activities in schedule VII to the Act | Local area (Yes/No) | Location of the project | | Amount spent for the project | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency | |
| | | | | State | District | | | Name | CSR registration number |
| 1 | Project:- "GYAN YGNA" | (ii) | Yes | Gujarat | Bhavnagar | 21,21,000/- | No | SARVODAYA | CSR00028646 |
| | 1. To provide new computers with new applications will help the students in learning computer courses and computer skill development in Rural area. | | | | (Rural Area- Umrالا) | | | KELAVANI | |
| | 2. The Construction of New class rooms for students | | | | | | | MANDAL | |
| | Total | - | - | - | - | 21,21,000/- | - | - | - |

(d) Amount spent in Administrative Overheads: NIL**(e) Amount spent on Impact Assessment, if applicable: Not Applicable****(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 21,21,000/-**

- (g) **Excess amount for set off, if any.:** Nil (₹ 21,402 was excess amount spent for the previous financial year but, not taken for set off for the Current financial Year)

| Sr. No. | Particular | Amount (In ₹) |
|---------|---|---------------|
| (i) | Two percent of average net profit of the Company as per Section 135(5) | 21,02,358 |
| (ii) | Total amount spent for the Financial Year | 21,21,000 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 18,642 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 18,642 |

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** Not Applicable

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

- (b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Not Applicable

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---------|------------|---------------------|---|------------------|--|---|--|---|
| Sr. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project | Amount spent on the project in the reporting Financial Year | Cumulative amount spent at the end of reporting Financial Year | Status of the project - Completed / Ongoing |
| - | - | - | NIL | - | NIL | NIL | NIL | - |

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)**

- (a) **Date of creation or acquisition of the capital asset(s) :** None
- (b) **Amount of CSR spent for creation or acquisition of capital asset :** Nil
- (c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. :** Not Applicable
- (d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) :** Not Applicable

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) :** Not Applicable

Date: August 17, 2023

Place: Vadodara

Sd/-

(Mr. Falgun V. Savani)

Chairman and Managing Director

(DIN: 00198236)

Sd/-

(Mr. Pravin M. Bhayani)

Chairman of CSR Committee

(DIN: 08332851)

Sd/-

(Mr. Jignesh V. Savani)

Director & Chief Executive Director

(DIN: 00198203)

Annexure - IV

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance:

Your Company's Corporate Governance philosophy is based on transparency, accountability, values and ethics, which forms an integral part of the Management's initiative in its ongoing pursuit towards achieving excellence, growth and value creation. Your Company has a strong legacy of fair, transparent and ethical governance practices and its efforts in these regard. The commitment to uphold highest standards of corporate governance still continues post listing of the Company in May 16, 2019 and September 16, 2021 Listing of equity shares of Par Drugs And Chemicals Limited on Capital Market Segment (Main Board) pursuant to Migration from SME Emerge platform, the Company is in compliance with all the norms & disclosure requirements as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Company has adopted a Code of Conduct for Board Members and Senior Management including Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ('the Act') as well. The Company has taken all necessary steps to ensure the Rights of Shareholders and seek approval of the shareholders as and when required as per the provisions of the Companies Act, 2013 or other applicable legislations. The Company ensures timely and complete dissemination of information on all matters which are required to be made public. The website of the Company and the Annual Report of the Company contain exhaustive information regarding every aspect of the functioning, financial health, ownership and governance practices of the Company. Democratization of information increases scrutiny of corporate actions and raises the standards of governance. All disclosures by Company are made in line with the formats prescribed by the concerned regulatory authority in respect of accounting, financial and non-financial matters.

2. Board of Directors

A. Composition of Directors

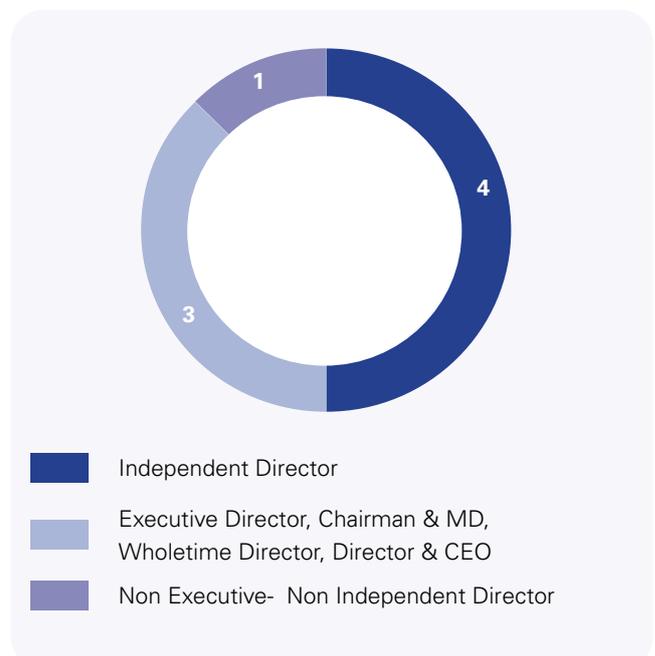
The Board of Directors along with its Committees provide leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. The Board of Company comprises of Executive and Non-Executive Directors (which include Independent Directors, including further an Independent Woman Director). Independent Directors are eminent persons with skills in diverse areas like business, accounting, marketing, finance, administration, etc. The composition of Board of Directors represents optimal mix of professionalism,

qualification, knowledge, skill sets, track record, integrity, expertise and diversity. The Board of Directors, as on March 31, 2023, comprised of 8 Directors, out of which 3 was Executive Director ("ED") out of which 1 was Chairman & Managing Director, 1 was Whole time director and 1 was Director & CEO and; 5 were Non-Executive Directors ("NEDs"), which includes 4 Independent Directors ("IDs") out of which 3 women Independent Director and 1 was Non-Executive Non-Independent Director. The Chairman of the Board is a Executive and half of the total number of Directors comprises of Non-Executive & Independent Directors. Detailed profile of our Directors is available on our website at www.pardrugs.com The terms and conditions of appointment of Independent Directors are hosted on the website of the Company at <http://pardrugs.com/policies-par-drugs-and-chemicals.php> In India, the Securities and Exchange Board of India (SEBI) regulates corporate governance for listed companies through SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Listing Regulations mandate the following:

For a company does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors: : Complied

The Board of directors of the top 500 listed entities shall have at least one independent woman director by April 1, 2019: Complied, though we are not within the of top 500 Listed entity

The composition of the Board of Directors of the Company is in conformity with Regulation 17 of the Listing Regulations and Section 149 of the Act.



None of the Directors on the Board:

- holds directorships in more than ten public companies;
- serves as Director or as Independent Directors (ID) in more than seven listed entities; and
- who are the Executive Directors serves as IDs in more than three listed entities.

The Chairman of the Board is an Executive Director. In the judgment of the Board of Directors of the Company, all the Independent Directors as mentioned below

fulfill the conditions specified in Listing regulations and are independent of the management:

- Mr. Pravin Manjibhai Bhayani, Independent & Non-executive Director
- Mrs. Krishna Mitulbhai Shah, Independent & Non-executive Director
- Mrs. Kajal Chintanbhai Vaghani, Independent & Non-executive Director
- Mrs. Binal Bhaveshkumar Shah , Independent & Non-executive Director

None of the Directors on the Board holds positions in any Committees in other public companies as on March 31, 2023. None of the Directors is related to each other except as mentioned below:

| Name of Director | Name of the Other Director | Relation |
|------------------------------|----------------------------|----------------|
| Falgun Vallabhbhai Savani | Jignesh Vallabhbhai Savani | Brother |
| Jignesh Vallabhbhai Savani | Nayna Jignesh Savani | Spouse |
| | Falgun Vallabhbhai Savani | Brother |
| Ghanshyam Bhagvanbhai Savani | Falgun Vallabhbhai Savani | Cousin Brother |
| | Jignesh Vallabhbhai Savani | Cousin Brother |
| Nayna Jignesh Savani | Jignesh Vallabhbhai Savani | Spouse |

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013 along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014. Further, in compliance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company have passed the Online Proficiency Self-Assessment through the Independent Director's Databank platform.

B. Board Meetings and attendance

The Board / Committee Meetings are held as per the annual calendar set out well in advance with concurrence of all the Directors, to ensure 100% participation in the meetings. Meetings which were held through video conferencing are as per the prescribed, guidelines, after giving adequate notice to that effect to the Board Members. All the meetings are conducted as per well designed, and structured agenda and in accordance with the requirements under the Companies Act, 2013, ("Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial

Standards prescribed by Institute of Company Secretaries of India ("ICSI"). Agenda with detailed explanatory notes for the Board / Committee Meetings are set out by the Company Secretary in consultation with the Chairman and Managing Director ("MD"). The Board has complete access to any information within the Company. Agenda papers with minutes of previous meeting, committee meetings & also other information/proposals with detailed notes/background information with applicable regulatory provisions and requisite disclosures, are circulated prior to the meetings, thereby enabling the Board to take decisions on an informed basis. Apart from the Board members, the Company Secretary attend all the Board Meetings. Detailed presentation is made by the Management in each meetings to apprise the Board of important developments in the industry, business segments, operations, capex, sales & marketing, products, HR initiatives, important developments, regulatory changes etc.

Five Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

May 07, 2022 ; June 13, 2022; July 28, 2022; November 09, 2022 and February 10, 2023.

The necessary quorum was present for all the meetings.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), details regarding name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2023 are given herein below.

Attendance of each Director at Board Meeting and the last Annual General Meeting (AGM) and the number of Companies and Committees where he/she is Director/Member are as under:

| Name of Director & Designation | Category | No. of Board Meeting attended during FY 2022-23 | Attendance at the last AGM held on September 10, 2022 | No. of Directorship in other Public Companies | | No. of Committees Positions held in other Public Companies (Other than Par Drugs And Chemicals Limited) | | No. of Committees Positions held in other Public Companies (Other than Par Drugs And Chemicals Limited) |
|---|--|---|---|---|--------|---|--------|---|
| | | | | Chairman | Member | Chairman | Member | |
| | | | | | | | | |
| Mr. Falgun Vallabhbai Savani Chairman & Managing Director | Non- Independent, Executive Director, Promoter | 5 | YES | - | - | - | - | - |
| Mr. Jignesh Vallabhbai Savani Executive Director & CEO | Non- Independent, Executive Director, Promoter | 5 | YES | - | - | - | - | - |
| Mr. Ghanshayambhai Bhagvanbhai Savani, Whole-time Director | Non- Independent, Executive Director, Promoter Group | 5 | YES | - | - | - | - | - |
| Mrs. Nayna Jignesh Savani, Non-Executive Director | Non- Independent, Non-Executive, Promoter Group | 5 | YES | - | - | - | - | - |
| Mrs. Krishna Mitulbhai Shah, Independent Director | Independent, Non-Executive | 5 | YES | - | - | - | - | - |
| Mrs. Kajal Chintanbhai Vaghani, Independent Director | Independent, Non-Executive | 4 | YES | - | - | - | - | - |
| Mr. Pravin Manjibhai Bhayani, Independent Director | Independent, Non-Executive | 5 | YES | - | - | - | - | - |
| Mrs. Bintal Bhaveshkumar Shah | Independent, Non-Executive | 4 | YES | - | - | - | - | - |

None of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

During FY 2022-2023, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

C. Directors retiring by rotation:

Mr. Jignesh Vallabhbai Savani, Director & CEO (DIN: 00198203), who retires by rotation and being eligible offer

himself for re-appointment. As per Regulation 36 of the Listing Regulations, brief profile of Director seeking re-appointment at the forthcoming AGM, is annexed to the Notice convening the AGM and forming part of this Annual Report.

D. Independent Directors meeting & Familiarisation programme

All the Independent Directors ("IDs") fulfill the independence criteria laid down under the Listing Regulations and as per opinion of the Board, they are independent of the management.

During FY 2022-23 under review, one meeting of IDs was held on March 31, 2023 and was chaired by lead Independent Director, Mr. Pravin M. Bhayani and attended by all IDs. The IDs reviewed all the matters as per Schedule

G. Legal Compliance

The Board has periodically reviewed legal compliance and monitor and ensure compliance with all applicable laws and regulatory requirements applicable to the Company. The Company has done best at its possible to be a Compliance driven Company covers all important functions.

H. Equity shares of the Company held by the Directors as on March 31, 2023 are given below:

| Name | Category | No. of equity shares held |
|---------------------------------------|--|---------------------------|
| Mr. Falgun Vallabhbai Savani | Non- Independent, Executive Director, Promoter | 2645952 |
| Mr. Jignesh Vallabhbai Savani | Non- Independent, Executive Director, Promoter | 2692440 |
| Mr. Ghanshayambhai Bhagvanbhai Savani | Non- Independent, Executive Director, Promoter Group | 802284 |
| Mrs. Nayna Jignesh Savani | Non- Independent, Non-Executive, Promoter Group | 189384 |
| Mrs. Krishna Mitulbhai Shah | Independent, Non-Executive | 0 |
| Mrs. Kajal Chintanbhai Vaghani | Independent, Non-Executive | 0 |
| Mr. Pravin Manjibhai Bhayani | Independent, Non-Executive | 0 |
| Mrs. Bintal Bhaveshkumar Shah | Independent, Non-Executive | 0 |

The Company has not issued any convertible instruments.

I. Code of Conduct

Board of Directors have laid down Code of Conduct setting forth legal and ethical standards to be followed by Directors and Senior Management ("the Code"). The Code lays emphasis amongst other things, on the integrity at workplace and in business practices, honest and ethical personal conduct, diversity, fairness and respect etc which is expected to be followed by the Directors and Senior management. The Code has been posted on the website of the Company at Policy section of under the tab of Investors at <https://www.pardrugs.com/policies-par-drugs-and-chemicals.php>. The Directors & Senior Management have made disclosures to the Board confirming that there are no material financial and commercial transactions between them and the Company which could have potential conflict of interest with the Company. A declaration to that effect signed by the Chief Executive Officer & Managing Director is annexed to this report.

J. Prevention of Insider Trading

Pursuant to the Securities And Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT") as amended, the Company has formulated, Code of Conduct to Regulate Monitor and Report Trading by Insiders. These Codes are framed in keeping with the standards set out in the Regulations to monitor and facilitate reporting of trading by employees.

Company has identified Designated Persons who can be privy to the Unpublished Price Sensitive Information (UPSI), based on their grade, department and other factors. It includes obligations and responsibilities of Designated Persons, maintenance of digital database, mechanism for preventing insider trading & handling of UPSI, disclosure of UPSI for legitimate purposes, prohibited and permitted transactions, consequence for violation etc.

The Company has been disseminated through the Company's periodic mailers. Further, the Company has put in place adequate and effective system of internal controls as to monitor trading in securities by the Insiders in order to ensure compliance with the PIT. Structured digital database is being maintained by the Company as prescribed under the PIT. Company Secretary has been appointed as the Compliance Officer for ensuring implementation of Code.

K. Information about Directors seeking appointment and re-appointment:

Details of Directors seeking appointment and reappointment at the forthcoming Annual General Meeting (Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Director retiring by rotation and eligible for reappointment

Mr. Jignesh Vallabhbhai Savani
(Director & CEO)
(DIN: 00198203)

| | |
|---|--|
| DIN No. | 00198203 |
| Designation | Director & CEO |
| Date of Birth | 15/12/1977 |
| Age | 45 Years |
| Date of first appointment on the Board | Appointed as Director on 26/02/1999. Appointed as CEO on 26/11/2018 |

Qualification / Brief Resume / Expertise in specific functional area / experience

Mr. Jignesh Vallabhbhai Savani was appointed as CEO of the Company by the Board of Directors of the company at its meeting held on 26th Day of November, 2018 for a period of 5 (Five) years w.e.f. 26th Day of November, 2018 to 25th Day of November, 2023. The same was subsequently approved by the members at the Extra-ordinary General Meeting held on 18th December, 2018.

Mr. Jignesh Vallabhbhai Savani has completed Matriculation education from Gujarat Secondary Education Board. He has 22 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. He has work experience in all departments of Company like logistics, HR, Manufacturing, Accounts etc.

| | |
|---|---|
| No. of Shares held in the Company as on 31/03/2023 | 2692440 Equity Shares |
| Remuneration | ₹ 45.95 Lakhs Remuneration and 0.14 lakhs sitting fees F.Y. 2021-22 |
| Relationship with other Directors and Key Managerial Personnel | Husband of Mrs. Nayna Savani, Non-executive Director and Brother of Mr. Falgun Vallabhbhai Savani, Chairman & Managing Director of the company. |
| No of meetings of the Board attended during the year | 5 (Five) |
| Other Directorships | NIL |
| Chairmanship / Membership of Committees of other companies | NIL |

Directors seeking reappointment:**Mr. Pravin Manjibhai Bhayani**

(Independent Director)

(DIN: 08332851)

| | |
|---|--|
| DIN No. | 08332851 |
| Designation | Independent Director |
| Date of Birth | 22/09/1971 |
| Age | 51 Years |
| Date of first appointment on the Board | Appointed as an Additional Independent Director on 17/01/2019 and regularized an Independent Director on 09/02/2019. |

Qualification / Brief Resume / Expertise in specific functional area / experience

Mr. Pravin Manjibhai Bhayani 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 commerce graduation i.e. B. Com. from Gujarat University. He also holds Post Qualification degree in Information System Audit (DISA) from ICAI. He has 24 years of vast experience in the field of Audit, Accounts, System Implementation, Cost Review, Income-tax, GST and Finance.

