

# Directors' Report

Dear Members,

Your Directors are pleased to present the Twenty-Second Annual Report on the business and operations of the Company together with the Audited Financial Statements of your Company for the year ended March 31, 2020.

## 1. Corporate Overview

Prabhat Dairy Limited ("Your Company" or "The Company") is a leading and consistently growing Indian Company which has started its identity and continued having a strong long term association with leading institutional clientele and now over years making its niche under its own brand with consumers. Prabhat has its facilities at Shrirampur, Dist, Ahmednagar and corporate office at Sea woods, Navi Mumbai.

## 2. Financial Results (Standalone and Consolidated)

A summary of the Company's Financial Results for the Financial Year 2019-20 is as under:

(Amount – INR In Lakhs)

| Particulars   | Standalone     |                | Consolidated   |                |
|---|----------------|----------------|----------------|----------------|
|   | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Revenue from Operations   | 49,160.11      | 7,153.54       | 53,308.91      | 23,872.13      |
| Other Income  | 3,021.73       | -              | 5,988.06       | 0.38           |
| Total Income  | 52,181.84      | 7,153.54       | 59,296.97      | 23,872.51      |
| Total Expenses  | 63,351.57      | 6,870.14       | 67,927.35      | 23,602.43      |
| EBITDA  | -11,169.73     | 283.4          | -8,630.38      | 270.08         |
| Depreciation and Amortisation                                       | 20.12          | -              | 20.12          | -              |
| EBIT  | -11,189.85     | 283.4          | -8,650.50      | 270.08         |
| Interest and Finance Cost   | 29.88          | -              | 29.88          | 9              |
| EBT (before exceptional item)                                       | -11,219.73     | 283.4          | -8,680.38      | 261.08         |
| PBT   | -11,219.73     | 283.4          | -8,680.38      | 261.08         |
| Taxes   | 791.54         | 95.83          | 2,237.83       | 265.13         |
| Profit / (Loss) for year from continuing operations                 | -12,011.27     | 187.57         | -10,918.20     | -4.05          |
| Profit/ (Loss) before tax from discontinued operations              | -              | 277.38         | -              | 3,814.58       |
| Tax expenses of discontinued operations                             | -              | 200.3          | -              | 1,074.96       |
| Profit/ (Loss) for the year from discontinued operations            | -              | 477.68         | -              | 4,889.54       |
| Net Profit/ (Loss) for the year                                     | -12,011.27     | 665.25         | -10,918.20     | 4885.49        |
| Other comprehensive income (net of tax)from discontinued operations | -              | 26.49          | -              | 31.11          |
| Total comprehensive income (10 + 11)                                | -12,011.27     | 691.74         | -10,918.20     | 4916.6         |
| Earnings per share (of ₹ 10 each) (not annualised):                 | -12.30         | 0.71           | -11.18         | 5.03           |
| From continuing and discontinuing operation (₹)                     |                |                |                |                |

### 3. Financial Performance

Your Company reported revenue from operations on a standalone basis of INR 49,160.11 Lakhs compared with INR 7,153.54 Lakhs in the previous year. The Company has classified all its assets & liabilities of the dairy business as "Held for sale" w.e.f. January 21, 2020 as per the requirements of Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations. Since, the Fair value is greater than carrying value less cost to sell, the assets held for sale are carried at their respective book values. The company has not depreciated or amortised non-current assets held for sale as per the requirements of IND AS 105.

Similarly, the Company has disclosed a single amount in the statement of profit and loss comprising the total of the post-tax profit or loss of discontinued operations separately from the results from continuing operations as per the requirements of IND AS 105. Moreover, the Company has also re-presented the above disclosures for prior periods presented in the financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

### 4. Material Changes and Commitments

- The Company has, along with its wholly owned subsidiary Cheese Land Agro (India) Private Limited, sold entire of its investment in shares of Sunfresh Agro Industries Private Limited to Tirumala Milk Products Private Limited by entering into Share Purchase Agreement ("SPA") dated 21<sup>st</sup> January, 2019. Also, the company has sold its dairy business to Sunfresh Agro Industries Private Limited on slump sale basis by entering into Business Transfer Agreement ("BTA") dated 21<sup>st</sup> January, 2019. The total consideration received is to the extent of ₹ 131,673.76 lakhs. The net debt and transaction costs have been settled. The adjustments for working capital and minimum non-current asset level adjustment and fulfilment of other conditions pursuant to contract are under progress.
- The promoters of the Company decided to voluntarily delist the Company from the stock exchanges. The Company has received approval of 99.13% of the public shareholders approval for the delisting of the shares. In December, 2019 the Company applied to the stock exchanges for the in-principal approval for delisting of equity shares. Certain queries were raised by the exchanges/ SEBI which were duly satisfied by the Company.

