



# Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance includes transparency, accountability, reporting and independence. For accomplishment of the objectives of ensuring fair Corporate Governance, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc. Corporate Governance has become a buzzword in the corporate world. Globalization, widespread of shareholders, changing ownership structure, greater expectations, etc. have made a good Corporate Governance sine-qua-non of modern management.

## COMPANY'S PHILOSOPHY

Prabhat Dairy Limited's ("The Company / Prabhat") governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behaviour and disclosures aimed at building trust of our stakeholders. The Company's Code of Business Conduct and Ethics and Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

The Company's governance framework is based on the following principles:

- (i) Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- (ii) Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- (iii) Timely disclosure of material operational and financial information to the stakeholders;
- (iv) Systems and processes in place for internal control; and
- (v) Proper business conduct by the Board, Senior Management and Employees.

The Company continues to focus its resources, strengths and strategies to achieve the vision of becoming a well-known and trusted partner in Dairy industry while upholding the core values of Quality, Trust, Leadership and Excellence.

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of the Listing Regulations is given below:

## GOVERNANCE STRUCTURE

The Corporate Governance structure at Prabhat is as follows:

1. **Board of Directors:** The Board is entrusted with an ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view

to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

2. **Committees of the Board:** The Board has constituted the following Committees viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee and the Stakeholders' Relationship Committee. Each of the said Committee has been mandated to operate within a given framework.

**THE BOARD OF DIRECTORS**  
**Composition and category of Directors**

The Board is broad-based and consists of eminent individuals from Industrial, Managerial, Entrepreneurial, Financial and Social background. The Company is managed by the Board of Directors in co-ordination with the senior management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

As on March 31, 2020, the Company's Board consists of Five Directors. Besides the Chairman, an Executive Promoter

Director, the Board comprises of one Executive Promoter Director, and Three non-executive Independent Directors. The Women Director of the company has resigned w.e.f 8<sup>th</sup> March 2020 the company is in the process of search for appointment of Women Director with the relevant provisions of the Act.

The composition of the Board is in not conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations from 8<sup>th</sup> March, 2020 to 31<sup>st</sup> March, 2020.

**Directors' Attendance Record and their other Directorships/ Committee memberships**

As mandated by Regulation 26(1)(b) of the Listing Regulations, none of the Directors is a member of more than ten Board Level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than five Committees across all public limited companies (listed or unlisted) in which he/she is a Director. Further all Directors have informed about their Directorships, Committee memberships/ Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2020 are given below:

**Directorship / Committee Membership as on March 31, 2020:**

| Name                     | Date of appointment | Category of Director                 | Directorships in other Indian Public Limited Companies (excluding Prabhat) | No. of Board Committees in which Chairman / Member (excluding Prabhat) |        | No. of shares held |
|--------------------------|---------------------|--------------------------------------|--|--|--------|--------------------|
|                          |                     |                                      |  | Chairman   | Member |                    |
| Mr. Sarangdhar R. Nirmal | 25/11/1998          | Executive – Promoter                 | 1  | Nil  | Nil    | 11,25,000          |
| Mr. Vivek S. Nirmal      | 01/05/2012          | Executive Promoter                   | 1  | Nil  | Nil    | 11,25,000          |
| Dr. Abdul Samad          | 29/05/2019          | Non-Executive - Independent Director | 0  | Nil  | Nil    | 0                  |
| Dr. Bhaskar Gaikwad      | 29/05/2019          | Non-Executive - Independent Director | 0  | Nil  | Nil    | 0                  |
| Mr. Vaibhav Parjane      | 29/05/2019          | Non-Executive - Independent Director | 0  | NIL  | 1      | 200                |

During the year under review, the term of Mr. Rajesh Srivastava and Mr. B. Soundararajan as Independent Directors ceased with effect from 30<sup>th</sup> September, 2019. Mr. Anoop Krishna resigned as Independent Director with effect from 11<sup>th</sup> November, 2019. The term of Ms. Seemantinee Khot and Mr. Ashok Sinha as Independent Directors ceased with effect from 8<sup>th</sup> March, 2020. Dr. Abdul Samad, Dr. Bhaskar Gaikwad and Mr. Vaibhav Parjane were appointed as non-executive Directors with effect from 29<sup>th</sup> May, 2019 and designated as Independent Directors with effect from 1<sup>st</sup> August, 2019 for a term of 5 years.