No. of Shares held in the Company as on 31/03/2023

NIL

Remuneration

Sitting Fees as approved by the Board from time to time.

Relationship with other Directors and Key Managerial Personnel

Not Applicable

No of meetings of the Board attended during the year

5 (Five)

Other Directorships

NIL

Chairmanship / Membership of Committees of other companies

NIL

**Mrs. Krishna Mitulbhai Shah**

(Independent Director)

(DIN: 08317678)

| | |
|---|--|
| DIN No. | 08317678 |
| Designation | Independent Director |
| Date of Birth | 21/07/1979 |
| Age | 44 Years |
| Date of first appointment on the Board | Appointed as an Additional Independent Director on 17/01/2019 and regularized an Independent Director on 09/02/2019. |

Qualification / Brief Resume / Expertise in specific functional area / experience

Mrs. Krishna Mitulbhai Shah holds a Bachelor's degree in Commerce from the Shreemati Nathibai Damodar Thackersey Women's University, Mumbai.

No. of Shares held in the Company as on 31/03/2023

NIL

Remuneration

Sitting Fees as approved by the Board from time to time.

Relationship with other Directors and Key Managerial Personnel

Not Applicable

No of meetings of the Board attended during the year

5 (Five)

Other Directorships

NIL

Chairmanship / Membership of Committees of other companies

NIL



Mrs. Kajal Chintanbhai Vaghani

(Independent Director)

(DIN: 08317641)

| | |
|---|--|
| DIN No. | 08317641 |
| Designation | Independent Director |
| Date of Birth | 08/11/1979 |
| Age | 43 Years |
| Date of first appointment on the Board | Appointed as an Additional Independent Director on 17/01/2019 and regularized an Independent Director on 09/02/2019. |

| | |
|--|---|
| Qualification / Brief Resume / Expertise in specific functional area / experience | She holds a Bachelor's degree in Commerce from the Shreemati Nathibai Damodar Thackersey Women's University, Mumbai. She has an experience of about 19 years in Automobiles Industry. |
| No. of Shares held in the Company as on 31/03/2023 | NIL |
| Remuneration | Sitting Fees as approved by the Board from time to time. |
| Relationship with other Directors and Key Managerial Personnel | Not Applicable |
| No of meetings of the Board attended during the year | 4 (Four) |
| Other Directorships | NIL |
| Chairmanship / Membership of Committees of other companies | NIL |



Mr. Falgun Vallabhbbhai Savani

(Chairman & Managing Director)

(DIN: 08332851)

| | |
|---|--|
| DIN No. | 00198236 |
| Designation | Chairman and Managing Director |
| Date of Birth | 24/09/1974 |
| Age | 48 Years |
| Date of first appointment on the Board | 26/02/1999 Appointed as Chairman and Managing Director w.e.f. 26/11/2018. |

| | |
|--|--|
| Qualification / Brief Resume / Expertise in specific functional area / experience | Mr. Falgun Vallabhbbhai Savani, aged 48 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 22 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. |
| No. of Shares held in the Company as on 31/03/2023 | 2645952 Equity Shares |
| Remuneration | 45.95 Lacs plus Sitting of ₹ 0.25 Lacs for FY 2021-22 |
| Relationship with other Directors and Key Managerial Personnel | Brother of Mr. Jignesh Vallabhbbhai Savani, Director & CEO of the company and Brother-in-law of Mrs. Nayna Jignesh Savani, Non-executive Director of the company. |
| No of meetings of the Board attended during the year | 5 (Five) |
| Other Directorships | NIL |
| Chairmanship / Membership of Committees of other companies | NIL |



Mr. Ghanshyam Bhagvanbhai Savani
(Wholetime Director)
(DIN: 03055941)

| | |
|---|---|
| DIN No. | 03055941 |
| Designation | Wholetime Director |
| Date of Birth | 01/08/1970 |
| Age | 53 Years |
| Date of first appointment on the Board | Appointed as an 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. 26/11/2018. |

| | |
|--|---|
| Qualification / Brief Resume / Expertise in specific functional area / experience | Mr. Ghanshayambhai Bhagvanbhai Savani is under Matriculate. He is actively engaged in Production Activity of the Company. He has 32 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 31/03/2023 | 802284 Equity Shares |
| Remuneration | 45.95 Lacs plus Sitting of ₹ 0.13 Lacs for FY 2021-22 |
| Relationship with other Directors and Key Managerial Personnel | Cousin of Mr. Jignesh Vallabhbhai Savani, Director & CEO of the company and Mr. Falgun Vallabhbhai Savani, Chairman & Managing Director of the company. |
| No of meetings of the Board attended during the year | 5 (Five) |
| Other Directorships | NIL |
| Chairmanship / Membership of Committees of other companies | NIL |

3. Committees of the Board:

(i) Audit Committee:

The Audit Committee comprises of four members with three Independent Directors and one Executive Director as on 31st March, 2023.

The Composition of the Committee as on March 31, 2023 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 | 4/4 |
| Mrs. Kajal Chintanbhai Vaghani | Non-Executive & Independent Director | Member | 4/4 |
| Mr. Falgun Vallabhbhai Savani | Chairman & Managing Director | Member | 4/4 |
| Mrs. Krishna Mitulbhai Shah | Non-Executive & Independent Director | Member | 4/4 |

| Meeting No. | Date of Audit Committee Meeting | Total no. of Member | No. of Member present |
|--------------|---------------------------------|---------------------|-----------------------|
| 1/AC/2022-23 | 07-05-2022 | 4 | 4 |
| 2/AC/2022-23 | 27-07-2022 | 4 | 4 |
| 3/AC/2022-23 | 09-11-2022 | 4 | 4 |
| 4/AC/2022-23 | 10-02-2023 | 4 | 4 |

The Chairman of the Committee has attended the last Annual General Meeting of the Company held on September 10, 2022.

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

Terms of Reference:

The Audit Committee shall have following powers/responsibilities:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice, and
- To secure attendance of outsiders with relevant expertise if it considers necessary
- Others as mentioned in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended time to time.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- b. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- c. Internal Audit reports relating to internal control weaknesses;
- d. The appointment, removal and terms of remuneration of the Chief Internal Auditor; and
- e. statement of deviations: Not Applicable during the year under review
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

(ii) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of three members with two Independent Directors and one Non-executive Director as on March 31, 2023.

The Committee met two times during the year on July 27, 2022 and February 10, 2023. The Composition of the Committee as on March 31, 2023 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 | 2/2 |
| Mrs. Krishna Mitulbhai Shah | Non-Executive & Independent Director | Member | 2/2 |
| Mrs. Nayna J. Savani | Non-Executive Director | Member | 2/2 |

The Chairman of the Committee has attended the last Annual General Meeting of the Company held on September 10, 2022.

The Company Secretary and Compliance Officer of the Company would act as the Secretary to Nomination and Remuneration Committee.

Terms of Reference:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel and other employees;
 - 1.1. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - 1.1.1. use the services of an external agencies, if required;
 - 1.1.2. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - 1.1.3. consider the time commitments of the candidates.
2. Formulation of criteria for evaluation of independent directors and the Board;
3. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
4. Devising a policy on Board diversity;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. Recommend to the board, all remuneration, in whatever form, payable to senior management;
8. Others as mentioned in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended time to time.

(iii) 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 executive Director as on March 31, 2023.

The Committee met on July 27, 2022. The Composition of the Committee as on March 31, 2023 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 V. Savani | Executive Director & CEO | Member | 1/1 |

The Chairman of the Committee has attended the last Annual General Meeting of the Company held on September 10, 2022.

The Company Secretary of our Company shall act as a Secretary to the Stakeholder's Relationship Committee.

Terms of Reference:

Redressal of shareholders' and investors' complaints, including and in respect of:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company
- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of security holder's/investor's complaints Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;

- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Allotment and listing of shares;
- Reference to statutory and regulatory authorities regarding investor grievances; and
- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- Others as mentioned in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended time to time.
- Any other power specifically assigned by the Board of Directors of the Company.

Name, designation and address of Compliance Officer:

Mr. Sanket B. Trivedi, Company Secretary & Compliance Officer
Contact: +91 - 278 – 244 7013
E-mail: investors@pardrugs.com

Details of shareholders' complaints received and redressed during FY 2022-23 are as follows:

| Opening | Received during the year | Resolved during the year | Not solved to the satisfaction of shareholders | Pending |
|---------|--------------------------|--------------------------|--|---------|
| NIL | NIL | N.A. | N.A. | NIL |

(iv) CSR Committee:

The CSR Committee comprises of three members with two Independent Directors and one Non-executive Director as on March 31, 2023.

The Committee met two times during the year i.e. on July 27, 2022 and February 10, 2023. The Composition of the Committee as on March 31, 2023 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 | 2/2 |
| Mrs. Krishna Mitulbhai Shah | Non-Executive & Independent Director | Member | 2/2 |
| Mr. Nayna J. Savani | Non-Executive Director | Member | 2/2 |

The Chairman of the Committee has attended the last Annual General Meeting of the Company held on September 10, 2022.

Terms of Reference of Corporate Social Responsibility Committee:

1. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
3. To monitor the CSR policy of the Company from time to time;
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

A. To Executive Directors/KMPs:

| (Rs in Lakh) | | | | | |
|---------------------------------------|--|---------------|--------------------------------------|--------------|---------------|
| Name of Director/KMP | Designation | Salary | Benefits, Perquisites and Allowances | Sitting Fees | Total |
| Mr. Falgun Vallabhbai Savani | Chairman & Managing Director | 51.50 | - | 0.45 | 51.95 |
| Mr. Jignesh Vallabhbai Savani | CEO and Executive Director | 51.50 | - | 0.30 | 51.80 |
| Mr. Ghanshayambhai Bhagvanbhai Savani | Whole-time Director | 51.50 | - | 0.25 | 51.75 |
| Mr. Sanket Bhupendrabhai Trivedi | Company Secretary & Compliance Officer | 6.30 | - | - | 6.30 |
| Mr. Chintan Pratapbhai Chauhan | CFO | 5.46 | - | - | 5.46 |
| Total | | 166.26 | - | 1.00 | 167.26 |

B. To Non-Executive Directors:

| (Rs in Lakh) | | | | |
|--------------------------------|-------------------------------------|----------|--------------|-------------|
| Name of Director/KMP | Designation | Salary | Sitting Fees | Total |
| Mrs. Nayna Jignesh Savani | Non- Executive Director | - | 0.45 | 0.45 |
| Mrs. Krishna Mitulbhai Shah | Non- Executive Independent Director | - | 0.75 | 0.75 |
| Mrs. Kajal Chintanbhai Vaghani | Non- Executive Independent Director | - | 0.45 | 0.45 |
| Mr. Pravin Manjibhai Bhayani | Non- Executive Independent Director | - | 0.75 | 0.75 |
| Mrs. Binal Bhaveshkumar Shah | Non- Executive Independent Director | - | 0.25 | 0.25 |
| Total | | - | 2.65 | 2.65 |

4. Remuneration Policy:

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 at <https://www.pardrugs.com/policies-par-drugs-and-chemicals.php>

The Company paid Sitting Fees of Rs. 5000/- per meeting of Board of Directors and Committees Meetings to all directors of the Company including its Non-Executive Directors (NEDs) for attending the Meeting of the Board of Directors or its Committees. The details of the remuneration paid to the Directors/KMPs for the year 2022-23 are as follows:

5. General Body Meetings:

(A) Annual General Meeting:

Date and time of the Annual General Meeting held during the preceding 3 years and the Special Resolution(s) passed thereat are as follows:

| For Financial Year | Location | Date & Time | Special Resolution Passed |
|--------------------|---|--|--|
| 2021-22 | TaraSuns, B/h Yash Complex, B/s Sonal Park, G.E.R.I. Road, Gotri, Vadodara -390021, Gujarat | 10th Day of September, 2022 at 11:00 A.M | No Special Resolutions were passed |
| 2020-21 | Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") | 29/09/2021 4.00 P.M. | <ol style="list-style-type: none"> To approve Increase in Remuneration of Mr. Falgun Vallabhnbhai Savani, Chairman & Managing Director (DIN: 00198236) of the Company. To approve Increase in Remuneration of Mr. Ghanshayambhai Bhagvanbhai Savani, Whole Time Director (DIN: 03055941) of the Company. To approve Increase in Remuneration of Mr. Jignesh Vallabhnbhai Savani, CEO & Director (DIN: 00198203) of the Company. |
| 2019-20 | Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") | 21/07/2020 4.00 P.M. | <ol style="list-style-type: none"> Approval to move Registers, Copies of Returns, material documents, at factory Office of the Company at Bhavnagar from corporate office of the Company |

(B) Extra Ordinary General Meeting:

Date and time of the Extra Ordinary General Meeting ("EGM") held during the year and preceding 3 years, the Special Resolution(s) passed thereat are as follows:

| Year | Location | Date & Time | Special Resolution Passed/Remarks |
|---------|--|------------------------|--|
| 2022-23 | - | - | No EGM of the members was held during the financial year 2022-23. |
| 2021-22 | Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") | 15/04/2021 4.00 P.M | Ordinary Resolutions <ol style="list-style-type: none"> Increase authorized share capital of the company to enable issue of bonus shares To alter clause v of memorandum of association to reflect the increase in the authorized share capital proposed under item no. 1 To approve issue of bonus equity shares. |
| 2020-21 | - | - | No EGM of the members was held during the financial year 2020-21. |
| 2019-20 | - | - | No EGM of the members was held during the financial year 2019-20. |

The shareholders passed the resolutions set out in the respective notices.

(C) Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot during the F.Y. 2022-23:

The Company did not pass any resolution by Postal Ballot during the financial year 2022-23. Further, there is no immediate proposal for passing any resolution through postal ballot.

6. M/s. Sarupria Somani & Associates, Chartered Accountants (Firm Registration No.: 010674C) has been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, for FY 2022-23 is given below:

Rs. 2,18,000/- (Rupees Two Lakh Twenty Five Thousand only)

7. Other Disclosure:

| Particulars | Statutes/Regulation | Details | Website link |
|---|---|--|---|
| Related party transactions | Regulation 23 of SEBI Listing Regulations and as defined under the Act. | There are no material related party transactions during the year under review that have conflict with the interest of the Company. The Board has approved policy for related party transactions and it is uploaded on the website of the Company | https://www.pardrugs.com/pdf/notices/SignedRPT310323.pdf https://www.pardrugs.com/pdf/notices/RPT30092022.pdf https://www.pardrugs.com/pdf/policies/Policy%20on%20Related%20Party%20Tranactions%20-%20PAR.pdf |
| Details of non-compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets during the last three financial years. | Schedule V (C) 10(b) to the SEBI Listing Regulations | NIL | - |
| Vigil Mechanism | Regulation 22 of SEBI Listing Regulations | 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 | https://www.pardrugs.com/pdf/policies/Vigil%20Mechanism%20Policy%20-%20PAR.pdf https://www.pardrugs.com/policies-par-drugs-and-chemicals.php |
| Subsidiary Companies | Regulation 24 of SEBI Listing Regulations | The Company does not have any Subsidiary, Joint Venture or Associate Company. | http://pardrugs.com/pdf/policies/Policy%20for%20Determination%20of%20Material%20Subsidiary_PAR.pdf |
| Policy on Determination of Materiality for Disclosures | Regulation 30 of SEBI Listing Regulations | The Company has adopted this policy. | https://www.pardrugs.com/policies-par-drugs-and-chemicals.php |
| Policy on Archival and Preservation of Documents | Regulation 9 of SEBI Listing Regulations | The Company has adopted this policy. | https://www.pardrugs.com/pdf/policies/Policy%20for%20Preservation%20of%20Documents%20-%20PAR.pdf |

| Particulars | Statutes/Regulation | Details | Website link |
|---|--|---|---|
| Reconciliation of Share Capital Audit Report | Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants)Regulations, 2018 and SEBI Circulars | A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL | www.pardrugs.com |
| Code of Conduct | Regulation 17 of SEBI Listing Regulations | The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2023. The Annual Report of the Company contains a certificate by the Chief Executive Officer and Managing Director, on the compliance declarations received from the members of the Board and Senior Management. | https://www.pardrugs.com/pdf/policies/Code%20of%20Director%20&%20Senior%20Management%20Personnel%20-%20PAR.pdf |
| Dividend Distribution Policy | Regulation 43A of the SEBI Listing Regulations | N.A. | |
| Terms of Appointment of Independent Directors | Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act | Terms and conditions of appointment/ re-appointment of Independent Directors are available on the Company's website. | https://www.pardrugs.com/pdf/policies/Terms%20and%20Conditon%20of%20Independent%20Directors%20-%20PAR.pdf |
| Familiarization Program | Regulations 25(7) and 46 of SEBI Listing Regulations | Details of familiarization program imparted to Independent Directors are available on the Company's website. | https://www.pardrugs.com/familiraisation-programme.php |

| Particulars | Statutes/Regulation | Details | Website link |
|---|--|---|--------------|
| Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 | Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 | <p>a. Number of complaints filed during the financial year: Nil</p> <p>b. Number of complaints disposed of during the financial year: Not Applicable</p> <p>c. Number of complaints pending as on end of the financial year.: Nil</p> <p>The details have been disclosed in the Directors Report forming part of the Annual Report.</p> | - |
| Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount' | 10 (m) of Part C of SCHEDULE V of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 | Nil | - |
| Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries. | 10 (n) of Part C of SCHEDULE V of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 | Not Applicable | - |

8. Means of Communication:

a. Financial Result:

Quarterly and Half Yearly and year to date Results were taken on record by the Board of Directors and submitted to stock exchanges in terms of the requirements Regulation 33 of the listing agreement. The results are also displayed on the Company's website www.pardrugs.com. The said Results are normally published in English Edition of Economic Times & in Gujarati Edition of Navgujarat Samay.

b. Website:

The Company's website www.pardrugs.com contains a separate dedicated section 'Investors' wherein information appropriate for shareholders is available. It displays vital information relating to the Company and its performance, announcement submitted to NSE, Financials, Corporate Governance Report, Shareholding Pattern, presentation to analysts, policies & codes, CSR and other material information relevant to shareholders. The Company's Annual Reports are also available in downloadable form.

c. Annual Report:

The Annual Report containing, inter-alia, Audited Standalone Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled to. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report. As a part of the green initiative, the Annual Reports are sent by e-mail to the Shareholders whose e-mail IDs are registered with the Depositories / Registrar & Transfer Agent ("RTA"). If any member wishes to get a duly printed copy of the Annual Report, the Company sends the same, free of cost, upon receipt of request from the member.

d. Reminders to Shareholders for unclaimed shares / dividend:

The Company sends reminders to all those shareholders whose unclaimed dividend / shares are liable to be transferred to the Investor Education and Protection Fund ("IEPF") account.

e. Filing with the Stock Exchanges:

All other submission to be made to the Stock Exchanges viz., shareholding pattern, corporate governance

report, statement of investor complaints, etc are filed electronically with National Stock Exchange of India Limited.