To get further clarity in giving the comments on In-Principle approval, SEBI has commenced a Forensic Audit.

### 5. Dividend And Reserves

Your Directors do not recommend any dividend for the year 2019-20 nor do they propose for transfer of any amount towards reserves.

### 6. Share Capital

The paid up equity share capital as at March 31, 2020 stood at INR 9767.61 Lakhs. During the year under review, there was no public, rights, preferential or bonus issue. Also, the Company has not issued any shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2020, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

### 7. Finance and Accounts

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended March 31, 2020 has been prepared in accordance with the Indian Accounting Standards (IND AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2020.

### 8. Performance of Subsidiary Companies

As on March 31, 2020, your Company has the following 2 subsidiaries:

- Cheese Land Agro (India) Private Limited
- Shrirampur Agri Solutions Private Limited (incorporated on 30.03.2020)

The Company does not have any associate or joint venture company.

Safe and Clean Foods Private Limited, a wholly owned subsidiary Company of Cheese Land Agro (India) Private Limited is incorporated on 11.04.2020.( step-down wholly owned subsidiary).

Shrirampur Agri Solutions Private Limited and Safe and Clean Foods Private Limited has not commenced any business activity till date.



The Company with Cheese Land Agro (India) Private Limited had filed an application for merger under Section 233 of Companies Act, 2013. However scheme of Amalgamation and Arrangement involving merger of Cheese Land Agro (India) Private Limited with Prabhat Dairy Limited in accordance with the Section 233 of the Companies Act, 2013 was not approved by Hon'ble Regional Director of Western Zone and had advised to file a fresh application with National Company Law Tribunal (NCLT). The Board of directors of Prabhat Dairy Limited at its meeting held on 14<sup>th</sup> February, 2020 had considered and approved the Scheme of Amalgamation (Merger by Absorption) ('Scheme') of Cheese Land Agro (India) Private Limited ('Cheese Land' or 'Transferor Company') with Prabhat Dairy Limited ('PDL' or 'Transferee Company') and their respective shareholders under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules framed there under. The Company has filed an application / petition with NCLT and final hearing of the said petition has not yet done.

There has not been any material change in the nature of the business of the subsidiary.

As required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Consolidated Financial Statements of your Company and all its subsidiaries are provided in this Annual Report.

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and shown the financial resources, assets, liabilities, income, profits and other details of your Company and its subsidiaries as a single entity. Since the subsidiaries are wholly owned subsidiaries, there has been no minority interest. The particulars of subsidiaries as on March 31, 2020 have been included in AOC-1 which is annexed to this **Report as Annexure -1**. The Consolidated Financial Statements of the Company are prepared in accordance with the relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Report. The performance and financial position of subsidiaries included in the Consolidated Financial Statements is provided in accordance with the provisions of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules,

2014 as a separate statement annexed to the Notes on Accounts containing the salient features of the financial statements of the Company's subsidiaries in Form AOC -1 and forms an integral part of this Report.

The Company will make available separate audited financial statements of the subsidiaries to any member upon request. These documents / details are available on the Company's website at [www.prabhat-india.in](http://www.prabhat-india.in) and will also be available for inspection by any Member of the Company at its registered office.

The policy for determining material subsidiaries formulated by the Board of Directors is disclosed on the Company's website and is accessible on <http://www.prabhat-india.in/InvestorDesk>.

## 9. Management Discussion and Analysis Report

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms an integral part of this Report.

## 10. Corporate Governance

As per Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

## 11. Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed as **Annexure – 2** and forms an integral part of this Report.