**Notes:**

1. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
2. Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders’ Relationship Committee in Indian Public Limited Companies other than Prabhat Dairy Limited. Members of the Board of the Company do not have membership of more than ten Board –level Committees or Chairman of more than five such Committees.
3. Mr. Sarangdhar R. Nirmal and Mr. Vivek S. Nirmal are related to each other in the capacity of father and son.
4. Details of Director(s) retiring or being re-appointed are given in notice of Annual General Meeting.
5. Brief profiles of each of the above Directors are available on the Company’s website at [www.prabhat-india.in](http://www.prabhat-india.in).
6. None of the Directors of the Company are Directors in any other listed entities.

**Skills / Expertise / Competencies of the Board of Directors**

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company’s business and that the said skills are available with the Board Members:

- i) Knowledge on Company’s businesses, policies and culture (including the Mission, Vision and Values), major risks /threats and potential opportunities and knowledge of the industry in which the Company operates
- ii) Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- iii) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,
- iv) Financial and Management skills
- v) Technical / Professional skills and specialized knowledge in relation to Company’s business

Given below is a list of core skills, expertise and competencies of the individual Directors

| Sr. Director No.         | Knowledge on Company’s businesses, policies and culture knowledge of the industry | Behavioral skills | Business Strategy, Sales & Marketing, Corporate Governance, Administration, Decision Making | Financial and Management | Technical / Professional skills |
|--------------------------|---|-------------------|---|--------------------------|---------------------------------|
| 1. Mr. Sarangdhar Nirmal | √   | √                 | √   | √                        | √                               |
| 2. Mr. Vivek Nirmal      | √   | √                 | √   | √                        | √                               |
| 3. Dr. Abdul Samad       | √   | √                 | √   | √                        | √                               |
| 4. Dr. Bhaskar Gaikwad   | √   | √                 | √   | √                        | √                               |
| 5. Mr. Vaibhav Parjane   | √   | √                 | √   | √                        | √                               |

**Independent Directors**

In the opinion of the Board, the Non-Executive Independent Directors fulfil the conditions of independence specified in section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company viz. [www.prabhat-india.in](http://www.prabhat-india.in).

**Number of Independent Directorships**

In compliance with the Listing Regulations, Directors of the Company do not serve as an Independent Director in more than seven listed companies. In case he/she is serving as a Whole-Time Director in any listed company, does not hold the position of Independent Director in more than three listed companies.

**Board Meetings**

The Board meets at regular intervals to discuss and decide on business strategies / policies and review the financial performance of the Company and its subsidiaries. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly. In case of business exigencies, the Board’s approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board

reviews the performance of the Company vis-à-vis the budgets/targets.

Minimum four Board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs, if any, of the Company. During the financial year 2019-20, the Board of Directors met 12 times i.e. on 25<sup>th</sup> April 2019, 07<sup>th</sup> May 2019, 30<sup>th</sup> May 2019,

1<sup>st</sup> August 2019, 14<sup>th</sup> August 2019, 10<sup>th</sup> September 2019, 13<sup>th</sup> September 2019, 3<sup>rd</sup> October 2019, 14<sup>th</sup> November 2019, 20<sup>th</sup> November 2019, 14<sup>th</sup> February 2020 and 16<sup>th</sup> March 2020. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India.

**Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM)**

| Sr. No. | Name of Director         | Category            | No. of Board Meetings attended | Attendance at the AGM held on September 30, 2019 |
|---------|--------------------------|---------------------|--------------------------------|--|
| 1       | Mr. Sarangdhar R. Nirmal | Executive, Promoter | 12/12                          | YES  |
| 2       | Mr. Vivek S. Nirmal      | Executive, Promoter | 12/12                          | Leave of absence sought                          |
| 3       | Mr. Rajesh Srivastava *  | Independent         | 4/7                            | Not Applicable                                   |
| 4       | Mr. B. Soundararajan *   | Independent         | 5/7                            | Not Applicable                                   |
| 5       | Mr. Ashok Sinha **       | Independent         | 10/11                          | Leave of absence sought                          |
| 6       | Mrs. Seemantinee Khot**  | Independent         | 10/11                          | Leave of absence sought                          |
| 7       | Mr. Anoop Krishna***     | Independent         | 7/8                            | Leave of absence sought                          |
| 8       | Mr. Vaibhav Parjane****  | Independent         | 9/10                           | Leave of absence sought                          |
| 9       | Mr. Abdul Samad****      | Independent         | 7/10                           | YES  |
| 10      | Mr. Bhaskar Gaikwad***** | Independent         | 10/10                          | YES  |

\*Term of Mr. Rajesh Srivastava and Mr. B. Soundararajan as Independent Directors ceased with effect from 30<sup>th</sup> September 2019.