Material developments related to the Company that are potentially price sensitive in nature in accordance with Regulation 30 of the Listing Regulations, are also disclosed to the Stock Exchanges as per the Policy for Disclosure of Material Information. They are also made available on Company's website.

f. Investors:

To serve the investors better and as required under Regulation 46(2)(j) of the Listing Regulations, the Company's Grievance Redressal Division has a designated email address for investor complaints vide investors@pardrugs.com. The Company's Compliance Officer monitors this email regularly. A copy of Investor presentations are also made available by the Company on its website at www.pardrugs.com.

9. General shareholder information:

(1) Annual General Meeting for FY 2022-23:

Date: Saturday, 16th Day of September, 2023

Time: 11:00 A.M. IST

Venue: Hotel Tara Suns, B/h Yash Complex, B/s Sonal Park, G.E.R.I. Road, Gotri, Vadodara -390021, Gujarat, India

For details, please refer to the Notice of this AGM. As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Directors seeking appointment/re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

(8) Market Price Data:

Equity shares of the Company traded during each month during FY. 2022-23 on NSE*:

| Months | Average of Open | Month's High Price | Month's Low Price | Average of Previous Close | Month's total No. of Trades | Month's Total Volume |
|----------------|-----------------|--------------------|-------------------|---------------------------|-----------------------------|----------------------|
| April-2022 | 168.22 | 180.00 | 151.20 | 166.29 | 6099 | 233754 |
| May-2022 | 153.85 | 186.00 | 138.15 | 154.02 | 6666 | 273087 |
| June-2022 | 145.05 | 162.50 | 132.00 | 144.74 | 5243 | 213683 |
| July-2022 | 176.71 | 199.65 | 141.00 | 175.56 | 31434 | 1362507 |
| August-2022 | 170.93 | 187.50 | 160.10 | 170.50 | 5967 | 205482 |
| September-2022 | 166.18 | 182.00 | 149.10 | 165.23 | 7354 | 228562 |
| October-2022 | 153.12 | 163.70 | 145.80 | 151.46 | 4510 | 147275 |
| November-2022 | 160.60 | 187.40 | 144.55 | 158.93 | 21523 | 728376 |
| December-2022 | 155.08 | 164.95 | 139.90 | 154.23 | 11622 | 381161 |
| January-2023 | 159.40 | 182.00 | 148.10 | 159.05 | 20277 | 614724 |
| February-2023 | 156.16 | 169.30 | 142.55 | 154.39 | 5866 | 157254 |
| March-2023 | 146.08 | 157.00 | 128.35 | 143.43 | 6875 | 172713 |

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

(2) Financial Year:

April to March

Reporting calendar: Within 45 / 60 days from the end of the quarter / financial year respectively, as stipulated under the Listing Regulations

(3) Dividend Payment:

Interim Dividend - Not Applicable as the Board has not declared any interim dividend during the FY 2022-23.

Final dividend - Not Applicable as the Board has not declared any final dividend for the FY 2022-23.

(4) Date of Book Closure /Cut-off date:As mentioned in AGM Notice.

(5) Listing on Stock Exchanges:

Equity shares of the company are listed on Capital Market Segment of NSE Limited

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (East), Mumbai 400 051

(6) Stock Codes / Symbol:

NSE SYMBOL: PAR

ISIN: INE04LG01015

Listing Fees as applicable have been paid.

(7) Corporate Identity Number (CIN) of the Company: L24117GJ1999PLC035512

(9) Share Price Performance of Company in comparison to Nifty - 50

* Source: <https://www.marketscreener.com/quote/index/NIFTY-50-9743680/graphics-comparison/>

(10) Registrars and Transfer Agents

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

(11) Places for acceptance of documents:

Documents will be accepted at the above address between 11:00 a.m. and 3:30 p.m. (Monday to Friday except bank holidays).

(12) Share Transfer System:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities 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. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and certain Company officials (including Company Secretary) are authorized by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

(13) Shareholding as on March 31, 2023:**a. Distribution of equity shareholding as on March 31, 2023:**

| Sr_ No | Shareholding of Shares | Number of Shareholders | % of Total Shareholders | Shares | % of Total Share Capital |
|--------|------------------------|------------------------|-------------------------|-----------------|--------------------------|
| 1 | 1 to 500 | 4949 | 180.00 | 411887 | 3.3474 |
| 2 | 501 to 1000 | 232 | 186.00 | 189429 | 1.5395 |
| 3 | 1001 to 2000 | 191 | 162.50 | 299087 | 2.4307 |
| 4 | 2001 to 3000 | 70 | 199.65 | 176820 | 1.437 |
| 5 | 3001 to 4000 | 97 | 187.50 | 374459 | 3.0432 |
| 6 | 4001 to 5000 | 31 | 182.00 | 143224 | 1.164 |
| 7 | 5001 to 10000 | 65 | 163.70 | 457678 | 3.7196 |
| 8 | 10001 to ***** | 51 | 187.40 | 10252052 | 83.3186 |
| | TOTAL : | 5686 | 157.00 | 12304636 | 100 |

b. Categories of equity shareholding as on March 31, 2023:

| Sr_ No | Category | DEMAT Securities | DEMAT Holders | Physical Securities | Physical Holders | Total Securities | Total Value | Percent |
|--------|--|------------------|---------------|---------------------|------------------|------------------|------------------|------------|
| 1 | Body Corporate – Limited Liability Partnership | 12502 | 4 | 0 | 0 | 12502 | 125020 | 0.1016 |
| 2 | Clearing Members | 3470 | 8 | 0 | 0 | 3470 | 34700 | 0.0282 |
| 3 | Hindu Undivided Family | 227354 | 106 | 0 | 0 | 227354 | 2273540 | 1.8477 |
| 4 | Non Resident (Non- Repatriable) | 105727 | 23 | 0 | 0 | 105727 | 1057270 | 0.8592 |
| 5 | Non Resident Indians | 17279 | 30 | 0 | 0 | 17279 | 172790 | 0.1404 |
| 6 | Other Bodies Corporate | 94094 | 19 | 0 | 0 | 94094 | 940940 | 0.7647 |
| 7 | Promoters | 9130886 | 7 | 0 | 0 | 9130886 | 91308860 | 74.2069 |
| 8 | Public | 2713324 | 5488 | 0 | 0 | 2713324 | 27133240 | 22.0512 |
| | TOTAL : | 12304636 | 5686 | 0 | 0 | 12304636 | 123046360 | 100 |

c. Top ten equity shareholders of the Company as on March 31, 2023:

| Sr_ No | Category | Name | Shares | Percentage |
|--------|----------------|------------------------------|---------|------------|
| 1 | Promoter | JIGNESH VALLABHBHAI SAVANI | 2692440 | 21.88% |
| 2 | Promoter | FALGUN VALLABHBHAI SAVANI | 2645952 | 21.50% |
| 3 | Promoter Group | SARITABEN VALLABHBHAI SAVANI | 2623204 | 21.32% |
| 4 | Promoter Group | GHANSHAYAMBHAI B SAVANI | 802284 | 6.52% |
| 5 | Promoter Group | SAVANI NAYNA JIGNESH | 189384 | 1.54% |
| 6 | Promoter Group | SHILPABEN FALGUN SAVANI | 177372 | 1.44% |
| 7 | Public | JAGAT LODHA | 85500 | 0.69% |
| 8 | Public | CHETANKUMAR SHASHIKANT SHAH | 58600 | 0.48% |
| 9 | HUF | MILAN NATVARLAL BHAYANI | 57417 | 0.47% |
| 10 | Public | SAURABH MOHNOT | 52000 | 0.42% |

d. Top ten Public equity shareholders of the Company as on March 31, 2023:

| Sr_ No | Category | Name | Shares | Percentage |
|--------|----------------|---|--------|------------|
| 1 | Public | JAGAT LODHA | 85500 | 0.69% |
| 2 | Public | CHETANKUMAR SHASHIKANT SHAH | 58600 | 0.48% |
| 3 | HUF | MILAN NATVARLAL BHAYANI | 57417 | 0.47% |
| 4 | Public | SAURABH MOHNOT | 52000 | 0.42% |
| 5 | Public | PRAVEEN KUMAR GUPTA | 48000 | 0.39% |
| 6 | Public | KIRITBHAI MAKANBHAI RAVAL | 48000 | 0.39% |
| 7 | Public | GAURAV KIRITKUMAR SHAH | 48000 | 0.39% |
| 8 | Public | RAJ MILAN BHAYANI | 43453 | 0.35% |
| 9 | Public | ASMITA P BHAYANI | 40000 | 0.33% |
| 10 | Body Corporate | MI LIFESTYLE MARKETING GLOBAL PRIVATE LIMITED | 37558 | 0.31% |

(14) Dematerialization of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form on NSE Capital Market platform. Equity shares of the Company representing 100.00 percent of the Company's equity share capital are dematerialized as on March 31, 2023. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE04LG01015.

(15) Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence, as on March 31, 2023, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments

(16) Commodity price risk or foreign exchange risk and hedging activities:

For a detailed discussion on foreign exchange risk and no any hedging activities, please refer to Management Discussion and Analysis Report.

(17) Reconciliation of Share Capital Audit:

As stipulated by SEBI, a Practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued, listed and paidup capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

(18) Equity shares in the suspense account:

None of the equity shares are in the suspense account.

(19) Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. Company was not required to transfer unclaimed dividend or shares to IEPF during the year under review as there is no unclaimed dividend for seven years.

(20) Plant locations:

There are four Manufacturing Blocks at Plot No. 333/1, 333/2, 334, 335, 336/A, 336/B, 337, 338, 339/3 GIDC, Estate, Phase-II, Chitra, Bhavnagar-364004, Gujarat, India, which are for different products having a capacity of approx 9,700 MTPA. Block 1 – APIs, Block 2 - Magnesium Hydroxide, Block 3 - Fine Chemicals and Block 4 – APIs/ Fine Chemicals.

(21) Address for correspondence:**a. Registered Office**

815, Nilamber Triumph, Gotri Vasna Road,
Vadodara-390007, Gujarat, India
Phone no.: 0265-2991021/1022, 0278-2447013
Website: www.pardrugs.com
Email: investors@pardrugs.com

b. Contact Details for Investor Correspondence

Mr. Sanket B. Trivedi
Company Secretary, Compliance Officer & Deputy
Nodal Officer
Contact: +91 - 278 – 244 7013
E-mail: investors@pardrugs.com
Website: www.pardrugs.com

(22) SEBI Complaints Redressal System (SCORES):

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressed of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

(23) Senior management:**A. Particulars of senior management are as follows:-**

| DIN | Name | Designation | Joining Date |
|----------|---------------------------------------|------------------------------|--------------|
| 00198236 | Mr. Falgun Vallabhbhai Savani | Chairman & Managing Director | 26/02/1999 |
| 00198203 | Mr. Jignesh Vallabhbhai Savani | Executive Director & CEO | 26/02/1999 |
| 03055941 | Mr. Ghanshayambhai Bhagvanbhai Savani | Wholetime Director | 01/04/2012 |
| 00198189 | Mrs. Nayna Jignesh Savani | Non-Executive Director | 02/02/2018 |
| 08317641 | Mrs. Kajal Chintanbhai Vaghani | Independent Director | 17/01/2019 |
| 08317678 | Mrs. Krishna Mitulbhai Shah | Independent Director | 17/01/2019 |
| 08332851 | Mr. Pravin Manjibhai Bhayani | Independent Director | 17/01/2019 |
| 08893054 | Mrs. Bintal Bhaveshkumar Shah | Independent Director | 28/09/2020 |

B. Changes in the senior management since the close of the previous financial year:- No change during the F.Y. 2022-23 in the senior management team.**(24) Disclosure of certain types of agreements binding listed entities:** No any agreement executed during the year which required disclosure under clause 5A of paragraph A of Part A of Schedule III of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

We, confirm that the Company has in respect of the year ended March 31, 2023, received from the members of board of directors and senior management personnel of the Company a declaration of compliance with the Code of Conduct as applicable to board of directors and senior management.

Further, Pursuant to Regulation 26(3) read with Schedule V of SEBI (LODR) Regulations, 2015, We 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 2023.

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

Sd/-

(Mr. Jignesh V. Savani)
Chief Executive Officer

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

Sd/-

(Mr. Falgun V. Savani)
Chairman & Managing Director

Date: August 17, 2023
Place: Vadodara

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members,
PAR DRUGS AND CHEMICALS LIMITED

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of PAR DRUGS AND CHEMICALS LIMITED having CIN L24117GJ1999PLC035512 and having registered office at 815, Nilamber Triumph, Gotri Vasna Road, Vadodara- 390007 Gujarat (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director & DIN | Designation & Category | Date of Appointment |
|----------------|--|--|--|
| 1 | Mr. Falgun Vallabhshai Savani DIN: 00198236 | Chairman and Managing Director (Promoter) | 26/02/1999 (as a Director) 26/11/2018 (as a Chairman & Managing Director) |
| 2 | Mr. Jignesh Vallabhshai Savani DIN: 00198203 | CEO and Executive Director (Promoter) | 26/02/1999 (as a Director) 26/11/2018 (as a CEO) |
| 3 | Mr. Ghanshayambhai Bhagvanbhai Savani DIN: 03055941 | Whole Time Director (Promoter Group) | 01/04/2012 (as a Director) 26/11/2018 (as a Whole-time Director) |
| 4 | Mrs. Nayna Jignesh Savani DIN: 00198189 | Non- Executive Director (Promoter Group) | 02/02/2018 |
| 5 | Mr. Pravin Manjibhai Bhayani DIN: 08332851 | Non- Executive Independent Director | 17/01/20019 |
| 6 | Mrs. Krishna Mitulbhai Shah DIN: 08317678 | Non- Executive Independent Director | 17/01/20019 |
| 7 | Mrs. Kajal Chintanbhai Vaghani DIN: 08317641 | Non- Executive Independent Director | 17/01/20019 |
| 8 | Mrs. Bintal Bhaveshkumar Shah DIN: 08893054 | Non- Executive Independent Director | 28/09/2020 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR DG PATEL & ASSOCIATES
Company Secretaries

Sd/-

Dip G. Patel
(Proprietor)

FCS: 10533

C.P. No.: 13774

PR: 1839/2022

Place: Bhavnagar

Date: 17/08/2023

UDIN: F010533E000812609

Corporate Governance Compliance Certificate

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To ,
The Members,

PAR DRUGS AND CHEMICALS LIMITED

We have examined the compliance of conditions of Corporate Governance by **Par Drugs And Chemicals Limited** ('the Company') for the year ended on 31st March, 2023, as stipulated under Regulations 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on 31st March, 2023.

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

FOR DG PATEL & ASSOCIATES

Company Secretaries

Sd/-

Dip G. Patel

(Proprietor)

FCS: 10533

C.P. No.: 13774

PR: 1839/2022

Place: Bhavnagar

Date: 17/08/2023

UDIN: F010533E000812686

Compliance Certificate

PURSUANT TO REGULATION 17(8) READ WITH PART B OF SCHEDULE II OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) 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, 2023 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 listed entity'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 listed entity during the year which are fraudulent, illegal or violative of the listed entity'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.

For **Par Drugs And Chemicals Limited**

Sd/-

(Mr. Jignesh V. Savani)
Chief Executive Officer

Sd/-

(Mr. Chintan P. Chauhan)
Chief Financial Officer

Date: 17/08/2023
Place: Bhavnagar



Management Discussion and Analysis

Global economic overview

The global economic output is expected to witness stable growth, fuelled by stabilising inflationary pressures, reviving consumer sentiment and investor confidence. The employment scenario in the US and other advanced economies has recovered from pandemic levels and higher disposable income is also expected to facilitate growth in the coming years.

Emerging and developing countries are also experiencing substantial growth across multiple sectors, powered by governments' focus on infrastructure and manufacturing sectors. China has also recovered from its COVID impact on the economy and businesses and is on the road to recovery.

Central banks' monetary policies are anticipated to bear fruit causing a drop in global inflation from *8.7% in CY22 to 7.0% in CY23 to 4.9% in CY24. It is anticipated that the pent-up demand in numerous economies, coupled with a sharp reduction in inflation, will accelerate economic growth in CY23. [*Source: IMF World Economic Outlook, April 2023].