## 12. Directors and Key Managerial Personnel

On 29<sup>th</sup> February, 2020 tenure of Mr. Sarangdhar Nirmal as Chairman and Managing Director and Mr. Vivek Nirmal as Joint Managing Director ceased. Based on the recommendation of Nomination and Remuneration Committee, Mr Sarangdhar Nirmal was reappointed as Chairman and Managing Director and Mr. Vivek Nirmal as Joint Managing Director for a period of 3 years w.e.f. 1<sup>st</sup> March, 2020. During the year under review, members at the extra ordinary general meeting held on 29<sup>th</sup> May, 2019, Dr. Bhaskar Gaikwad, Dr. Abdul Samad and Mr. Vaibhav Parjane were appointed as non-executive directors. Based on the recommendation of the Nomination and Remuneration Committee, the

Board of Directors designated Dr. Bhaskar Gaiwad, Dr. Abdul Samad and Mr. Vaibhav Parjane as Independent Directors for a term of 5 years which were duly approved by the shareholders at the annual general meeting held on 30<sup>th</sup> September, 2019. The term of 3 years of Mr. Rajesh Srivastava and Mr. B. Soundararajan as Independent Directors ceased on 30<sup>th</sup> September, 2019. Further the term of 3 years of Mrs. Seemantinee Khot and Mr. Ashok Sinha as Independent Directors ceased on 8<sup>th</sup> March, 2020. Mr. Anoop Krishna, an independent director of the Company resigned w.e.f. 11<sup>th</sup> November, 2019 as director of the Company.

The Board places on record its sincere appreciation for the commendable services and guidance rendered by Mr. Rajesh Srivastava, Mr. B. Soundararajan, Mr. Anoop Krishna, Mrs. Seemantinee Khot and Mr. Ashok Sinha as Directors of the Company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also none of the Directors of the Company are disqualified under Section 164(2) of the Companies Act, 2013.

The Company has formulated a policy on 'Familiarisation Programme for Independent Directors' which is available on the Company's website at [www.prabhat-india.in/InvestorDesk](http://www.prabhat-india.in/InvestorDesk).

Mr. Raviraj Vahadane ceased as Chief Financial Officer of the Company w.e.f. 26<sup>th</sup> August, 2019 and in his place Mr. Vishwajit Singh is appointed as Chief Financial Officer w.e.f. 16<sup>th</sup> March, 2020.

The term of Ms. Seemantinee Khot, a woman Independent director and Mr. Ashok Sinha Independent Director of the Company ceased w.e.f. 8<sup>th</sup> March, 2020. Hence the board strength reduce to 5 directors which is below the required limit of 6 directors specified under provision of Regulation 17(1)(c) of SEBI (LODR), 2015 for the period 08.03.2020 to 31.03.2020. Further provision of regulation 17 (1) (a) of SEBI (LODR), 2015 states that a Woman Independent director shall be on the Board. The position of the Woman Independent director remains vacant due to the cessation of term of Ms. Seemantinee Khot from 08.03.2020.

The management was in process of selection of the right candidature for the position of Woman Independent Director. Due to the pandemic

Covid -19 and nationwide lockdown, the Company faced challenges for the appointment of Woman Independent director. On the recommendation of Nomination and Remuneration Committee, Board of Directors by passing a resolution by circulation on 24<sup>th</sup> September, 2020 appointed Ms. Richa Ahuja as Woman Independent Director (Additional Director) who shall hold office till the conclusion of the ensuing annual general meeting.

### 13. Number of Meetings of the Board

A calendar of meetings is prepared and circulated in advance to the Directors. The details of the number of meetings of the Board of Directors held during the financial year 2019-20 forms part of the Corporate Governance Report.

### 14. Secretarial Standards

The Company complies with all the mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

### 15. Key Managerial Personnel

The following are the Key Managerial Personnel of the Company:

- (a) Mr. Sarangdhar R. Nirmal, Chairman and Managing Director
- (b) Mr. Vivek S. Nirmal, Joint Managing Director
- (c) Mr. Raviraj Vahadane, Chief Financial Officer (upto 26<sup>th</sup> August 2019)
- (d) Mr. Vishwajit Indrajit Singh, Chief Financial Officer (w.e.f 16<sup>th</sup> March 2020)
- (e) Ms. Dipti Todkar, Company Secretary

### 16. Committees of the Board

The Board of Directors has the following Committees:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders' Relationship Committee
- (d) Corporate Social Responsibility Committee
- (e) Transaction Committee

The details of the statutory Committees along with their composition, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report.

### 17. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and





Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Independent Directors was completed during the year under review. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors and Non-Executive Directors. The Board of Directors expressed their satisfaction with the evaluation process.