\*\*Term of Mrs. Seemantinee Shashank Khot and Mr. Ashok Sinha as Independent Directors ceased with effect from 8<sup>th</sup> March, 2020.

\*\*\*Mr. Anoop Krishna resigned as an Independent Director with effect from 11<sup>th</sup> November 2019.

\*\*\*\*Mr. Vaibhav Parjane, Mr. Abdul Samad, Mr Bhaskar Gaikwad were appointed as Non-executive Directors w.e.f 29<sup>th</sup> May 2019 and designated as Independent Director with effect from 1<sup>st</sup> August, 2019.

**Information placed before the Board**

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the meetings.

**Post Meeting Mechanism**

The important decisions taken at the Board/Board Committee Meetings are communicated to the concerned department/division.

**Board Support**

The Company Secretary attends the Board Meetings and advises the Board on Compliances with applicable laws and governance.

**Roles, Responsibilities and Duties of the Board**

The duties of Board of Directors have been enumerated in Listing Regulations, Section 166 of the Companies Act, 2013 and Schedule IV of the said Act (Schedule IV is specifically for Independent Directors). There is a clear demarcation of responsibility and authority amongst the Board of Directors.

**The Chairman and Managing Director**

His primary role is to provide leadership to the Board in achieving goals of the Company. He is responsible for transforming the Company into a world-class organization. He is responsible, inter-alia, for the working of the Board and for ensuring that all relevant issues are placed before the Board and that all Directors are encouraged to provide their expert guidance on the relevant issues raised in the meetings of the Board. He is also responsible for formulating the corporate strategy along with other members of the Board of Directors. His role, inter alia, includes:

- (i) Provide leadership to the Board and preside over all Board and General Meetings.
- (ii) Achieve goals in accordance with Company's overall vision.
- (iii) Ensure that Board decisions are aligned with Company's strategic policy.
- (iv) Ensure to place all relevant matters before the Board and encourage healthy participation by all Directors to enable them to provide their expert guidance.
- (v) Monitor the core management team.



**Independent Directors** play a critical role in balancing the functioning of the Board by providing independent judgements on various issues raised in the Board Meetings like formulation of business strategies, monitoring of performances, etc. Their role, inter- alia, includes:

- (i) Impart balance to the Board by providing independent judgement.
- (ii) Provide feedback on Company's strategy and performance.
- (iii) Provide effective feedback and recommendations for further improvements.

## FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him / her, which inter alia explains the role, function, duties and responsibilities expected from him / her as a Director of the Company. The Director is also explained in detail the Compliance required from him / her under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. The Chairman and Managing Director also has a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries/associates businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. The details of the familiarisation programme for Directors are available on the Company's website at <http://www.prabhat-india.in/investor.html>

## GOVERNANCE CODES

### Code of Business Conduct & Ethics

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and all Employees of the Company. The Board of Directors and the members of Senior Management Team (one level below the Board of Directors) of the Company are required to affirm annual compliance of this Code. A declaration signed by the Chairman and Managing Director of the Company to this effect is placed at the end of this report. The Code requires Directors and employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website at <http://www.prabhat-india.in/investor.html>

## Conflict of Interests

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other Companies including Chairmanships and notifies changes during the year. The members of the Board while discharging their duties avoid conflict of interest in the decision making process. The members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

## Insider Trading Code

The Company has adopted an Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations) which is duly amended from time to time basis.

The Code is applicable to Promoters and Promoter's Group, all Directors, connected persons and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations.

## COMMITTEES OF THE BOARD

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The minutes of the Committee Meetings are placed before the Board for noting.

The Company has four Board Level Committees:

- A) Audit Committee
- B) Nomination and Remuneration Committee
- C) Stakeholders Relationship Committee and
- D) Corporate Social Responsibility Committee

### (A) AUDIT COMMITTEE

#### Composition

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing

Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risks, etc. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function. Mr. Anoop Krishna, Independent Director was the Chairman of the Audit Committee till November 11, 2019. Consequent on resignation of Mr. Anoop Krishna, Mr. Vaibhav Parjane was appointed as the Chairman of the Audit Committee for the financial year 2019-20. Due to changes in the constitution of Board of Directors, the Audit Committee memberships also changed. For the year ended 31<sup>st</sup> March, 2020 the

members of the Audit Committee including independent directors are Mr. Vaibhav Parjane, Dr. Bhaskar Gaikwad and Mr. Vivek Nirmal.

**Meetings and Attendance**

The Audit Committee met four times during the financial year 2019-20. The maximum gap between two meetings was not more than 120 days. The Committee met on May 30, 2019, August 14, 2019, November 14, 2019 and February 14, 2020. The requisite quorum was present at all the meetings. The Chairman of the Audit Committee was granted leave of absence at the last Annual General Meeting of the Company held on September 30, 2019.