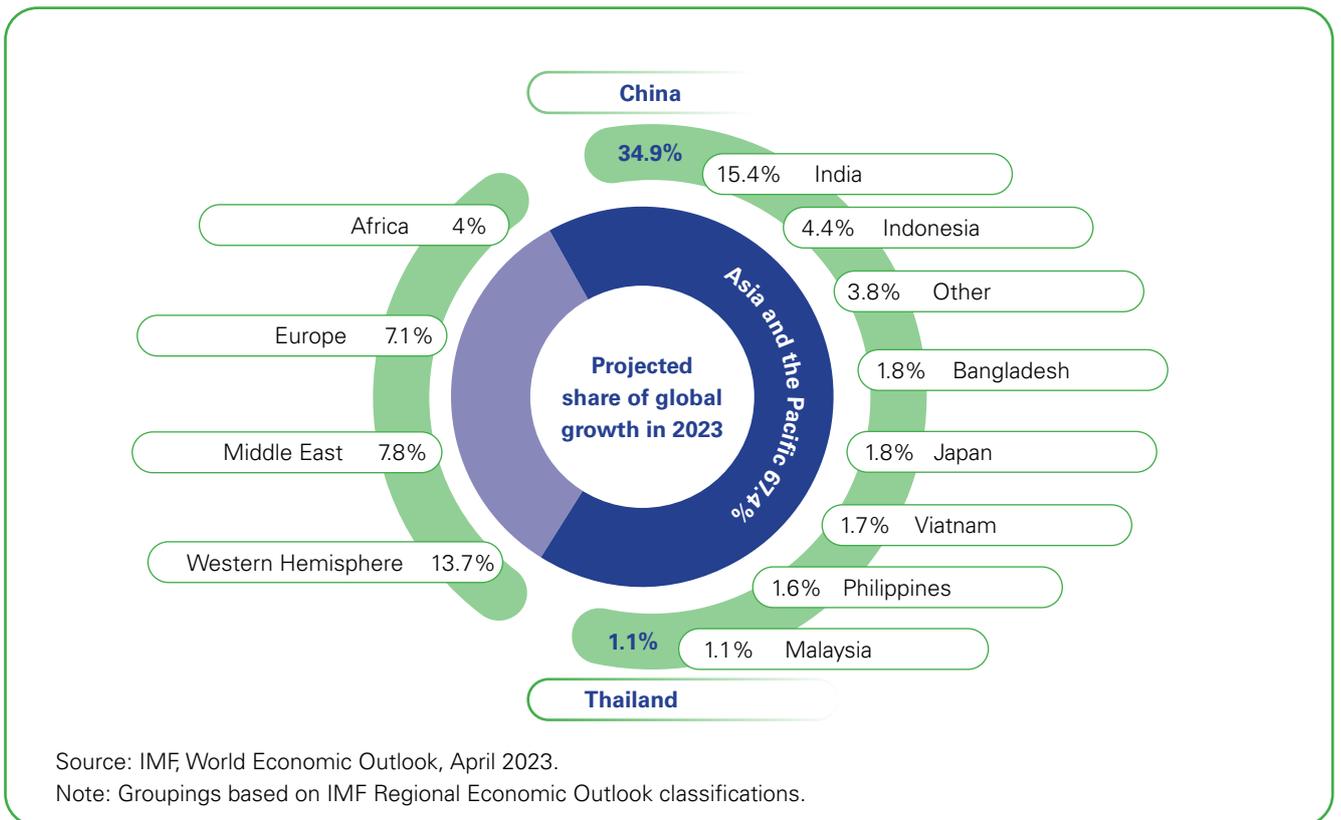
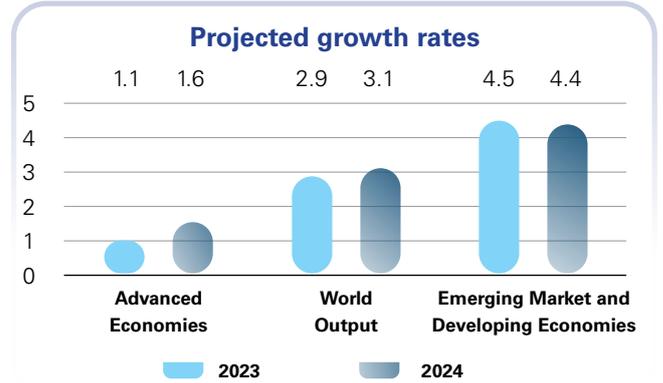
The global economy is anticipated to register a growth rate of 2.8% in CY23, which is likely to gradually increase and stabilise at 3.0% in CY24. Emerging markets and developing economies, including India, are powering ahead in many cases, with growth rates expected to significantly jump this year.

[Source- IMF World Economic Outlook, April 2023]



Outlook

Despite the inflationary pressures, the global economy is buoyed by a strong labour market, higher domestic consumption, an influx of foreign capital and a prudent response to the energy crisis in Europe. Many emerging markets and economies (EMDEs) are already witnessing a solid rebound, which has bolstered real incomes. An optimistic global outlook would also be determined by the speed and efficacy of fiscal and monetary policy actions undertaken to drive economic expansion. Global central banks have been tightening monetary policy, which is expected to curb sticky inflation and foster sustained growth.



Source: IMF, World Economic Outlook, April 2023.

Note: Groupings based on IMF Regional Economic Outlook classifications.

“China and India together are forecast to contribute about half of global growth this year.”

Indian economic overview

The Indian government has successfully maintained a conducive domestic policy environment and prioritised structural reforms, enabling the country's economy to remain resilient amid global challenges. Projections suggest that Indian economy will continue to expand at a rate of 7% during FY 2022-23¹. Additionally, the country's stable inflation rates, higher disposable income and consistent investment in infrastructure development are expected to bode well for future economic growth.

¹ <https://indbiz.gov.in/indian-gdp-to-grow-by-7-in-fy23-nso/>

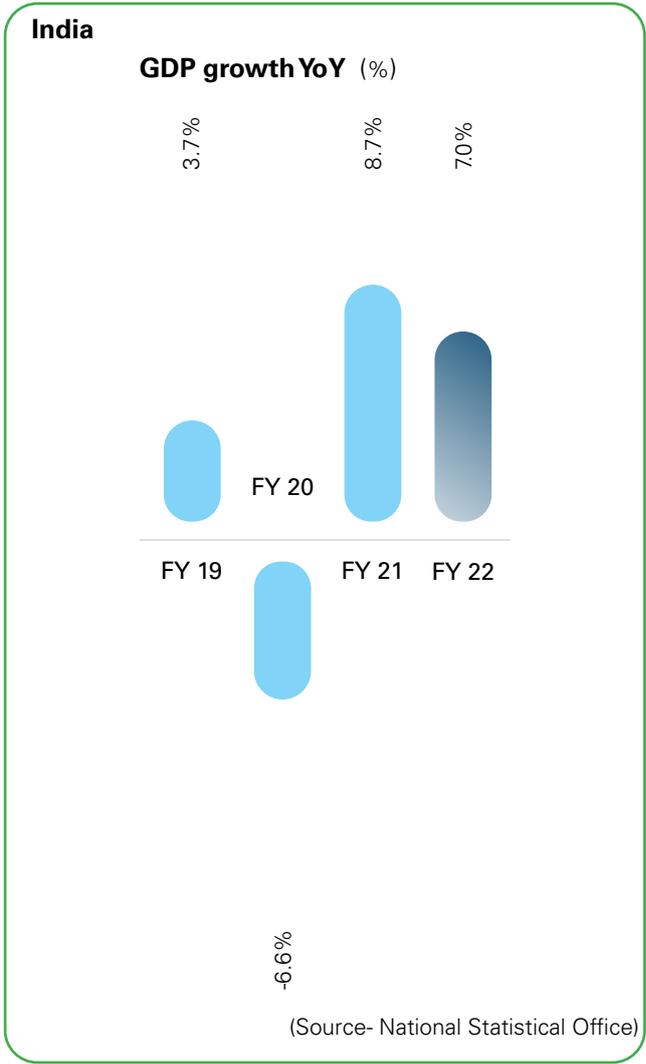
Numerous high-frequency indicators, including GST collections, railway and air traffic, electronic toll collections and E-Way bill volume, indicate a robust economic recovery in India. This upward growth momentum has positioned India as an attractive investment destination. Furthermore, India is expected to retain its status as the fastest-growing G-20 nation in the coming years. India's presidency of the G20 Summit in 2023 has also bolstered its international stature.

Despite facing challenges, the Indian government's schemes, such as the PM Gati Shakti - National Master Plan, the National Monetisation Plan (NMP) and the Production-Linked Incentive (PLI), have been essential in fostering economic growth. The Reserve Bank of India (RBI) has also taken prudent and proactive measures to ensure financial stability and address liquidity constraints. These factors have contributed to the Indian economy's resilience and pitched in substantial investments.

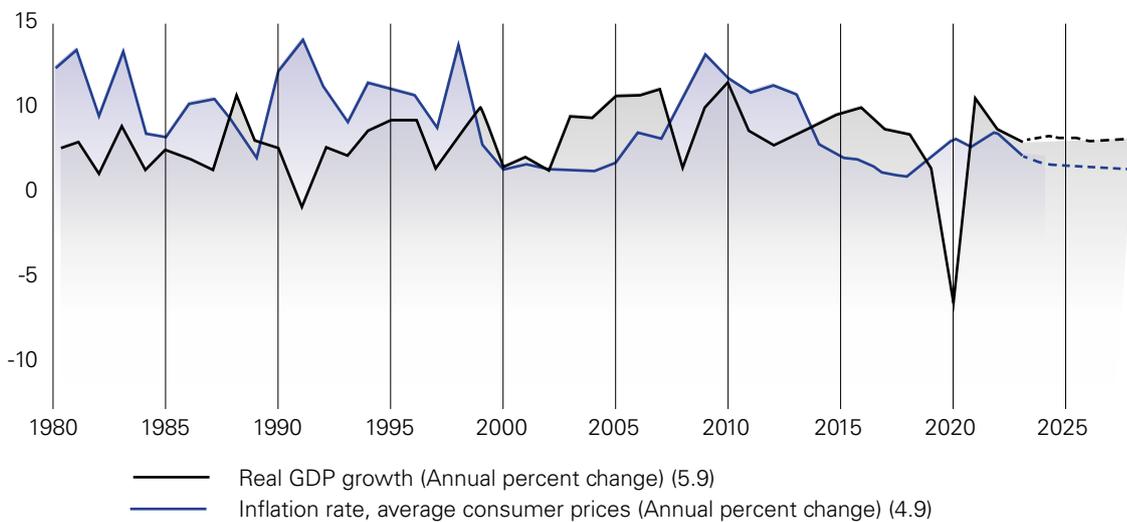
Outlook

India is well-positioned to be among the fastest-growing major economies in the world in 2023-24, accounting for 15% of global growth, the second-largest contribution and higher than that of the US and EU combined.² Growth will likely accelerate in the coming year as investments kickstart the virtuous circle of job creation, income, productivity, demand and exports, backed by favourable demographics in the medium term.³

With need-based measures in place to curb sticky inflation, manage the depreciation of the Indian currency and mitigate the immediate effects of the fiscal deficit on the economy, it is expected that there will be a significant improvement in business prospects. This, coupled with a favourable policy environment, is anticipated to enhance consumer confidence, bringing some modest relief to the domestic economy.



IMF expectation of India's growth in FY 23-24⁴



² <https://www.thehindu.com/business/Economy/India-remains-a-bright-spot-to-contribute-15-of-global-growth-in-2023-imf-md/article66540985.ece>

³ <https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html>

⁴ <https://www.imf.org/en/Countries/IND>

Global pharmaceuticals industry

The global pharmaceutical industry is growing at a rapid pace. Mathematical modelling is being preferred as a tool by the pharmaceutical industry and regulatory bodies to boost the sector's productivity and the effectiveness of new medication development procedures. Over the following five years, there will be an increase in both worldwide spending and demand for medications, reaching roughly USD 1.9 trillion by 2027 at a 3–6% CAGR. Global pharmaceutical markets are expected to grow by USD 500 billion between 2020 and 2027, with vaccines accounting for the majority of growth.⁵

The CAGR for the global pharmaceutical API manufacturing market is predicted to be 9.1%, up from USD 179.05 billion in 2021 to USD 195.29 billion in 2022⁶. The global market for active pharmaceutical ingredients is also being driven by the increasing prevalence of chronic diseases. Due to rising incidences of chronic diseases, the Active Pharmaceutical Ingredient (API) market is anticipated to grow at a rapid pace throughout the forecast period from 2023 to 2030. The global API market can be classified into in-house manufacturing and contract manufacturing. It is expected that the in-house manufacturing segment will continue to dominate the worldwide API market. This is because in-house manufacturing provides the flexibility to change as and when necessary, making it useful for a company to respond quickly to market changes without relying on another company or anyone else.

India's pharmaceutical industry

The pharmaceutical sector in India is presently valued at USD 50 billion and is on an upward growth trajectory. India ranks third globally in terms of production volume and fourteenth in terms of value. Since 2013–14, India's pharmaceutical exports have surged by 103%, rising from INR 90,415 crore in 2013–14 to INR 1,83,422 crore in 2021–22. India is rightfully considered the 'Pharmacy of the World' since it supplies about 20% of all generic medicine exports worldwide.⁷

20%

India's worldwide generic medicine exports

A strong network of over 10,500 manufacturing facilities, as well as more than 3,000 pharmaceutical businesses, can be found in India, which also has the biggest number of US-FDA-approved manufacturing plants outside of the US.⁸

3000+

Pharmaceutical businesses in India

India's emergence as a distinct supplier of bulk drugs has been remarkable. As far as APIs are concerned about 8% of the global API industry includes 500 domestic API businesses. These companies contribute 57% of APIs to the WHO's prequalified list. It is expected that the Indian API market will grow at a CAGR of 13.7%, which is nearly 8% faster than the generic API market, from FY24 to FY28. For many investors and venture capitalists, the Indian API market has proved profitable in recent years.

India has a competitive edge because of its large domestic market, advanced chemical industry, skilled labour force, strict quality and manufacturing standards, as well as inexpensive cost of setting up and running a new facility (approximately 40% less than in the West).⁹ India is a major supplier of generic medications. It produces roughly 60,000 different generic brands across 60 therapeutic categories, constituting about 20% of the world's generic supply.¹⁰

“

100% Foreign Direct Investment (FDI) in the pharmaceutical sector is allowed under the automatic route for greenfield pharmaceuticals.¹¹

”

⁵ <https://www.iqvia.com/newsroom/2023/01/global-market-for-medicines-to-rise-to-19-trillion-by-2027-says-report-from-iqvia-institute>

⁶ <https://www.researchandmarkets.com/reports/5733918/pharmaceutical-api-manufacturing-global-market>

⁷ <https://www.investindia.gov.in/team-india-blogs/harnessing-indias-api-potential>

⁸ <https://www.investindia.gov.in/sector/pharmaceuticals>

⁹ <https://www.investindia.gov.in/team-india-blogs/harnessing-indias-api-potential>

¹⁰ <https://www.investindia.gov.in/sector/pharmaceuticals>

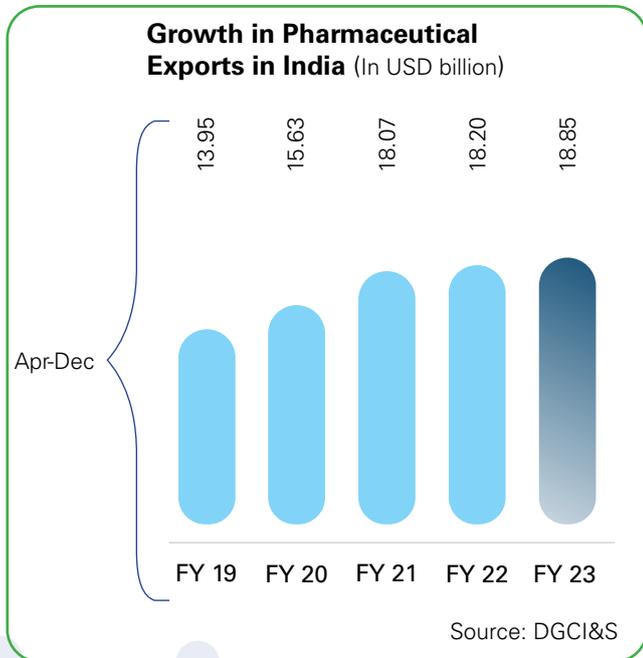
¹¹ <https://www.investindia.gov.in/sector/pharmaceuticals>

Exports

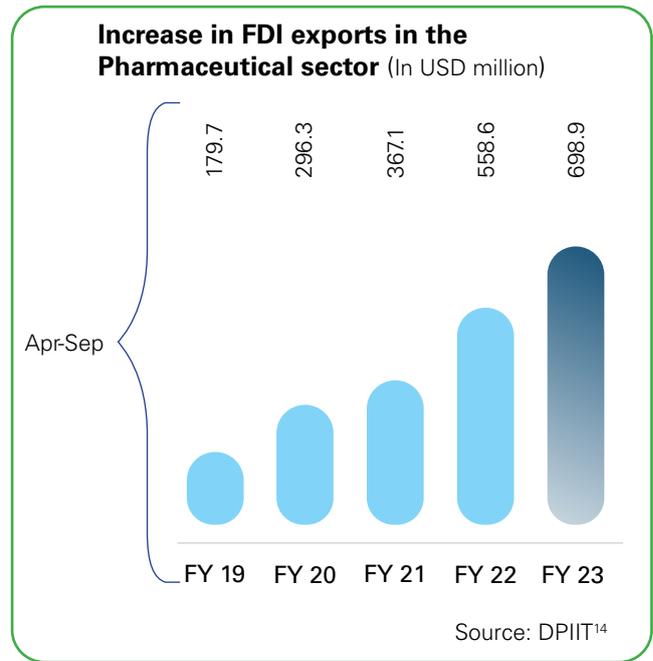
India is a major pharmaceutical exporter, with around 200 countries receiving Indian pharmaceutical exports. India meets approximately half of Africa's need for generic medications, more than 40% of the US market for generics, and roughly 25% of the UK's total drug demand. In 2021-2022, drug and pharmaceutical exports totalled USD 24.6 billion, up from USD 24.44 billion in 2020-2021.¹²

In FY21, Indian pharmaceutical exports saw a solid 24% growth. The outlook for India's domestic pharmaceutical sector thus remains optimistic. It is projected to increase from an estimated USD 41 billion in 2021 to an estimated USD 65 billion by 2024 and then USD 130 billion by 2030.