### 18. Particulars of Loans, Guarantees or Investments by the Company

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to Financial Statements.

### 19. Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism named 'Whistle Blower Policy' to deal with instances of fraud, mismanagement, etc. and provides an opportunity to the employees and Directors of the Company to report genuine concerns or grievances for redressal. The Whistle Blower Policy has been posted on the website of the Company viz. [www.prabhat-india.in/InvestorDesk](http://www.prabhat-india.in/InvestorDesk). During the year under review no complaint was received by your company under the vigil mechanism.

### 20. Nomination and Remuneration Policy

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy have been posted on the website of the Company viz. [www.prabhat-india.in/InvestorDesk](http://www.prabhat-india.in/InvestorDesk).

### 21. Related Party Transactions

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made there under are not attracted. Further, there are no material related party transactions during the year under review with the Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are mentioned in the Notes to the Financial Statements. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions. All Related Party Transactions are placed before the Audit Committee for approval. Prior Omnibus approval of the Audit Committee was obtained on a yearly basis for transactions which were of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all Related Party Transactions are placed before the Audit Committee for review on a quarterly basis.

The particulars of Related Party Transactions in prescribed Form AOC – 2 are annexed as **Annexure - 3** and forms an integral part of this Report.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company viz. [www.prabhat-india.in/InvestorDesk](http://www.prabhat-india.in/InvestorDesk). None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company except remuneration and sitting fees.

### 22. Significant and Material Orders Passed by the Regulators or Courts

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

### 23. Directors' Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained by us in normal course of our discharge of duties, your Directors make the following statement in terms of Section 134(3) (c) of the Companies Act, 2013:

- (i) that in the preparation of the Annual Accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the loss of the Company for the year ended on that date;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the

Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) the annual accounts have been prepared on a going concern basis;
- (v) that 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
- (vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 24. Auditors

### (a) Statutory Auditor

During the year under review, M S K A & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W) resigned as Statutory Auditors of the Company. The Audit Committee and Board recommended the appointment of K S S & Company, Chartered Accountants (ICAI Firm Registration No. 126322W) as the Statutory Auditors of the Company and the members at the annual general meeting held on 30<sup>th</sup> September, 2019 appointed the firm to hold office till the conclusion of the Annual General Meeting in the calendar year 2024 meeting of the Company.

As required under the Listing Regulations, M/s. K S S & Company, the auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

There is no audit qualification, reservation or adverse remark in the Auditors' Report on the financial statements of the Company for the year under review. No frauds have been reported by the Statutory Auditors during the financial year 2019-20 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

### (b) Cost Auditor

The cost audit is not applicable for the Company. The Cost audit report for the financial year 2018-19 is filed with the Ministry of Corporate Affairs within the stipulated timelines.

### (c) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Board has appointed M/s. Shravan A.

Gupta & Associates, a firm of Company Secretaries in Practice (ICSI C.P. No. 9990), a firm of Company Secretaries in Practice (C.P.No.2956) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report along with the Secretarial Audit Report of the subsidiary is annexed as **Annexure – 4** and forms an integral part of this Report.

There is no secretarial audit qualification for the year under review. However the Secretarial auditor has mentioned that the term of Ms. Seementinee Khot, a woman Independent director and Mr. Ashok Sinha Independent Director of the Company ceased w.e.f. 8<sup>th</sup> March, 2020. Hence the board strength reduce to 5 directors which is below the required limit of 6 directors specified under provision of Regulation 17(1)(c) of SEBI (LODR), 2015 for the period 08.03.2020 to 31.03.2020. Further provision of regulation 17 (1) (a) of SEBI (LODR), 2015 states that the woman director should be on board, whereas the woman director not on board due to the cessation of term of Ms. Seemetinee Khot for the period 08.03.2020 to 31.03.2020. The Company was in process for selection of the suitable candidature for the position of Woman Independent Director. Due to Covid- 19 and nationwide lockdown, Company faced a lot of challenges. However, the position of Woman Independent Director has been filled by appointment of Ms. Richa Ahuja as Woman Independent Director. With this the compliance under Regulation 17 is complied.

## 25. Internal Control Systems and their Adequacy

Your Company has an effective internal control and risk mitigation system, which is constantly assessed and strengthened. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal audit is entrusted to M/s. S P A K & Company, a reputed firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

## 26. Risk Management

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks.