The Table below provides the attendance of the Audit Committee members:

| Sr. No. | Name of Director           | Position in Committee | Category of Director | No. of Meetings Attended |
|---------|----------------------------|-----------------------|----------------------|--------------------------|
| 1       | Mr. Anoop Krishna*         | Chairman              | Independent          | 2/3                      |
| 2       | Mr. Vaibhav Parjane**      | Chairman              | Independent          | 3/3                      |
| 3       | Mr. Rajesh Srivastava ***  | Member                | Independent          | 1/2                      |
| 4       | Mr. B. Soundararajan ***   | Member                | Independent          | 0/2                      |
| 5       | Mr. Ashok Sinha****        | Member                | Independent          | 3/4                      |
| 6       | Mrs. Seemantinee Khot **** | Member                | Independent          | 4/4                      |
| 7       | Mr. Vivek S. Nirmal        | Member                | Promoter, Executive  | 4/4                      |
| 8       | Dr. Bhaskar Gaikwad*****   | Member                | Independent          | 0/0                      |

\*Mr. Anoop Krishna, Independent Director was the Chairman of the Audit Committee till November 11, 2019.

\*\* Mr. Vaibhav Parjane was appointed as a member of Audit Committee with effect from 30<sup>th</sup> May, 2019. Consequent on resignation of Mr. Anoop Krishna, Mr. Vaibhav Parjane was designated as the Chairman of the Audit Committee for the financial year 2019-20.

\*\*\* The term of Mr. Rajesh Srivastava and Mr. B. Soundararajan ceased as Independent Directors with effect from 30<sup>th</sup> September 2019.

\*\*\*\*The term of Mrs. Seemantinee Khot and Mr. Ashok Sinha ceased as Independent Directors with effect from 8<sup>th</sup> March, 2020.

\*\*\*\*\* Dr. Bhaskar Gaikwad was appointed as member of Audit Committee with effect from 16<sup>th</sup> March, 2020.

**Terms of Reference**

The Audit Committee inter alia performs the functions of approving annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, one-on-one Meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and Cost Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions and Analysis, Review of Internal Audit Reports and significant related party transactions. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

**Functions of Audit Committee**

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various

Accounting Standards (AS) referred to in Section 133 of the Companies Act, 2013. The compliance of the Accounting Standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended March 31, 2020.

The Audit Committee bridges the gap between the Internal Auditors and the Statutory Auditors. The Statutory Auditors are responsible for performing independent audit of the Company’s Financial Statements and Company’s internal financial control over financial reporting in accordance with the generally accepted auditing practices and issuing reports based on such audits, while the Internal Auditors are responsible for the internal risk controls.

Besides the above, Chairman and Managing Director, Joint Managing Director, Chief Financial Officer, Business Heads of the Company’s Divisions, the representatives of the Statutory Auditors and the Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company



Secretary acts as a Secretary to the Committee as required by Regulation 18(1)(e) of the Listing Regulations.

The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Un-audited Consolidated Financial Statements as required by the Regulation 33 of the Listing Regulations. The Company's quarterly Un-audited Standalone as well as Consolidated Financial Statements are made available on the website of the Company at <http://www.prabhat-india.in/investor.html> and are also sent to the Stock Exchanges where the Company's Equity Shares are listed for display at their respective websites.

The Audit Committee also oversees and reviews the functioning of vigil mechanism (implemented in the Company as a Fraud Risk Management Policy and Whistle Blower Policy) and reviews the findings of investigation into cases of material nature and the actions taken in respect thereof.

#### Internal Controls and Governance Processes

The Company continuously invests in strengthening its internal control and processes. The Audit Committee along with Chief Financial Officer formulates a detailed plan for the Internal Auditors for the year, which is reviewed at the

Audit Committee meetings. The Internal Auditors attend the meetings of the Audit Committee at regular basis and submit their recommendations to the Audit Committee and provide a road map for the future.

## (B) NOMINATION AND REMUNERATION COMMITTEE

### Composition

The Nomination and Remuneration Committee comprises of atleast three Directors. Due to changes in the constitution of Board of Directors, the Nomination and Remuneration Committee memberships also changed. Dr. Bhaskar Gaikwad, Independent Director, is the Chairman of the Committee. The other members of the Nomination and Remuneration Committee include Mr. Vaibhav Parjane, Mr. Abdul Samad and Mr Sarangdhar R. Nirmal. The composition of the Nomination and Remuneration Committee is in accordance with the provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

### Meeting and Attendance

The Nomination and Remuneration Committee met twice during the financial year 2019-20. The Committee met on August 01, 2019 and March 16, 2020. The requisite quorum was present at all the meetings.