Drugs, pharmaceuticals and fine chemicals



When compared to the data from FY20, medical and pharmaceutical exports recorded a growth rate of 22% from April to October in FY22. In FY22, total foreign direct investment in the pharmaceutical industry surpassed the USD 20 billion mark. In addition, due to regulations that promote investment and help define a promising outlook for the sector, FDI inflows surged fourfold between FY19 and FY23, reaching a net worth of USD 699 million.¹³



Opportunities

Imports from nations including China, Italy, Germany, France and Malaysia meet India's primary demand for APIs. China is witnessing halted growth due to power concerns and rising utility costs. However, it still fulfils the majority of the global needs for APIs. Chinese manufacturing's slump may thus present a significant growth opportunity for domestic API businesses.

In the near future, India has a greater opportunity to grow into a full-fledged pharmaceutical supplier. The domestic API producers will be able to boost their production capacity and compete in the global market owing to the government's adequate regulatory assistance, which includes enough infrastructure facilities, subsidies and loans with low interest rates. The ongoing import of API raw materials is one of the factors that will fuel the expansion of the API market in India in addition to the government incentives.



¹² <https://www.investindia.gov.in/sector/pharmaceuticals>

¹³ <https://pib.gov.in/PressReleasePage.aspx?PRID=1894918>

¹⁴ <https://pib.gov.in/PressReleasePage.aspx?PRID=1894918>

Threats

Along with the constant threat of natural disasters, wars and trade restrictions, markets are also exposed to distinct economic and political risks. Over the past year, the costs of basic raw materials and utilities have significantly grown and this trend is expected to continue in the near term, thereby increasing the price of APIs. The demand for APIs on the domestic and international markets will be impacted by the rising price of APIs. However, the Company is safeguarded from any unfavourable events in any specific country or region owing to its extensive worldwide presence and lack of reliance on any one market.

Key growth enablers

- **Government support** - Incentives from the Government include allocations worth Rs. 21,940 for Production Linked Incentives 1.0 and Production Linked Incentives 2.0. The three proposed bulk drug parks in Gujarat, Himachal Pradesh and Andhra Pradesh will ensure India's drug security and offer a reliable supply of bulk drug active ingredients.
- **Medical tourism** - When compared to costs in the United States, Europe, and South Asia, India has the lowest cost while delivering high-quality services.
- **Infrastructure development** - India is home to the largest number of US-FDA-authorized pharmaceutical plants outside of the US, with over 10,500 manufacturing facilities and more than 3,000 pharmaceutical companies.
- **Strong domestic demand** - The introduction of the - Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB PM-JAY) has increased domestic demand. The domestic pharmaceutical market in India was worth USD 41 billion in 2021 and is expected to reach USD 65 billion by 2024 and USD 130 billion by 2030.¹⁵

Government initiatives

- 1) The Strengthening of Pharmaceutical Industry (SPI) scheme is being implemented by the Department of Pharmaceuticals, Ministry of Chemicals and Fertilisers, with an investment of Rs. 500 crore for a duration of FY 2021-2022 to FY 2025-26. Three sub-schemes are part of the scheme, which are discussed below:
 - (i) Assistance to the Pharmaceutical Industry for Common Facilities (APICF) to enhance infrastructure facilities by providing infrastructure support for pharma MSMEs clusters.

- (ii) Promotion of Technology Upgradation Assistance Scheme (PTUAS) to address the challenges of a specific pharmaceutical company's technological upgrade.

- (iii) Pharmaceutical and Medical Device Promotion and Development Scheme (PMPDS) to organise lectures, activities and surveys to raise awareness.¹⁶

- 2) A production-linked incentive (PLI) scheme for the development of local production of key starting materials (KSMs), drug intermediaries (DIs) and APIs was approved by the Government with an allocation of Rs. 6,940 crore. Under the PLI scheme, India has already begun producing 35 APIs, or around 67% of the APIs for which it is 90% dependent on imports.¹⁷
- 3) The proposal from the states of Himachal Pradesh, Gujarat and Andhra Pradesh under the Promotion of Bulk Drug Parks plan has also received in-principle approval from the Department of Pharmaceuticals. The programme offers financial assistance to these three states for the development of bulk drug parks, with a budget of Rs. 3000 crore to lower the cost of producing bulk pharmaceuticals by building top-notch shared infrastructure facilities and boosting the local bulk drug industry's competitiveness.
- 4) A pharmaceutical park near Chaygaon, Kamrup Rural, with a projected cost of Rs. 153.64 crore, has also been suggested by the government of Assam.¹⁸

Company overview

Par Drugs and Chemicals Limited (PDCL), founded in 1982 and promoted by Mr. Falgun Savani and Mr. Jignesh Savani, is involved in the development and creation of APIs. The Company currently produces APIs and fine chemicals for both the domestic market and exporting its offerings overseas. The Company owns and operates a manufacturing facility in Gujarat's Bhavnagar with a 9,700 MT yearly capacity. It is also India's leading manufacturer of magnesium hydroxide, sucralfate and trisilicate.

The Company has also initiated a new production line-up (one new manufacturing block), which will boost its production capacity, while also focusing on our current product line. The Company has four dedicated manufacturing blocks at Bhavnagar for different products. Block 1 is an API block, Block 2 is a Magnesium Hydroxide block, Block 3 is allotted for Fine Chemicals and Block 4 has both API and Fine Chemicals.

¹⁵ <https://www.investindia.gov.in/sector/pharmaceuticals>

¹⁶ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1906357>

¹⁷ <https://pib.gov.in/PressReleasePage.aspx?PRID=1711482>

¹⁸ <https://www.investindia.gov.in/team-india-blogs/harnessing-indias-api-potential>

Strengths

- **Diversified portfolio:** The Company manufactures the entire antacid product line. The product portfolio now includes 10 fine chemicals and 15 APIs sold both domestically and internationally.
- **Global presence:** The Company has a wide geographical footprint and has a strong foothold in both domestic and international markets. Its products are exported to roughly 16 nations, including Germany, the United Kingdom, Bangladesh, Iran, the United Arab Emirates, Indonesia, Japan and South Korea.
- **Promotional Experts:** The Company is led by skilled and experienced promoters and key managerial personnel, who have in-depth knowledge of and familiarity with the business environment concerning APIs and possess the insight necessary to drive the Company's sustained growth.
- **Comprehensive chemistry capabilities:** Research and development are consistent processes in the Company. The Company implements targeted R&D initiatives focusing primarily on streamlining processes and reducing manufacturing costs.
- **Wide sales and distribution network:** The Company operates a robust distribution network comprising 13 agents worldwide and over 40 dealers.

Product portfolio

The Company is engaged in the manufacturing of Active Pharmaceutical Ingredients (APIs) and Fine Chemicals. It is also one of the largest manufacturers of Magnesium Hydroxide, Sucralfate and Magnesium Trisilicate in India.

APIs

- **Magnesium Hydroxide** – Widely used as an antacid. It is also used as an intermediate for obtaining magnesium metal, residual fuel additive, sulphite pulp, uranium processing.
- **Sucralfate** – It is primarily used to treat active duodenal ulcers and for the treatment of gastroesophageal reflux disease and stress ulcers.
- **Dried Aluminium Hydroxide Gel** – This find application in manufacturing of lake colours, inks, catalysts carrier and is utilised primarily as an active ingredient in antacid formulations.
- **Magaldrate** - It is a common antacid drug that is used for the treatment of duodenal and gastric ulcers and esophagitis from gastroesophageal reflux.
- **Magnesium Trisilicate** – Used as an antioxidant, decolorising agent, industrial odour absorbent.

Fine chemicals

- **Precipitated Silica** - pesticides and detergents, free flow salt and anticaking agent, cosmetics.
- **Allusil** - It is a composition of silicate and aluminium salt used for paper, paint and coating applications.
- **PARSIL-HT** - Used in Specialised Agro Formulations.
- **Magnesium Aluminium Silicate** - Used as a plant growth supplement.
- **Magnesium Aluminium Silicate** - Used as an antacid raw material in a specific antacid formulation, ceramics, suspending agent, thickening agent.

Outlook

The Company continues to retain its generally stable and forward-looking growth outlook as it aims towards expanding its business.

Financial highlights

| Particulars | 2022-23 | 2021-22 | Y-o-Y change |
|---|-----------|----------|--------------|
| Revenue from Operations | | | |
| Sale of Products | | | |
| Finished Goods Sold during the year | | | |
| 1) Domestic | 7,511.92 | 5,627.27 | 1,884.65 |
| 2) Export | 1,997.59 | 1,792.74 | 204.85 |
| 3) Other Operating Revenue | 65.38 | 87.43 | -22.05 |
| Add: GST | 1,256.96 | 977.52 | 279.44 |
| Gross Turnover | 10,831.85 | 8,484.96 | |
| Less: GST | 1,256.96 | 977.52 | 279.44 |
| Net Sale of Product(A) | 9,574.88 | 7,507.44 | 2,067.44 |
| Other Income(B) | 23.83 | 18.39 | 5.44 |
| Total Revenue from Operations (C)=(A)+(B) | 9,598.71 | 7,525.83 | 2,072.88 |

Details of significant changes in key financial ratios and net worth, along with detailed explanations, therefore:

| Ratio Analysis | 2022-23 | 2021-22 | Variance (%) | Reasons (if variance is more than 25%) |
|-----------------------------|----------|---------|--------------|--|
| Debtors Turnover | 5.64 | 4.07 | 38.57% | Due to effective collection process, Debtors turnover ratio has been increased. |
| Inventory Turnover | 17.80 | 15.93 | 11.74% | Inventory has been increased in consonance of increasing in turnover as compare to last year resulting to increase in inventory turnover ratio. |
| Interest and Coverage Ratio | 7,747.05 | 43.46 | 17725.70% | Due to repayment of debts, interest coverage ratio has been increased. |
| Current Ratio | 3.53 | 2.93 | 20.48% | Current ratio has been increased due to increase in cash in flows invested in current assets like cash, account receivable, inventory and decrease in trade payable. |
| Debt Equity Ratio (%) | - | - | - | There is no debt. So, Debt Equity Ratio is Nil. |
| Operating Profit Margin (%) | 0.29 | 0.31 | -7.26% | Material costs have increased, resulting in reduced Operating Profit Margin. |
| Net Profit Margin (%) | 0.16 | 0.17 | -6.91% | Due to decrease in operating profit margin, Net Profit Margin has been reduced. |
| Return on Net Worth (%) | 0.16 | 0.15 | 3.38% | Due to Increase in revenue from operation, Return on Net worth has been increased. |

Risks and mitigation measures

Risks are an inherent part of the Company operations due to the highly regulated and dynamic nature of its operating environment. The Pharmaceutical industry is one of the most extensively regulated industries in the world and rightfully so, considering the rapid lifestyle changes. These regulations impact the creation, approval, marketing and distribution of products and present new compliance challenges. Another major challenge faced by the Company is that it generates revenue in foreign currency, which makes it vulnerable to exchange rate volatility. This can negatively impact the Company's overall revenue and profitability. However, the Company's conservative stance assures that the expected exchange rate is maintained to ensure profitability.

The Company has implemented a comprehensive risk management framework to make sure that it is geared to address any negative effects posed by financial, operational, strategic, or regulatory risks. The risk mitigation strategies of the Company determine the identification of potential risks as well as any changes in the effects of already existing ones. The strategies also ensure that mitigation plans are in place to manage those risks. The core tenets of the Company's risk management strategy include promoting proactive reporting, assessing and mitigating business-related risks while also driving stable, long-term growth. The Company has an effective risk management policy that clearly defines the Company's approach to risk assessment, risk management and risk monitoring, which is routinely analysed by the Board.

Human resources

The Company strives to create a professional workspace by fostering the values of fairness, equity and respect; encouraging knowledge exchange and teamwork; and ensuring an effective human resource management to drive the growth and success

of the Company. Through efficient human resource management procedures, the Company strives to accomplish department business plans, team performance objectives and corporate targets. Also, each employee's performance in relation to their job-related qualities, actions and outcomes are assessed periodically. The Company conducts several skill building sessions to help enhance their capabilities and provide them with opportunities to grow in their respective careers. A total of 105 people are employed by the Company as of March 31, 2023.

105

Total number of employees

Internal controls systems and their adequacy

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

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, 2023, 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.

Cautionary statement

Forward-looking statements may be found in the Management Discussion and Analysis when they discuss the Company's goals, estimates and expectations. As a result of different risks and uncertainties, actual results could significantly differ from those that were expressed or inferred. Important variables that could affect the Company's operations include the political and economic climate in India and the nations where the Company conducts business, the volatility of currency exchange rates and changes in governmental laws. The Company focuses on building core competencies that reflect the values and abilities required for success on both a personal and organisational level. It continuously tracks employee growth and conveys any persistent concerns to help the employees achieve objectives while coordinating performance expectations with corporate targets, regulations, tax laws, statutes and other unrelated elements. The Company disclaims any need to update or alter forward-looking statements due to new data, unexpected developments, or other factors.

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 accompanying standalone financial statements of PAR DRUGS AND CHEMICALS LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's 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, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other 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 Standards on Auditing ("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 Standards on Auditing ("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, 2020 ("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, based on our audit 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 including other comprehensive income, the statement of changes in equity 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 Ind AS specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provision of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company 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.
 - iv. The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 31.4 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate

Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- v. The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 31.5 to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- vii. During the year company has not declare or paid any dividend, hence reporting under Rule 11(f) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- viii. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

SARUPRIA SOMANI & ASSOCIATES

(Firm Registration No – 010674C)
CHARTERED ACCOUNTANTS

MIRAL MEHTA (Partner)

M.No.145361
Bhavnagar, 27th April, 2023
UDIN - 23145361BGSTNZ5736

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, 2023.

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 property, plant and equipment. The accounting aspects of property, plant and equipment are dealt with Ind AS 16. The company has also maintained proper records showing full particulars of intangible assets, if any.
- (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.

No any property, plant and equipment (including right to use assets) or intangible asset have been revalued during the year.
- (d) No any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
2. (a) Physical verification of inventory has been conducted at reasonable intervals by the management and there are no material discrepancies were noticed. The coverage and procedure of such verification by the management is appropriate.
- (b) During any point of time of the year, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.
3. (a) The company has not provided any loans or advances in the nature of loans, or stood guarantee, or provided security to any other entity other than companies whose principal business is to give loans.
- (b) No any investment made, guarantees provided, security given and none of the term and conditions of the grant of all loans and advances are prejudicial to the company's interest. No any amount is overdue for more than ninety days. No any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (c) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment,
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 Goods and Service Tax, 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 goods and service 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. No any transactions which are not recorded in the books of account, have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
9. (a) The company has not made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (b) No any bank or financial institution or other lender has declared the company as a defaulter.
- (c) The company has applied term loans for the purpose for which the loans were obtained.
- (d) Funds raised on short term basis have not been utilized for long term purposes.
- (e) The company doesn't have any subsidiaries, associates or joint ventures.
- (f) Since company doesn't have any subsidiaries, associates or joint ventures, No question of raising fund on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
10. (a) The company doesn't raise any money by way of initial public offer or further public offer (including debt instruments).
- (b) The company has not made any preferential allotment or private placement of shares of convertible debentures during the year, other than bonus shares

on equity shares. In respect of issue of bonus shares, the company has complied with the provisions of the companies act, 2013.

11. Neither company has done any fraud nor by its officers or employees so nothing to be disclosed separately. Hence , no any seprate disclosure required under sub-section (12) of section 143 of the companies act in prescribed form of ADT-4. No any whistle-blower complaints have been filed.
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 has the proper internal audit system commensurate with the size and nature of its business. We have broadly reviewed the reports of the internal auditors for the period under audit.
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. (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from RBI.
- (c) The company is not a Core Investment Company(CIC) as defined in the regulations made by the RBI.
17. The company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
18. During the year, V Dhamsania & Associates (FRN No-132499W) has retired on completion of their term and we have taken in to consideration the issues, objections or concerns raised by the outgoing auditors.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, we are of the opinion that no material uncertainty exists as on the date of the audit report. The company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
20. There is no any unspent amount to Fund specified in Schedule VII or shortfall which to be spent by the company in respect to CSR activities in compliance with section 135 of the companies act,2013.
21. There have not been any qualifications or adverse remarks in the Companies (Auditor's Report) Order (CARO) reports of the companies.