**Financial risks**

Given the interest rate fluctuations, the Company has adopted a prudent and conservative risk mitigation strategy to minimize financial, liquidity and interest cost risks.

**Credit risks**

There may be situations in any business where the Company may not be able to make recoveries from its customers and in order to mitigate these risks the Company is adopts a judicious process of evaluating a customer before giving credit.

**Commodity price risks**

The Company is exposed to the risk of price fluctuations of raw materials as well as finished goods. The Company, proactively manages these risks through cost plus contracts, inventory management and proactive vendor development practices. The Company's reputation for quality, product differentiation and service, coupled with the existence of long term relationship with its institutional customers mitigates the impact of price risk on finished goods.

**Quality Risks**

The products manufactured by the Company are perishable in nature and requires proper storage and distribution network, otherwise the risks of contamination is there. The Company has taken effective steps by way of monitoring quality right from receiving raw materials till production and dispatch and also provides required training at distribution centres to maintain product quality intact.

**Regulatory risks**

The Company is exposed to risks attached to various statutes, laws and regulations. The Company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits.

**Technology Risks**

The Company is exposed to risks associated with adoption of technology. The Company is mitigating these risks through regular review of latest technologies available in the market and globally and accordingly take the decision without any delay.

**Human resource risks**

Retaining the existing talent pool and attracting new talent are major risks. The Company has initiated various measures including rolling out strategic talent management system, training and integration of

learning and development activities. The Company also identify, nurture and groom managerial talent within the Group to prepare them for future business leadership.

**Strategic risks**

Emerging businesses, new product development, geographical expansion, etc. are normal strategic risks faced by the Company. However, the Company has well defined processes and procedures for obtaining approvals for investments in new products, entering new markets, etc.

**27. Corporate Social Responsibility (CSR)**

As a part of its initiative under the "Corporate Social Responsibility" (CSR) drive, the Company has undertaken projects in the areas of animal welfare, rural development projects, self-sustaining livelihood projects, enhancing vocational skills, etc. The Company's key objective is to make a difference to the lives of the underprivileged and help bring them to a self – sustaining level. These projects are largely in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy.

The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure - 5** and forms an integral part of this Report.

The details of the CSR Committee and CSR Policy are available on the Company's website at [www.prabhat-india.in/InvestorDesk](http://www.prabhat-india.in/InvestorDesk).

**28. Environment and Safety**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

**29. Anti-Sexual Harassment Policy**

The Company has in place, an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The following is a summary of sexual harassment complaints received and disposed off during the year 2019-20:

- Number of complaints received - Nil
- Number of complaints disposed off- N.A.

### 30. Human Resources and Industrial Relations

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process at allocations and management development programs to upgrade skills of managers. Objective appraisal systems based on key result areas (KRAs) are in place for senior management staff. The Company is committed to nurturing, enhancing and retaining its talent through superior learning and organizational development. This is a part of our Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run.

### 31. Statutory Information

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3) (m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as **Annexure – 6** and forms an integral part of this Report

The Disclosure required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure - 7** and forms an integral part of this Report. A statement comprising the names of top 10 employees in terms of remuneration drawn and every person employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure – 8** and forms an integral part of this report. The above Annexure 8 is not being sent along with this annual report to the members of the Company in line with the provision of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before and upto the date of the ensuing Annual General Meeting during the business hours on working days. None of the employees hold (by himself or along with

his spouse and dependent children) more than two percent of the equity shares of the Company.

The Company had no unpaid / unclaimed deposits as on March 31, 2020. The Company has not accepted any deposits, within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

### 32. Business Responsibility Reporting

The Business Responsibility Report as required by Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is applicable to your Company for the financial year 2019-20. The report is a part of the Directors Report.

### 33. Cautionary Statement

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

### 34. Appreciation

Your Directors wish to place on record their appreciation, for the value added contributions made by the employees at all levels but for whose hard work, and support, your Company's achievements would not have been possible. Your Directors also wish to place on record their appreciation for the continued support extended by the Company's customers, dealers, agents, suppliers, investors, bankers and government and local authorities.

Your Directors would also like to thank all the shareholders for continuing to repose faith in the Company and its future.

For and on behalf of the Board

**Sarangdhar R. Nirmal**

Chairman & Managing Director

Place: Shrirampur

Date: 8<sup>th</sup> October, 2020

DIN: 00035234