The Table below provides the attendance of the Nomination and Remuneration Committee members:

| Sr. No. | Name of Director          | Position in Committee | Category of Director | No. of Meetings Attended |
|---------|---------------------------|-----------------------|----------------------|--------------------------|
| 1       | Mr. Ashok Sinha*          | Chairman              | Independent          | 1/1                      |
| 2       | Ms. Seemantinee Khot*     | Member                | Independent          | 0/1                      |
| 3       | Mr. Rajesh Srivastava**   | Member                | Independent          | 1/1                      |
| 4       | Mr. Anoop Krishna***      | Member                | Independent          | 1/1                      |
| 5       | Mr. Vaibhav Parjane****   | Member                | Independent          | 2/2                      |
| 6       | Dr. Bhaskar Gaikwad****   | Chairman              | Independent          | 2/2                      |
| 7       | Dr. Abdul Samad****       | Member                | Independent          | 0/2                      |
| 8       | Mr. Sarangdhar Nirmal**** | Member                | Executive Chairman   | 2/2                      |

\*The term of Mrs. Seemantinee Khot and Mr. Ashok Sinha ceased as Independent Directors with effect from 8<sup>th</sup> March, 2020.

\*\*The term of Mr. Rajesh Srivastava ceased as Independent Directors with effect from 30<sup>th</sup> September 2019.

\*\*\*Mr. Anoop Krishna, Independent Director was elected on the Committee with effect from 30<sup>th</sup> May, 2019 and he resigned as Independent Director of the Company with effect from November 11, 2019.

\*\*\*\* Mr. Vaibhav Parjane, Dr. Bhaskar Gaikwad, Dr. Abdul Samad and Mr. Sarangdhar Nirmal were elected as on the Committee with effect from 30<sup>th</sup> May, 2019. Consequent on the cessation of term of Mr. Ashok Sinha as Independent Director, Dr. Bhaskar Gaikwad was designated as the Chairman of the Nomination and Remuneration Committee from the financial year 2019-20.

## Terms of Reference

The broad terms of reference of the Nomination and Remuneration Committee, as approved by the Board, are in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, which are as follows:

- (i) Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Whole-time Director(s) and Key Managerial Persons;
- (ii) To help in determining the appropriate size, diversity and composition of the Board;
- (iii) To recommend to the Board appointment/reappointment and removal of Directors;
- (iv) To frame criteria for determining qualifications, positive attributes and independence of Directors;
- (v) To recommend to the Board remuneration payable to the Directors (while fixing the remuneration of executive Directors, the restrictions contained in the Companies Act, 2013 are to be considered);
- (vi) To create an evaluation framework for the Independent Directors and the Board;
- (vii) To provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- (viii) To assist in developing a succession plan for the Board;
- (ix) To assist the Board in fulfilling responsibilities entrusted from time-to-time; and
- (x) Delegation of any of its powers to any member of the Committee or the Compliance Officer.

## REMUNERATION POLICY

### A. Remuneration to Non-Executive Directors (including Independent Directors)

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each Meeting of the Board or Committee of Directors attended by them. The total amount of

sitting fees payable to Non-Executive Directors during the Financial Year 2019-20 was INR 21,50,000 Lakhs. The Non-Executive Directors/Independent Directors do not have any material pecuniary relationship or transactions with the Company.

### B. Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Chairman and Managing Director and Joint Managing Director is governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company. Payment of remuneration to Executive Directors is governed by the respective Agreements executed between them and the Company. The remuneration package of Chairman and Managing Director and Joint Managing Director comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. No annual increments have been given or considered to be paid to the Chairman and Managing Director and Joint Managing Director. Till the financial year 2018-19, Mr. Vivek Nirmal drew salary of ₹ 36 lakhs per annum from Sunfresh Agro Industries Private Limited in capacity of Managing Director of the Company. On sale of subsidiary to Tirumala Milk Products Private Limited, he resigned as Managing Director of the Company. The salary of ₹ 36 lakhs per annum was paid to him from the Company. The total salary paid to him is within the limits as prescribed under the Companies Act, 2013 and as approved by the members.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high calibre talent.

Presently, the Company does not have any stock options scheme for its Directors.

The Nomination and Remuneration Policy is displayed on the Company's website at <http://www.prabhat-india.in/investor.html>.





**DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE YEAR ENDED MARCH 31, 2020:**

**(A) NON EXECUTIVE DIRECTORS**

| Name of Director                                  | Sitting Fees (INR) | No. of Shares Held | Commission to Non-executive Directors (INR) |
|---|--------------------|--------------------|---|
| Mr. Rajesh Srivastava (till 30.09.2019)           | 1,50,000           | Nil                | Nil   |
| Mr. B. Soundararajan (till 30.09.2019)            | 1,25,000           | Nil                | Nil   |
| Mr. Ashok Sinha (till 08.03.2020)                 | 3,50,000           | Nil                | Nil   |
| Mrs. Seemantinee Khot (till 08.03.2020)           | 3,75,000           | Nil                | Nil   |
| Mr. Anoop Krishna (till 11.11.2019)               | 2,50,000           | Nil                | Nil   |
| Dr. Abdul Samad (with effect from 29.05.2019)     | 2,00,000           | Nil                | Nil   |
| Dr. Bhaskar Gaikwad (with effect from 29.05.2019) | 3,25,000           | Nil                | Nil   |
| Mr. Vaibhav Parjane (with effect from 29.05.2019) | 3,75,000           | 200                | Nil   |

**(B) EXECUTIVE DIRECTORS**

| Particulars                            | Mr. Sarangdhar R. Nirmal   | Mr. Vivek S. Nirmal   |
|--|--|---|
| Term of Appointment                    | 5 years effective from March 1, 2015 (Reappointed with effect from March 1, 2020 for a period of 3 years)  | 5 years effective from March 1, 2015 (Reappointed with effect from March 1, 2020 for a period of 3 years)   |
| Salary and Allowances                  | INR 22 Lacs per annum  | INR 38 Lacs per annum   |
| Commission                             | Nil  | Nil   |
| Variable Pay                           | Nil  | Nil   |
| Perquisites                            | As per Company's rules   | As per Company's rule   |
| Retrial Benefits                       | Contribution to provident fund, superannuation fund, gratuity, leave encashment  | Contribution to provident fund, superannuation fund, gratuity, leave encashment   |
| Sitting Fees                           | Nil  | Nil   |
| Sitting Fees from subsidiary companies | Nil  | Nil   |
| Minimum Remuneration                   | Mr. Sarangdhar R. Nirmal shall be entitled to minimum remuneration comprising of salary, perquisites and benefits as per the applicable provisions of the Companies Act, 2013 in the event of inadequacy or absence of profits | Mr. Vivek S. Nirmal shall be entitled to minimum remuneration comprising of salary, perquisites and benefits as per the applicable provisions of the Companies Act, 2013 in the event of inadequacy or absence of profits |
| Notice Period & Severance Fees         | N.A.   | N.A.  |

The remuneration paid to the Chairman and Managing Director and Joint Managing Director is within limits specified under section 197 and Schedule V of the Companies Act, 2013.

**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Chairman and Managing Director and the Non Independent Directors was carried out

by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**C. STAKEHOLDERS' RELATIONSHIP COMMITTEE  
Composition and Attendance**

The Stakeholders' Relationship Committee comprises of three Directors. Due to changes in the constitution of Board of Directors, the Stakeholders' Relationship Committee membership also changed. Mr. Vaibhav Parjane, Independent Director, is the Chairman of the Committee. The other members of the Stakeholder's Relationship Committee include Mr Sarangdhar Nirmal and Mr. Vivek Nirmal. The table below highlights the

composition and attendance of the Members of the Committee. The requisite quorum was present at the Meeting held during the year. Due to Covid 19 and nationwide lock down, the members of the Committee could not schedule a meeting in the month of March for the financial year 2019-20. However, the meeting for the year 2019-20 was scheduled on August 19, 2020.

| Sr. No. | Name of Director      | Position | Category            | No. of Meetings attended |
|---------|-----------------------|----------|---------------------|--------------------------|
| 1       | Mr. Ashok Sinha*      | Chairman | Independent         | 0 of 0                   |
| 2       | Mr. Vaibhav Parjane   | Chairman | Independent         | 1 of 1                   |
| 3       | Mr. Sarangdhar Nirmal | Member   | Promoter, Executive | 1 of 1                   |
| 4       | Mr. Vivek Nirmal      | Member   | Promoter, Executive | 1 of 1                   |

\*Term of Mr. Ashok Sinha as Independent Director ceased with effect from 8<sup>th</sup> March, 2020. Consequently on cessation of the term of Mr. Ashok Sinha, Mr. Vaibhav Parjane, an Independent Director was elected as member of the Committee. Ms. Dipti Todkar, Company Secretary is the Compliance Officer.