SARUPRIA SOMANI & ASSOCIATES

(Firm Registration No – 010674C)

CHARTERED ACCOUNTANTS

MIRAL MEHTA (Partner)

M.No.145361

Bhavnagar, 27th April, 2023

UDIN - 23145361BGSTNZ5736

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 2023 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 2023, 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.

SARUPRIA SOMANI & ASSOCIATES

(Firm Registration No – 010674C)
CHARTERED ACCOUNTANTS

MIRAL MEHTA (Partner)

M.No.145361
Bhavnagar, 27th April, 2023
UDIN - 23145361BGSTNZ5736

Balance Sheet

as at 31st March, 2023

Rs in Lakhs

| Particulars | Note No. | As At | |
|--|----------|-----------------|-----------------|
| | | 31.03.2023 | 31.03.2022 |
| ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 2 | 3,844.91 | 3,410.31 |
| (b) Capital Work-in-Progress | 3 | 24.54 | 24.83 |
| (c) Investment in Property | | - | - |
| (d) Goodwill | | - | - |
| (e) Other Intangible Assets | | - | - |
| (f) Intangible Assets Under Development | | - | - |
| (g) Biological Assets Other Than Bearer Plant | | - | - |
| (h) Financial Assets | | | |
| (i) Investments | 4 | 1.00 | 1.00 |
| (ii) Trade receivables | | - | - |
| (iii) Loans | | - | - |
| (i) Deferred Tax Assets (net) | | - | - |
| (j) Other non-current assets | 5 | 72.63 | 76.48 |
| Total Non-Current Assets | | 3,943.09 | 3,512.63 |
| (2) Current Assets | | | |
| (a) Inventories | 6 | 537.89 | 471.27 |
| (b) Financial Assets | | | |
| (i) Investments | | - | - |
| (ii) Trade receivables | 7 | 1,696.89 | 1,846.72 |
| (iii) Cash and cash equivalents | 8 | 2,224.30 | 1,620.64 |
| (iv) Bank balances other than (iii) above | | - | - |
| (v) Loans | 9 | 7.65 | 5.02 |
| (vi) Other Financial Assets | | - | - |
| (c) Current Tax Assets (Net) | 10 | 413.81 | 322.00 |
| (d) Other Current Assets | 11 | 63.16 | 90.74 |
| Total Current Assets | | 4,943.70 | 4,356.39 |
| TOTAL ASSETS | | 8,886.79 | 7,869.02 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 12 | 1,230.46 | 1,230.46 |
| (b) Other Equity | 13 | 5,893.37 | 4,757.26 |
| Total Equity | | 7,123.83 | 5,987.72 |
| Liabilities | | | |
| (1) Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | | - | - |
| (ia) Lease Liabilities | | - | - |
| (ii) Trade Payables:- | | | |
| (A) Total outstanding dues of micro and small enterprises; and | | - | - |
| (B) Total outstanding dues of creditors other than micro and small enterprises | | - | - |
| (iii) Other financial liabilities | | - | - |
| (b) Provisions | 14 | 14.02 | 40.56 |
| (c) Deferred Tax Liabilities (Net) | 15 | 350.00 | 355.00 |
| (d) Other Non-Current Liabilities | | - | - |
| Total Non-Current Liabilities | | 364.02 | 395.56 |
| (2) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | | - | - |
| (ia) Lease Liabilities | | - | - |
| (ii) Trade Payables:- | 16 | | |
| (A) Total outstanding dues of micro and small enterprises; and | | 16.00 | 27.51 |
| (B) Total outstanding dues of creditors other than micro and small enterprises | | 793.15 | 1,038.67 |
| (iii) Other financial liabilities | | - | - |
| (b) Other Current Liabilities | 17 | 198.22 | 79.62 |
| (c) Provisions | 18 | 391.57 | 339.94 |
| (d) Current Tax Liabilities (Net) | | - | - |
| Total Current Liabilities | | 1,398.94 | 1,485.74 |
| TOTAL EQUITY AND LIABILITIES | | 8,886.79 | 7,869.02 |
| Significant Accounting Policies | 1 | | |
| Notes forming part of the financial statements | 2-32 | | |

As per our report of even dated.

For, Sarupria Somani & Associates

Firm Regn. No. 010674C

Chartered Accountants

Miral Mehta (Partner)

M.No.145361

UDIN - 23145361BGSTNZ5736

Bhavnagar, 27th April, 2023

**For and on behalf of Board of Directors of
Par Drugs and Chemicals Limited****Mr. Falgun V. Savani**

(Chairman & Managing Director)

(DIN - 00198236)

Chintan P Chauhan

(CFO)

Bhavnagar, 27th April, 2023

Mr. Jigneshbhai V. Savani

Director & CEO

(DIN - 00198203)

Sanket B Trivedi (CS)

(M.No.- 51758)

Statement of Profit & Loss for the year ended 31st March, 2023

Rs in Lakhs

| Particulars | Note No. | 2022-2023 | 2021-2022 |
|---|----------|-----------------|-----------------|
| I. Revenue from operations | 19 | 9,574.88 | 7,507.44 |
| II. Other income | 20 | 23.83 | 18.39 |
| III. Total Income (I + II) | | 9,598.71 | 7,525.83 |
| IV. Expenses: | | | |
| Cost of materials consumed | 21 | 4,102.73 | 2,961.00 |
| Purchases of Stock-in-Trade | | - | - |
| Changes in inventories of finished goods, Stock-in-Trade and work-in-progress | 22 | -70.23 | -78.69 |
| Employee benefits expense | 23 | 488.79 | 410.13 |
| Finance costs | 24 | 13.32 | 45.42 |
| Depreciation and amortization expense | 25 | 323.32 | 328.12 |
| Other expenses | 26 | 3,232.85 | 2,589.53 |
| Total expenses (IV) | | 8,090.79 | 6,255.51 |
| V. Profit / (loss) before exceptional items and tax (III-IV) | | 1,507.92 | 1,270.32 |
| VI. Exceptional items | | - | - |
| VII. Profit / (loss) before tax (V - VI) | | 1,507.92 | 1,270.32 |
| VIII. Tax expense: | | | |
| (1) Current tax | | 379.51 | 334.50 |
| (2) Deferred tax | | -5.00 | 14.49 |
| IX Profit / (Loss) for the period from continuing operations (VII-VIII) | | 1,133.41 | 921.33 |
| X Profit / (loss) from discontinued operations | | - | - |
| XI Tax expense of discontinued operations | | - | - |
| XII Profit / (loss) from Discontinued operations (after tax) (X-XI) | | - | - |
| XIII Profit / (Loss) for the period (IX + XII) | | 1,133.41 | 921.33 |
| XIV Other Comprehensive Income | | | |
| A (i) items that will not be reclassified to profit or loss | | - | - |
| (ii) income tax relating to items that will not be reclassified to profit or loss | | - | - |
| B (i) items that will be reclassified to profit or loss | | - | - |
| (ii) income tax relating to items that will be reclassified to profit or loss | | - | - |
| XV Total Comprehensive Income for the period (comprising profit / (loss) and other comprehensive income for the period) (XIII + XIV) | | 1,133.41 | 921.33 |
| XVI Earnings per equity share (for discontinued operation) | | | |
| (1) Basic | | - | - |
| (2) Diluted | | - | - |
| XVII Earnings per equity share (for discontinued & continuing operation) | 27 | | |
| (1) Basic | | 9.21 | 7.49 |
| (2) Diluted | | 9.21 | 7.49 |
| Significant Accounting Policies | 1 | | |
| Notes forming part of the financial statements | 2-32 | | |

As per our report of even dated.

For, Sarupria Somani & Associates

Firm Regn. No. 010674C

Chartered Accountants

Miral Mehta (Partner)

M.No.145361

UDIN - 23145361BGSTNZ5736

Bhavnagar, 27th April, 2023

**For and on behalf of Board of Directors of
Par Drugs and Chemicals Limited****Mr. Falgun V. Savani**

(Chairman & Managing Director)

(DIN - 00198236)

Chintan P Chauhan

(CFO)

Bhavnagar, 27th April, 2023

Mr. Jigneshbhai V. Savani

Director & CEO

(DIN - 00198203)

Sanket B Trivedi (CS)

(M.No.- 51758)

Cash Flow Statement Annexed to the Balance Sheet

for the year ended 31st March, 2023

Rs in Lakhs

| Particulars | 2022-2023 | 2021-2022 |
|--|-----------------|-----------------|
| A: CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net profit before tax | 1,507.92 | 1,270.32 |
| Adjusted for: | | |
| Depreciation | 323.32 | 328.12 |
| Income-tax/Prior Year Adjustment | 2.70 | -1.26 |
| Interest Expense | 0.24 | 37.65 |
| Rent, Interest & Dividend Income | -9.54 | -18.39 |
| Profit on Slump Sale of Ankleshar Unit | - | - |
| Profit/Loss on sale of assets | -14.28 | - |
| | 302.44 | 346.12 |
| Operating Profit / (loss) before working capital changes | 1,810.36 | 1,616.44 |
| Adjustments for changes in working capital | | |
| Adjustments for (increase)/decrease in operating assets | | |
| Loans & Other Non-Current Assets | 3.85 | -0.66 |
| Inventories | -66.62 | -171.60 |
| Trade Receivables | 149.83 | -601.58 |
| Loans (Current Assets) | -2.64 | -1.94 |
| Other Current Assets | 27.58 | 17.80 |
| Adjustments for increase/(decrease) in operating liabilities | | |
| Provisions (Non-Current Liabilities) | -26.54 | 1.21 |
| Provisions (Current Liabilities) | 6.62 | -13.31 |
| Other Current Liabilities | 118.60 | -166.88 |
| Trade Payables | -257.03 | 394.40 |
| | -46.34 | -542.56 |
| Cash Generated from / (used in) Operating activities | 1,764.01 | 1,073.88 |
| Less: Income-Tax paid | -426.31 | -312.36 |
| Net Cash generated from / (used in) Operating Activities: | 1,337.71 | 761.52 |
| B: CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Fixed Assets | -763.36 | -320.23 |
| Sales of Fixed Assets | 20.00 | - |
| Sale of Investment | - | - |
| Rent, Interest & Dividend Income | 9.54 | 18.39 |
| | -733.81 | -301.84 |
| Net Cash generated from / (used in) Investing Activities: | -733.81 | -301.84 |

Cash Flow Statement Annexed to the Balance Sheet

for the year ended 31st March, 2023

Rs in Lakhs

| Particulars | 2022-2023 | 2021-2022 |
|--|-----------------|-----------------|
| C: CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Proceeds from Issue of Shares | - | - |
| Proceeds from Long Term Borrowings | - | - |
| Repayment of Long Term Borrowings | - | -439.18 |
| Repayment of Short Term Borrowings | - | -324.79 |
| Dividend Paid | - | -153.81 |
| Interest paid | -0.24 | -37.65 |
| | -0.24 | -955.42 |
| Net Cash generated from / (used in) Financing Activities: | -0.24 | -955.42 |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 603.66 | -495.74 |
| Opening Balance of Cash and Cash Equivalents | 1,620.64 | 2,116.38 |
| Closing Balance of Cash and Cash Equivalents | 2,224.30 | 1,620.64 |
| Total: | 603.66 | -495.74 |

- 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.
- 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 2-32

As per our report of even dated.

For, Sarupria Somani & Associates

Firm Regn. No. 010674C

Chartered Accountants

Miral Mehta (Partner)

M.No.145361

UDIN - 23145361BGSTNZ5736

Bhavnagar, 27th April, 2023

**For and on behalf of Board of Directors of
Par Drugs and Chemicals Limited**

Mr. Falgun V. Savani

(Chairman & Managing Director)

(DIN - 00198236)

Chintan P Chauhan

(CFO)

Bhavnagar, 27th April, 2023

Mr. Jigneshbhai V. Savani

Director & CEO

(DIN - 00198203)

Sanket B Trivedi (CS)

(M.No.- 51758)

Notes to Financial Statement for the year ended 31st March, 2023

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.

(B) Significant Accounting Policies

1) Basis of Preparation of Financial Statement

These financial statements are prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India 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 use-full 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) Property, Plant and Equipment and Intangible assets & Depreciation:

Tangible Assets:

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.

Intangible Assets:

An intangible asset is recognized when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes and allocated incidental expenditure during development / acquisition and exclusive of Input tax credit (IGST/CGST and SGST) or other tax credit available to the Company.

Subsequent expenditure relating to intangible assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Assets Acquired as Lease:

Leases under which the Entity assumes substantially all the risks and rewards of ownership are classified as

Notes to Financial Statement

for the year ended 31st March, 2023

finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

The cost of leasehold land is amortized over the period of the lease. Leasehold improvements and assets acquired on finance lease are amortized over the lease term or useful life, whichever is lower.

Advances paid towards the acquisition of Property, Plant and Equipment

Advances paid towards the acquisition of Property, Plant and Equipment, outstanding at each balance sheet date are shown under capital advances. The cost of the Property, Plant and Equipment not ready for its intended use on such date, is disclosed under capital work-in-progress.

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 :

- Raw Materials : Valued at Cost Price.
- Finished goods : Valued at lower of Cost or Net Realizable Value.
- 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:

- Revenue/income and Cost / Expenditure are generally accounted on accrual basis as they are earned or incurred, except those with significant uncertainties.
- Sales are recognized at the point of dispatch of goods to the customers. Sales are net of discounts, GST and returns.
- Interest income is recognized on time proportion basis.
- Dividend on Investments is accounted when approved by the shareholders' in the annual general meeting.
- Insurance claim receivable is recognized in the year of the loss to the extent ascertainable.
- 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.

Notes to Financial Statement

for the year ended 31st March, 2023

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) Current Assets, Loans And Advances

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, 2023

NOTES No.2. PROPERTY, PLANT AND EQUIPMENT :(NON-CURRENT ASSETS)

| Particulars | Rs in Lakhs | | | | | | Total |
|--------------------------------------|--------------|-----------------|---------------------|----------------------|---------------|---------------|-----------------|
| | Land | Buildings | Plant & Machineries | Furniture & Fixtures | Vehicles | Others | |
| Gross carrying amount | | | | | | | |
| As on 01-04-2022 | 33.21 | 1,523.62 | 3,781.08 | 86.43 | 263.39 | 314.05 | 6,001.78 |
| Additions | 28.87 | 316.36 | 274.70 | 29.44 | 0.85 | 113.41 | 763.64 |
| Disposals | - | -8.15 | - | - | - | - | -8.15 |
| Effect of foreign exchange movements | - | - | - | - | - | - | - |
| Other movements | - | - | - | - | - | - | - |
| As on 31.03.2023 | 62.08 | 1,831.83 | 4,055.79 | 115.87 | 264.24 | 427.46 | 6,757.27 |
| Depreciation and impairments | | | | | | | |
| As on 01-04-2022 | - | 413.63 | 1,727.94 | 32.56 | 202.98 | 214.36 | 2,591.46 |
| Depreciation | - | 51.31 | 213.63 | 9.20 | 30.21 | 18.96 | 323.32 |
| Impairments | - | -2.43 | - | - | - | - | -2.43 |
| Effect of foreign exchange movements | - | - | - | - | - | - | - |
| Other movements | - | - | - | - | - | - | - |
| As on 31.03.2023 | - | 462.51 | 1,941.57 | 41.77 | 233.19 | 233.32 | 2,912.36 |
| Net book value 31.03.2023 | 62.08 | 1,369.32 | 2,114.22 | 74.11 | 31.05 | 194.14 | 3,844.91 |
| Net book value 31.03.2022 | 33.21 | 1,109.99 | 2,053.15 | 53.87 | 60.41 | 99.69 | 3,410.31 |

NOTES No.3. CAPITAL WORK-IN-PROGRESS :(NON-CURRENT ASSETS)

| Particulars | Rs in Lakhs | | | Total |
|--------------------------------------|----------------------|------------------------|----------------------------|--------------|
| | Factory Building-WIP | Plant & Machinery -WIP | Furniture & Fixtures - WIP | |
| Gross carrying amount | | | | |
| As on 01-04-2022 | 24.83 | - | - | 24.83 |
| Additions | 24.54 | - | - | 24.54 |
| Disposals | -24.83 | - | - | -24.83 |
| Effect of foreign exchange movements | - | - | - | - |
| Other movements | - | - | - | - |
| As on 31.03.2023 | 24.54 | - | - | 24.54 |
| Depreciation and impairments | | | | |
| Depreciation | - | - | - | - |
| Impairments | - | - | - | - |
| Effect of foreign exchange movements | - | - | - | - |
| Other movements | - | - | - | - |
| As on 31.03.2023 | - | - | - | - |
| Net book value 31.03.2023 | 24.54 | - | - | 24.54 |
| Net book value 31.03.2022 | 24.83 | - | - | 24.83 |

CAPITAL WORK-IN-PROGRESS AGING SCHEDULE

| Capital Work-In-Progress | Rs in Lakhs | | | | Total |
|---------------------------------------|---------------------------------------|----------|----------|------------------|-------|
| | Amount in Capital WIP for a period of | | | | |
| | Less than 1 Year | 1-2 year | 2-3 year | More than 3 year | |
| Project in progress- Factory Building | 24.54 | - | - | - | 24.54 |
| Projects temporarily suspended | - | - | - | - | - |

Notes to Financial Statement

for the year ended 31st March, 2023

NOTES No.4. INVESTMENTS (NON-CURRENT - FINANCIAL ASSETS) :

| | AS AT 31.03.2023 | AS AT 31.03.2022 |
|--|---------------------|---------------------|
| 1 Investments in Mutual Fund (Quoted); | | |
| a) ABCL Low Duration Fund | 1.00 | 1.00 |
| TOTAL: INVESTMENTS | 1.00 | 1.00 |

Rs in Lakhs

NOTES No.5. OTHER NON-CURRENT ASSETS (NON-CURRENT-FINANCIAL ASSETS) :

| | AS AT 31.03.2023 | AS AT 31.03.2022 |
|--|---------------------|---------------------|
| 1 Security Deposits; | | |
| a Unsecured, considered good; | 57.62 | 54.30 |
| | 57.62 | 54.30 |
| 2 Other loans and advances: Unsecured, considered good; | | |
| a Income Tax Refund Receivable | 15.01 | 15.01 |
| b Mat Tax Credit | - | 7.17 |
| | 15.01 | 22.18 |
| TOTAL: LOANS | 72.63 | 76.48 |

Rs in Lakhs

NOTES No.6. INVENTORIES :(CURRENT ASSETS)

| | AS AT 31.03.2023 | AS AT 31.03.2022 |
|-----------------------------|---------------------|---------------------|
| - Raw Materials. | 92.37 | 123.72 |
| - Finished goods. | 310.80 | 283.23 |
| - Semi-finished goods. | 65.35 | 22.69 |
| - Packing Material. | 38.78 | 22.98 |
| - Fuel, Fire wood & lignite | 30.60 | 18.65 |
| TOTAL: INVENTORIES | 537.89 | 471.27 |

Rs in Lakhs

- 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.
- The quantity and value of the stock as taken & certified by the directors of the company.

NOTES No.7. TRADE RECEIVABLES :(CURRENT ASSETS-FINANCIAL ASSETS)

1 Trade Receivables Aging Schedule

| Particulars | AS AT 31.03.2023 | AS AT 31.03.2022 |
|--|---------------------|---------------------|
| Outstanding for Less than 6 months | | |
| Undisputed Trade receivables – considered good | 1,574.91 | 1,786.36 |
| Undisputed Trade Receivables – considered doubtful | - | - |
| Disputed Trade Receivables considered good | - | - |
| Disputed Trade Receivables considered doubtful | - | - |
| Outstanding for 6 months - 1 years | | |
| Undisputed Trade receivables – considered good | 7.38 | 57.84 |
| Undisputed Trade Receivables – considered doubtful | 112.12 | - |
| Disputed Trade Receivables considered good | - | - |
| Disputed Trade Receivables considered doubtful | - | - |

Rs in Lakhs

Notes to Financial Statement

for the year ended 31st March, 2023

NOTES No.7. TRADE RECEIVABLES :(CURRENT ASSETS-FINANCIAL ASSETS) (Contd..)

| Particulars | Rs in Lakhs | |
|--|---------------------|---------------------|
| | AS AT 31.03.2023 | AS AT 31.03.2022 |
| Outstanding for 1 years - 2 years | | - |
| Undisputed Trade receivables – considered good | - | 2.07 |
| Undisputed Trade Receivables – considered doubtful | 0.48 | 0.45 |
| Disputed Trade Receivables considered good | - | - |
| Disputed Trade Receivables considered doubtful | - | - |
| Outstanding for 2 years - 3 years | | - |
| Undisputed Trade receivables – considered good | 2.00 | - |
| Undisputed Trade Receivables – considered doubtful | - | - |
| Disputed Trade Receivables considered good | - | - |
| Disputed Trade Receivables considered doubtful | - | - |
| Outstanding for More than 3 years | | - |
| Undisputed Trade receivables – considered good | - | - |
| Undisputed Trade Receivables – considered doubtful | - | - |
| Disputed Trade Receivables considered good | - | - |
| Disputed Trade Receivables considered doubtful | - | - |
| TOTAL: TRADE RECEIVABLES | 1,696.89 | 1,846.72 |

NOTES No.8.CASH AND CASH EQUIVALENTS:(CURRENT ASSETS-FINANCIAL ASSETS)

| | Rs in Lakhs | |
|---|---------------------|---------------------|
| | AS AT 31.03.2023 | AS AT 31.03.2022 |
| Cash and cash equivalents: | | |
| a Balances with banks; | | |
| In current accounts | 1,922.94 | 1,519.42 |
| b Cash on hand | 1.20 | 1.06 |
| | 1,924.14 | 1,520.49 |
| c Deposits with Banks maturity more than 3 months but less than 12 months | 300.16 | 100.16 |
| TOTAL: CASH AND CASH EQUIVALENTS | 2,224.30 | 1,620.64 |

NOTES No.9. LOANS (CURRENT ASSETS - FINANCIAL ASSETS) :

| | Rs in Lakhs | |
|---|---------------------|---------------------|
| | AS AT 31.03.2023 | AS AT 31.03.2022 |
| Other loans | | |
| Unsecured, considered good unless stated otherwise: | | |
| a Loans to Employee | 7.65 | 5.02 |
| | 7.65 | 5.02 |
| TOTAL: LOANS | 7.65 | 5.02 |

NOTES No.10. CURRENT TAX ASSETS (NET): (CURRENT ASSETS)

| | Rs in Lakhs | |
|--|---------------------|---------------------|
| | AS AT 31.03.2023 | AS AT 31.03.2022 |
| a Advance Payment of Taxes | 413.81 | 322.00 |
| TOTAL: CURRENT TAX ASSETS (NET) | 413.81 | 322.00 |

Notes to Financial Statement

for the year ended 31st March, 2023

NOTES No.11. OTHER CURRENT ASSETS: (CURRENT ASSETS)

| | AS AT 31.03.2023 | AS AT 31.03.2022 |
|---|---------------------|---------------------|
| Rs in Lakhs | | |
| Other Current Assets: | | |
| Unsecured, considered good unless stated otherwise: | | |
| a Pre-paid Expense | 4.29 | 4.79 |
| b Balances with Govt. Authorities | - | - |
| c Other (Interest Receivable) | - | - |
| d Other (MEIS Receivable) | - | 7.38 |
| e Advance to suppliers of goods & services. | 58.87 | 78.57 |
| | 63.16 | 90.74 |
| TOTAL: OTHER CURRENT ASSETS | 63.16 | 90.74 |

NOTES No.12. EQUITY SHARE CAPITAL :

| | AS AT 31.03.2023 | AS AT 31.03.2022 |
|--|---------------------|---------------------|
| Rs in Lakhs | | |
| 1 Authorised Shares:authorized; | | |
| 1,25,00,000 (Prev.Yr. 1,25,00,000) Equity Shares of Rs.10/- each. | 1,250.00 | 1,250.00 |
| | 1,250.00 | 1,250.00 |
| 2 Issued, subscribed and fully paid Shares | | |
| 1,23,04,636 (Prev.Yr 1,23,04,636) Equity Shares of Rs.10/- each Fully paid up | 1,230.46 | 1,230.46 |
| | 1,230.46 | 1,230.46 |

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

| | AS AT 31.03.2023 | AS AT 31.03.2022 |
|---|---------------------|---------------------|
| Rs in Lakhs | | |
| | No. of Shares | No. of Shares |
| Equity Shares | | |
| At the beginning of the period | 1,23,04,636 | 61,52,318.00 |
| Issued during the period | 0 | 61,52,318.00 |
| Outstanding at the end of the period | 1,23,04,636 | 1,23,04,636 |

4 Terms & Right attached to Equity 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 if any 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 Reconciliation of share capital outstanding at the beginning and at the end of the reporting period;

a) Share Capital at the end of the year 31st March, 2023

| | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|---|---|--|---|---|
| Balance at the beginning of the current reporting period | | | | |
| 1,230.46 | - | 1,230.46 | | 1,230.46 |
| (1,23,04,636 Equity Shares of Rs.10/- each Fully paid up) | | (1,23,04,636 Equity Shares of Rs.10/- each Fully paid up) | | (1,23,04,636 Equity Shares of Rs.10/- each Fully paid up) |

Rs in Lakhs

Notes to Financial Statement

for the year ended 31st March, 2023

NOTES No.12. EQUITY SHARE CAPITAL : (Contd..)

b) Share Capital at the end of the year 31st March, 2022

| Rs in Lakhs | | | | |
|---|--|--|--|---|
| Balance at the beginning of the previous reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the previous reporting period | Changes in equity share capital during the previous year | Balance at the end of the previous reporting period |
| 615.23 | - | 615.23 | 615.23 | 1,230.46 |
| (61,52,318 Equity Shares of Rs.10/- each Fully paid up) | | (61,52,318 Equity Shares of Rs.10/- each Fully paid up) | (61,52,318 Bonus shares of Rs.10/- each fully paid issued during the period) | (1,23,04,636 Equity Shares of Rs.10/- each Fully paid up) |

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

| Rs in Lakhs | | |
|---|-----------------------------|-----------------------------|
| | AS AT 31.03.2023 | AS AT 31.03.2022 |
| | No. & (%) of Shares Held | No. & (%) of Shares Held |
| a) Equity Shares, fully paid up: | | |
| Jignesh Vallabhbbhai Savani | 2692440 (21.88%) | 2692440 (21.88%) |
| Falgun Vallabhbbhai Savani | 2645952 (21.5%) | 2645952 (21.5%) |
| Vallabhbbhai Jivabhai Savani | 0 (0.00%) | 2401472 (19.52%) |
| Saritaben Vallabhbbhai Savani | 2623204 (21.32%) | 221732 (1.80%) |
| Ghanshyambhai B Savani | 802284 (6.52%) | 802284 (6.52%) |

7 Shares in the company held by each promoter at the end of the year

| Rs in Lakhs | | | |
|-------------|-----------------------------|----------------------------------|--------------------------|
| Sr No | Promoter Name | No. of Shares (%of Total Shares) | % Change During the Year |
| 1 | Falgun Vallabhbbhai Savani | 2645952 (21.5%) | 0.00% |
| 2 | Jignesh Vallabhbbhai Savani | 2692440 (21.88%) | 0.00% |
| | | 5338392 (43.39%) | 0.00% |

Notes to Financial Statement for the year ended 31st March, 2023

NOTES No.13. OTHER EQUITY :

1) Other Equity Fund as on AS AT 31.03.2023

| | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus | | | | Debt instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Effective portion of Cash Flow Hedges | Revaluation Surplus | Exchange differences on translating the financial statements of a foreign operation | Other items of Other Comprehensive Income (specify nature) | Money received against share warrants | Total |
|---|---|--|-----------------------|--------------------|-----------------|--|---|---|---------------------------------------|---------------------|---|--|---------------------------------------|-----------------|
| | | | Capital Total Reserve | Securities Premium | General Reserve | Surplus/ (Deficit) in the statement of Profit & Loss | | | | | | | | |
| Balance at the beginning of the current reporting period | - | - | 6.86 | 1,067.26 | 3.50 | 3,679.64 | - | - | - | - | - | - | - | 4,757.26 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Restated balance at the beginning of the current reporting period | - | - | 6.86 | 1,067.26 | 3.50 | 3,679.64 | - | - | - | - | - | - | - | 4,757.26 |
| Total Comprehensive Income for the current year | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Profit/(Loss) for the year | - | - | - | - | - | 1,133.41 | - | - | - | - | - | - | - | 1,133.41 |
| LESS : | | | | | | | | | | | | | | |
| Interim Dividend to Equity Shareholders | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to retained earnings | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Income-tax Adj. of earlier year | - | - | - | - | - | 2.70 | - | - | - | - | - | - | - | 2.70 |
| Issue of Bonus Shares | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Any other change (to be specified) | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance at the end of the current reporting period | - | - | 6.86 | 1,067.26 | 3.50 | 4,815.75 | - | - | - | - | - | - | - | 5,893.37 |

Rs in Lakhs

Notes to Financial Statement for the year ended 31st March, 2023

NOTES No.13. OTHER EQUITY : (Contd..)

2) Other Equity Fund as on AS AT 31.03.2022

| | Share application money pending allotment | Equity component of compound financial instruments | Capital Total Reserve | Securities Premium | Reserves and Surplus General Reserve | Surplus/ (Deficit) in the statement of Profit & Loss | Retained Earnings | Debt instruments through Comprehensive Income | Equity Instruments through Comprehensive Income | Effective portion of Cash Flow Hedges | Revaluation Surplus | Exchange differences on the financial statements of a foreign operation | Other items of Other Comprehensive Income (specify nature) | Money received against share warrants | Total |
|---|---|--|-----------------------|--------------------|--------------------------------------|--|-------------------|---|---|---------------------------------------|---------------------|---|--|---------------------------------------|-----------------|
| Balance at the beging of the current reporting period | - | - | 6.86 | 1,682.49 | 3.50 | 2,913.37 | - | - | - | - | - | - | - | - | 4,606.22 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Restated balance at the beginning of the current reporting period | - | - | 6.86 | 1,682.49 | 3.50 | 2,913.37 | - | - | - | - | - | - | - | - | 4,606.22 |
| Total Comprehensive Income for the current year | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Profit/(Loss) for the year | - | - | - | - | - | 921.33 | - | - | - | - | - | - | - | - | 921.33 |
| LESS : | | | | | | | | | | | | | | | |
| Interim Dividend to Equity Shareholders | - | - | - | - | - | -153.81 | - | - | - | - | - | - | - | - | -153.81 |
| Transfer to retained earnings | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Income-tax Adj. of earlier year | - | - | - | - | - | -1.26 | - | - | - | - | - | - | - | - | -1.26 |
| - | - | - | - | -615.23 | - | - | - | - | - | - | - | - | - | - | -615.23 |
| Any other change (to be specified) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance at the end of the current reporting period | - | - | 6.86 | 1,067.26 | 3.50 | 3,679.64 | - | - | - | - | - | - | - | - | 4,757.26 |

Notes to Financial Statement

for the year ended 31st March, 2023

NOTES No.14. PROVISIONS (NON-CURRENT - FINANCIAL LIABILITIES) :

| | | Rs in Lakhs | |
|---|---------------------------------|---------------------|---------------------|
| | | AS AT 31.03.2023 | AS AT 31.03.2022 |
| 1 | Provision for employee benefits | | |
| | Provision for Gratuity | 14.02 | 40.56 |
| | TOTAL: PROVISIONS | 14.02 | 40.56 |

NOTES No.15. DEFERRED TAX LIABILITIES (NET) :

| | | Rs in Lakhs | |
|---------------------------------|--|---------------------|---------------------|
| | | AS AT 31.03.2023 | AS AT 31.03.2022 |
| Deferred Tax Liabilities | | | |
| 1 | Fixed Assets: Impact of difference between Book and Tax Depreciation | 357.00 | 367.00 |
| | Gross Deferred Tax Liabilities | 357.00 | 367.00 |
| Deferred Tax Assets | | | |
| 1 | Provision for Gratuity. | 7.00 | 12.00 |
| | Gross Deferred Tax Assets | 7.00 | 12.00 |
| | TOTAL: DEFERRED TAX LIABILITIES (NET) | 350.00 | 355.00 |

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.16. TRADE PAYABLES:- (CURRENT LIABILITIES - FINANCIAL LIABILITIES) :

Trade Payable Aging Schedule

| | | Rs in Lakhs | |
|-----------------------------------|--------------------------------|---------------------|---------------------|
| Particulars | | AS AT 31.03.2023 | AS AT 31.03.2022 |
| Outstanding for Less than 1 year | | | |
| | Undisputed Dues of MSME | 16.00 | 27.51 |
| | Undisputed Dues of Others | 786.82 | 1,030.91 |
| | Disputed Dues of MSME | - | - |
| | Disputed Dues of Others | - | - |
| Outstanding for 1 years - 2 years | | | |
| | Undisputed Dues of MSME | - | - |
| | Undisputed Dues of Others | 0.74 | 1.60 |
| | Disputed Dues of MSME | - | - |
| | Disputed Dues of Others | - | - |
| Outstanding for 2 years - 3 years | | | |
| | Undisputed Dues of MSME | - | - |
| | Undisputed Dues of Others | 0.32 | 0.90 |
| | Disputed Dues of MSME | - | - |
| | Disputed Dues of Others | - | - |
| Outstanding for More than 3 years | | | |
| | Undisputed Dues of MSME | - | - |
| | Undisputed Dues of Others | - | - |
| | Disputed Dues of MSME | - | - |
| | Disputed Dues of Others | 5.27 | 5.27 |
| | TOTAL: TRADE PAYABLES:- | 809.14 | 1,066.18 |

Notes to Financial Statement

for the year ended 31st March, 2023

NOTES No.17. OTHER CURRENT LIABILITIES :

| | Rs in Lakhs | |
|---|---------------------|---------------------|
| | AS AT 31.03.2023 | AS AT 31.03.2022 |
| 1 Current maturities of long-term debt | - | - |
| 2 Income received in advance/Advance from Customers | 6.23 | 0.90 |
| 3 Unpaid dividends | 0.03 | 0.03 |
| 4 Other Payables: | | |
| Statutory liabilities | 42.93 | 22.36 |
| Provision for Expense | 124.24 | 3.92 |
| Provision for CSR Activity Expense | - | - |
| Remuneration Payable to Director | 9.26 | 38.80 |
| Salary & Wages Payable | 15.54 | 13.62 |
| | 191.97 | 78.70 |
| TOTAL: OTHER CURRENT LIABILITIES | 198.22 | 79.62 |