### Terms of Reference

The Board has clearly defined the terms of reference for this committee. The Committee looks into the matters of Shareholders/ Investors grievances along with other matters listed below:

- (i) approval of transfer of shares/debentures and issue of duplicate/split/consolidation/sub-division of share/ debenture certificates;
- (ii) to carry out any other duties that may be delegated to the Committee by the Board of Directors from time-to-time.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent viz., KFin Technologies Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The minutes of the Stakeholders' Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

### DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED, SOLVED AND PENDING SHARE TRANSFERS

The total numbers of complaints received and resolved during the year ended March 31, 2020 were 1. There were no complaints outstanding as on March 31, 2020. The number of pending share transfers and pending requests for dematerialization as on March 31, 2020 were Nil. Shareholders'/Investors' complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended /pending for more than thirty days as on March 31, 2020.

| Sr. No. | Nature of Complaints                                      | Complaints Received | Complaints Redressed |
|---------|---|---------------------|----------------------|
| 1       | Non-receipt of Dividend Warrant                           |                     |                      |
| 2       | Non-receipt of annual report                              | 1                   | 1                    |
| 3       | Non-receipt of Duplicate/ Consolidated Share Certificates | -                   | -                    |
| 4       | Non-receipt of Demat Credit/ Remat requests               | -                   | -                    |
| 5       | Non-Receipt of Refund Order                               | -                   | -                    |
| 6       | Miscellaneous   | -                   | -                    |
|         | Total   | 1                   | 1                    |

The above table also includes complaints received from SCORES platform by the Company.



**D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

**Composition**

The Corporate Social Responsibility (CSR) Committee comprises of three Directors. Due to changes in the constitution of Board of Directors, the CSR Committee membership also changed. Dr. Bhaskar Gaikwad, Independent Director, is the Chairman of the Committee. The other members of the CSR Committee include Mr. Sarangdhar R. Nirmal, Mr. Abdul Samad and Mr. Vaibhav Parjane. The Composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. As per Section 135 of the Companies Act,

2013 the Company had spent INR 47.44 lakhs for the financial year 2019-20.

The Company has formulated CSR Policy, which is uploaded on the website of the Company at <http://www.prabhat-india.in/investor.html>.

**Terms of Reference**

- (i) To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company specified in Schedule VII of the Companies Act, 2013;
- (ii) To provide guidance on various CSR activities to be undertaken by the Company and to monitor process.

**Meetings and Attendance:**

The Nomination and Remuneration Committee met once during the financial year 2019-20. The Committee met on August 14, 2019. The requisite quorum was present at the meeting. The Table below provides the attendance of the CSR Committee members:

| Sr. No. | Name of Director        | Position | Category            | No. of Meetings attended |
|---------|-------------------------|----------|---------------------|--------------------------|
| 1       | Ms. Seemantinee Khot*   | Chairman | Independent         | 1 of 1                   |
| 2       | Mr. Rajesh Srivastava** | Member   | Independent         | 0 of 1                   |
| 3       | Mr. Sarangdhar Nirmal   | Member   | Promoter, Executive | 1 of 1                   |
| 4       | Dr. Bhaskar Gaikwad***  | Member   | Independent         | 1 of 1                   |
| 5       | Dr. Abdul Samad***      | Member   | Independent         | 1 of 1                   |
| 6       | Mr. Vaibhav Parjane***  | Member   | Independent         | 1 of 1                   |

\*The term of Mrs. Seemantinee Khot ceased as Independent Director with effect from 8<sup>th</sup> March, 2020.

\*\*The term of Mr. Rajesh Srivastava ceased as Independent Director with effect from 30<sup>th</sup> September 2019.

\*\*\* Mr. Vaibhav Parjane, Dr. Bhaskar Gaikwad and Dr. Abdul Samad were elected as on the Committee with effect from 30<sup>th</sup> May, 2019. Consequent on the cessation of term of Ms. Seemantinee Khot as Independent Director, Dr. Bhaskar Gaikwad was designated as the Chairman of the Nomination and Remuneration Committee from the financial year 2019-20.

**E. INDEPENDENT DIRECTORS' MEETING:**

Due to Covid 19 and nationwide lock down, all the Independent Directors met on 18<sup>th</sup> July, 2020 inter alia, to:

- (i) Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- (ii) Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- (iii) Evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- (iv) Evaluation of the status of the sale transaction of the dairy business

**SUBSIDIARY COMPANIES**

The Company has two subsidiaries viz. Cheese Land Agro (India) Pvt. Ltd (Cheese) and Shrirampur Agri Solutions Private Limited. Shrirampur Agri Solutions Private Limited was incorporated on March 30, 2020. The Company has not commenced any business activity.