NOTES No.18. PROVISIONS (CURRENT LIABILITIES - FINANCIAL LIABILITIES) :

| | Rs in Lakhs | |
|---|---------------------|---------------------|
| | AS AT 31.03.2023 | AS AT 31.03.2022 |
| 1 Provision for employee benefits | | |
| Provision for Gratuity | 12.06 | 5.44 |
| | 12.06 | 5.44 |
| 2 Others: | | |
| Provision for Taxation. | 379.51 | 334.50 |
| Proposed Dividend to Equity Shareholders. | - | - |
| | 379.51 | 334.50 |
| TOTAL: PROVISIONS | 391.57 | 339.94 |

NOTES No.19. REVENUE FROM OPERATIONS :

| | Rs in Lakhs | |
|--|------------------|-----------------|
| | 2022-2023 | 2021-2022 |
| Sales of Products | | |
| Finished Goods Sold during the year: | 9,509.50 | 7,420.01 |
| GST Recovered. | 1,256.96 | 977.52 |
| | 10,766.47 | 8,397.53 |
| Other Operating Revenue | | |
| Job & Other Work Income.(Bhavnagar) | - | 41.17 |
| Discount, Kasar & Rebate | 0.27 | 0.00 |
| Duty Drawback & Export License Sale Income | 22.90 | 14.04 |
| Exchange Rate Difference | 42.19 | 31.94 |
| Misc. Income | 0.02 | 0.27 |
| | 65.38 | 87.43 |
| Revenue From operations (Gross) | 10,831.85 | 8,484.96 |
| Less : GST | 1,256.96 | 977.52 |
| TOTAL: REVENUE FROM OPERATIONS | 9,574.88 | 7,507.44 |
| FOB Value of Exports | 1,997.59 | 1,792.74 |

Notes to Financial Statement

for the year ended 31st March, 2023

NOTES No.20. OTHER INCOME :

| | Rs in Lakhs | |
|------------------------------------|------------------|------------------|
| | 2022-2023 | 2021-2022 |
| Interest Income | 7.19 | 18.39 |
| Other non-operating income: | | |
| Insurance & Other Claim Income | 2.36 | - |
| Donation W/Back Income | - | - |
| CSR Activity Fund W/Back | - | - |
| Bad Debt W/Back Income | - | - |
| Profit on Sale of Assets | 14.28 | - |
| | 16.64 | - |
| TOTAL: OTHER INCOME | 23.83 | 18.39 |

NOTES No.21. COST OF MATERIALS CONSUMED :

| | Rs in Lakhs | |
|---|------------------|------------------|
| | 2022-2023 | 2021-2022 |
| Raw Materials Consumed | | |
| Inventory at the beginning of the year | 123.72 | 41.34 |
| Add: Purchases | 4,071.37 | 3,043.39 |
| | 4,195.10 | 3,084.73 |
| Less: Inventory at the end of the year | -92.37 | -123.72 |
| TOTAL: | 4,102.73 | 2,961.00 |
| Value of Raw materials consumed in Percentage: | | |
| Imported | 0% | 0% |
| Indigenous | 100% | 100% |

NOTES No.22. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS :

| | Rs in Lakhs | |
|---|------------------|------------------|
| | 2022-2023 | 2021-2022 |
| Inventories at the end of the year | | |
| Bhavnagar Unit: | | |
| Finished Good | 310.80 | 283.23 |
| Semi-Finished Good | 65.35 | 22.69 |
| | 376.15 | 305.92 |
| Inventories at the beginning of the year | | |
| Bhavnagar Unit: | | |
| Finished Good | 283.23 | 174.48 |
| Semi-Finished Good | 22.69 | 52.75 |
| Ankleshwar Unit: | | |
| Finished Good | - | - |
| Semi-Finished Good | - | - |
| | 305.92 | 227.23 |
| TOTAL CHANGE (Net) | -70.23 | -78.69 |

NOTES No.23. EMPLOYEE BENEFITS EXPENSE :

| | Rs in Lakhs | |
|--|------------------|------------------|
| | 2022-2023 | 2021-2022 |
| Salaries, Wages & Bonus | 420.23 | 386.07 |
| Contribution to Funds | 18.44 | 23.23 |
| Provision for Gratuity | 41.93 | -7.72 |
| Staff welfare expenses | 8.19 | 8.55 |
| TOTAL: EMPLOYEE BENEFITS EXPENSE | 488.79 | 410.13 |
| Salaries, Wages & bonus includes: | | |
| Remuneration to the Managing Directors, Whole time Directors and Executive Directors : | 154.50 | 137.85 |

Notes to Financial Statement

for the year ended 31st March, 2023

NOTES No.23. EMPLOYEE BENEFITS EXPENSE : (Contd..)

As per Ind AS 19 "Employee benefits", the disclosure defined in the accounting standard are given as below:

During the year salary structure of the employee has been revised and terminal benefits of few employees are also reduced, due to which actuarial gain incurred and provision for gratuity has been revised accordingly

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

| | Rs in Lakhs | |
|---|-------------|-----------|
| | 2022-2023 | 2021-2022 |
| Employer's Contribution to Provident Fund | 13.75 | 13.88 |
| Contribution to Employees Linked Funds | - | 4.05 |
| Re-imb.of Contribution to PF & ESI of Contractors | 4.69 | 5.30 |
| 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 | 41.93 | -7.72 |

NOTES No.24. FINANCE COSTS :

| | Rs in Lakhs | |
|--|--------------|--------------|
| | 2022-2023 | 2021-2022 |
| Interest on Long term borrowings to Banks | - | 5.96 |
| Interest on Short term borrowings to Banks | 0.24 | 0.06 |
| Interest on Unsecured loans | - | 31.63 |
| Bank charges & Processing Fees | 13.08 | 7.77 |
| TOTAL: FINANCE COSTS | 13.32 | 45.42 |

NOTES No.25. DEPRECIATION AND AMORTIZATION EXPENSE :

| | Rs in Lakhs | |
|--|---------------|---------------|
| | 2022-2023 | 2021-2022 |
| Depreciation/Amortization of tangible assets | 323.32 | 328.12 |
| Total Depreciation And Amortization Expense | 323.32 | 328.12 |

NOTES No.26. OTHER EXPENSES :

| | Rs in Lakhs | |
|---------------------------------------|-----------------|-----------------|
| Particulars | 2022-2023 | 2021-2022 |
| Manufacturing expenses. | | |
| Bhavnagar Unit: | | |
| Freight Octroi & Transportation. | 357.19 | 335.01 |
| Fuel & Fire wood. | 1,313.47 | 902.95 |
| Laboratory Expenses. | 17.69 | 12.17 |
| Machinery Repairs & Maintanance. | 65.84 | 49.46 |
| Motive Power. | 290.56 | 261.26 |
| Packing material consumed. | 208.02 | 210.29 |
| Stores & Spares | 1.43 | 1.65 |
| Water, Dranage & Development Charges. | 179.27 | 184.93 |
| Testing Expense | 4.97 | 5.40 |
| Factory Expense. | 169.55 | 140.94 |
| | 2,607.99 | 2,104.06 |
| Administrative expenses. | | |
| Bhavnagar Unit: | | |
| Auditor's Remuneration | 4.65 | 9.38 |
| Bad Debts | - | 0.13 |
| Charity & Donation | 0.36 | 0.66 |
| Communication Expense | 2.07 | 1.81 |
| Director Sitting Fees | 3.65 | 0.63 |
| Insurance Premium | 32.78 | 31.26 |
| Legal & Professional Fees | 29.83 | 34.12 |

Notes to Financial Statement for the year ended 31st March, 2023

NOTES No.26. OTHER EXPENSES : (Contd..)

| | Rs in Lakhs | |
|--|-----------------|-----------------|
| Particulars | 2022-2023 | 2021-2022 |
| Other Administrative Expenses | 26.30 | 49.79 |
| Rent, Rates & Taxes | 6.87 | 4.47 |
| Sales & Distribution Expenses | 476.38 | 325.72 |
| Vehicle Running & Maint. | 13.87 | 9.00 |
| CSR Activity Fund | 21.21 | 14.96 |
| Traveling & Conveyance Expense | 6.90 | 3.54 |
| | 624.87 | 485.47 |
| TOTAL: OTHER EXPENSES | 3,232.85 | 2,589.53 |
| Payment to auditor includes | | |
| Statutory Audit Fees | 2.50 | 1.80 |
| Other Fees | 0.35 | 0.55 |
| Internal Auditor's Fees | 1.80 | 1.80 |
| Expenditure in Foreign Exchange | | |
| Commission Expenses (Included in Sales & Distribution Expenses) | 307.55 | 140.31 |
| Value of Stores & Spares Consumed in Percentage | | |
| Imported | 0% | 0% |
| Indigenous | 100% | 100% |

NOTES No.27. EARNINGS PER EQUITY SHARE (FOR DISCONTINUED & CONTINUING OPERATION) :

| | Rs in Lakhs | |
|---|-----------------|---------------|
| Particulars | 2022-2023 | 2021-2022 |
| Total operations for the year | | |
| Profit/(loss) after tax | 1,133.41 | 921.33 |
| Less: Dividends on convertible preference share & tax thereon | - | - |
| Net profit/(loss) available for equity shareholders | 1,133.41 | 921.33 |
| Weighted average number of equity shares in calculating basic EPS | 1,23,04,636 | 1,23,04,636 |
| Weighted average number of equity shares in calculating diluted EPS | 1,23,04,636 | 1,23,04,636 |
| Earning Per Share: | | |
| (1) Basic | 9.21 | 7.49 |
| (2) Diluted | 9.21 | 7.49 |

NOTES No.28. CONTINGENT LIABILITIES :

| | Rs in Lakhs | |
|--|-------------|-----------|
| Particulars | 2022-2023 | 2021-2022 |
| Contingent liabilities in respect of: | | |
| 1 Claims against the company not acknowledged as debts | - | - |
| 2 Bank Gaurantee issued by bank | | |
| Kotak Mahindra Bank | 10.98 | 10.06 |
| 3 Bills discounted from bank | - | - |
| 4 Letter of credit outstanding | - | - |

NOTES NO.29:

29.1 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.

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

29.3 The Company is primarily engaged in manufacturing of API, which constitute single business segment in terms of Ind AS - 108 on "Operating Segments". Accordingly, there are no separate reportable segments as per Ind AS - 108.

Notes to Financial Statement

for the year ended 31st March, 2023

NOTES NO.29: (Contd..)

29.4 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

29.5 The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

NOTES NO.30: RELATED PARTY DISCLOSURES :

Disclosure of Transactions with related parties as required under Ind AS 24 on Related Party Disclosures are given below :

A) The related parties where common control exists :

i) Key Managerial Personnel :

| | |
|------------------------------|-------------------------|
| Falgunbhai V Savani | Managing Director |
| Jignesh V Savani | CEO |
| Ghanshyambhai B Savani | Whole-Time Director |
| Sanket Bhupendrabhai Trivedi | Company Secretary |
| Chintan Pratapbhai Chauhan | Chief Financial Officer |

ii) Enterprises in which significant influence is exercised by Key Managerial Personnel

Phal-Jig Fine Chemicals Private Limited

iii) Relatives of Key Managerial Personnel

| | |
|----------------------|--------------------|
| Vallabhbhai J Savani | Father of MD & CEO |
| Shilpaben F Savani | Wife of MD |

iv) Non-Executive & Independent Directors

| | |
|--------------------------|------------------------|
| Naynaben J Savani | Non-Executive Director |
| Kajal Chitanbhai Vaghani | Independent Director |
| Krishna Mitulbhai Shah | Independent Director |
| Pravin Manjibhai Bhayani | Independent Director |
| Bintal Bhaveshkumar Shah | Independent Director |

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

i) Transactions with Key Managerial Personnel :

| Name | Nature Of Transaction | Rs in Lakhs | |
|------------------------------|----------------------------|---------------------|---------------------|
| | | AS AT 31.03.2023 | AS AT 31.03.2022 |
| Falgunbhai V Savani | Director's Remuneration | 51.50 | 45.95 |
| | Director Sitting Fees | 0.45 | 0.25 |
| | Re-imbusement of Exp. | 0.08 | 1.84 |
| | Closing balance-Salary | 2.79 | 9.87 |
| Jignesh V Savani | Director's Remuneration | 51.50 | 45.95 |
| | Director Sitting Fees | 0.30 | 0.14 |
| | Re-imbusement of Exp. | 0.01 | - |
| Ghanshyambhai B Savani | Closing balance-Salary a/c | 3.09 | 14.51 |
| | Director's Remuneration | 51.50 | 45.95 |
| | Director Sitting Fees | 0.25 | 0.13 |
| Sanket Bhupendrabhai Trivedi | Closing balance-Salary | 3.19 | 14.41 |
| | Salary | 6.30 | 5.32 |
| Chintan Pratapbhai Chauhan | Closing balance-Salary | 0.43 | - |
| | Salary | 5.46 | 4.74 |
| | Closing balance-Salary | 0.36 | - |

Notes to Financial Statement

for the year ended 31st March, 2023

NOTES NO.30: RELATED PARTY DISCLOSURES : (Contd..)

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

| Name | Nature Of Transaction | Rs in Lakhs | |
|---|-----------------------|---------------------|---------------------|
| | | AS AT 31.03.2023 | AS AT 31.03.2022 |
| Phal-Jig Fine Chemicals Private Limited | Re-imbusement of Exp. | - | - |
| | Closing balance | - | 0.07 |

iii) Transactions with Relatives of key Managerial Personnel during the period:

| Name | Nature Of Transaction | Rs in Lakhs | |
|---------------------|--------------------------------|---------------------|---------------------|
| | | AS AT 31.03.2023 | AS AT 31.03.2022 |
| Vallabhbai J Savani | Current Interest Paid on Loan | - | 31.63 |
| | Prev. Year Credited Intr. Paid | - | - |
| | Loan Received | - | - |
| | Loan Paid | - | 380.43 |
| | Closing balance-Loan a/c | - | - |
| | Closing balance-Salary a/c | - | - |
| Shilpaben F Savani | Director Sitting Fees | - | 0.03 |

iv) Transactions with Non-Executive & Independent Directors during the period:

| Name | Nature Of Transaction | Rs in Lakhs | |
|--------------------------|-----------------------|---------------------|---------------------|
| | | AS AT 31.03.2023 | AS AT 31.03.2022 |
| Naynaben J Savani | Director Sitting Fees | 0.45 | 0.20 |
| Kajal Chitanbhai Vaghani | Director Sitting Fees | 0.45 | 0.26 |
| Krishna Mitulbhai Shah | Director Sitting Fees | 0.75 | 0.38 |
| Pravin Manjibhai Bhayani | Director Sitting Fees | 0.75 | 0.38 |
| Bintal Bhaveshkumar Shah | Director Sitting Fees | 0.25 | 0.13 |

NOTES NO.31: SIGNIFICANT RATIO :

| Ratio | Rs in Lakhs | | |
|---|-------------|---------|-------------------|
| | 2022-23 | 2021-22 | % Change in Ratio |
| Current Ratio | 3.53 | 2.93 | 20.52% |
| Debt-Equity Ratio | - | - | 0.00% |
| Debt Service Coverage Ratio [See Note-1] | 7,747.05 | 3.00 | 257950.71% |
| Return on Equity Ratio (%) (Before Tax) | 21.17% | 21.22% | -0.23% |
| Inventory turnover ratio | 17.80 | 15.93 | 11.74% |
| Trade Receivables Turnover Ratio [See Note-2] | 0.18 | 0.25 | -27.95% |
| Trade Payables Turnover Ratio [See Note-3] | 0.08 | 0.14 | -40.49% |
| Net Capital Turnover Ratio | 2.70 | 2.62 | 3.28% |
| Net Profit Ratio (%) (Before Tax) | 15.75% | 16.92% | -6.93% |
| Return on Capital Employed | 0.20 | 0.20 | -1.70% |
| Return on Investment (%) | 15.91% | 15.39% | 3.40% |

- 1 Since Term loan has been fully repaid, Debt Service Coverage Ratio have been increased comparative to previous year.
- 2 Due to effective collection process, trade receivables turnover ratio has been decreased.
- 3 In previous year, company had enjoyed more credit period from its suppliers, hence trade payable ratio has been reduced.

Notes to Financial Statement

for the year ended 31st March, 2023

NOTES NO.32: CORPORATE SOCIAL RESPONSIBLY (CSR) ACTIVITIES:

| Name | Rs in Lakhs |
|---|-------------|
| Amount required to be spent by the company during the year | 21.02 |
| Amount of expenditure incurred | 21.21 |
| Shortfall at the end of the year, if any | - |
| Excess expenditure incurred, if any | 0.19 |
| Total of previous years shortfall | - |
| Nature of CSR activities :- | |
| Expenditure incurred for CSR activities includes donations made to Sarvodaya Kelvani Mandal Umralla | |
| No any contribution made to a trust controlled by the company in relation to CSR expenditure | |

As per our report of even dated.

For, Sarupria Somani & Associates

Firm Regn. No. 010674C

Chartered Accountants

Miral Mehta (Partner)

M.No.145361

UDIN - 23145361BGSTNZ5736

Bhavnagar, 27th April, 2023

**For and on behalf of Board of Directors of
Par Drugs and Chemicals Limited**

Mr. Falgun V. Savani

(Chairman & Managing Director)

(DIN - 00198236)

Chintan P Chauhan

(CFO)

Bhavnagar, 27th April, 2023

Mr. Jigneshbhai V. Savani

Director & CEO

(DIN - 00198203)

Sanket B Trivedi (CS)

(M.No.- 51758)





DRUGS AND CHEMICALS LIMITED

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