Cheese is a material subsidiary as per the Listing Regulations. The Company has formulated a policy for determining its 'Material' Subsidiaries and the same is available on the website of the Company at <http://www.prabhat-india.in/investor.html>

**AFFIRMATIONS AND DISCLOSURES:**

**(a) Compliances with Governance Framework**

The Company is in compliance with all mandatory requirements under the Listing Regulations.

**(b) Related party transactions**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and on arm’s length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with “IND AS”. A statement in summary form of transactions with Related Parties in ordinary course of business and arm’s length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company at <http://www.prabhat-india.in/investor.html>.

None of the transactions with Related Parties were in conflict with interest of Company. All the transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm’s length or fair value basis.

**(c) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during last three Financial Years.**

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three financial years.

**(d) Vigil Mechanism / Whistle Blower Policy**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company’s code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in

exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company’s website at <http://www.prabhat-india.in/investor.html>.

**(e) Disclosure of Accounting Treatment**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**(f) Risk Management**

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

**(g) Commodity price risk and Commodity hedging activities**

The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages its risk inter alia through cost plus contracts with majority of its institutional customers and through proactive and close engagement with farmers.

(h) A certificate from a Company Secretary in practice has been received stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

(i) During the year, details of fees paid/payable to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part, by the Company and its subsidiaries, are given below:

(₹ In lakhs)

| Particulars                | By the Company* | By the Subsidiaries * | Total        |
|----------------------------|-----------------|-----------------------|--------------|
| Audit Fees (FY 2019-20)    | 4.00            | 1.50                  | 5.50         |
| Audit Fees (FY 2018-19)    | 22.32           | 2.10                  | 24.42        |
| Certifications             | -               | -                     | -            |
| Reimbursements             | -               | -                     | -            |
| Other Services (Tax Audit) | 2.95            | 0.22                  | -            |
| <b>Total</b>               | <b>29.27</b>    | <b>3.83</b>           | <b>33.10</b> |

\*The above fees are exclusive of applicable tax.



**(j) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has complied with the applicable provisions of the aforesaid Act and the Rules framed thereunder, including constitution of the Internal Complaints Committee (ICC). The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same is available on the Company's website at [www.prabhat-india.in](http://www.prabhat-india.in)

Status of complaints as on 31<sup>st</sup> March 2020:

|    |   |     |
|----|---|-----|
| 1. | Number of complaints filed during the financial year          | NIL |
| 2. | Number of complaints disposed off during the financial year   | NIL |
| 3. | Number of complaints pending at the end of the financial year | NIL |

**(k)** The Company has complied with all the applicable mandatory requirements relating to Corporate Governance under the Listing Regulations. Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time-to-time.

**(l)** The Company has complied with all the requirements of corporate governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations for the financial year 2019-20. During the period from 8<sup>th</sup> March, 2020 till 31<sup>st</sup> March, 2020 the Company does not have a woman Director and the constitution of Board is less than 6.

**GENERAL BODY MEETINGS:**

**DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS HELD**

| AGM Year                 | Date and Time                   | Venue   | Details of Special Resolution Passed |
|--------------------------|---------------------------------|---|--------------------------------------|
| 19 <sup>th</sup> 2016-17 | August 10, 2017 at 2.30 p.m.    | Registered Office of the Company  | No special resolution was passed     |
| 20 <sup>th</sup> 2017-18 | September 22, 2018 at 2.30 p.m. | Registered Office of the Company  | No special resolution was passed     |
| 21 <sup>st</sup> 2018-19 | September 30, 2019 at 12.15 P.M | 121/2A, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Shrirampur, Ahmednagar- 413720 | No special resolution was passed     |

**DETAILS OF EXTRA ORDINARY GENERAL MEETING HELD**

| Financial Year | Date and Time              | Venue   | Details of Special Resolution Passed |
|----------------|----------------------------|---|--------------------------------------|
| 2019-20        | May 29, 2019 at 12.00 noon | 121/2A, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Shrirampur, Ahmednagar- 413720 | No special resolution was passed     |

**POSTAL BALLOT**

The Board in its meeting held on September 13, 2019, had approved the Notice of Postal Ballot / E-Voting for passing of special resolution for approval for Voluntary Delisting of the Equity Shares of the Company from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and withdrawal of "Permitted to Trade" status on the Metropolitan Stock Exchange of India Limited ("MSE").

**Person Conducting the Postal Ballot Exercise**

Mr. Vaibhav Parjane, an Independent Director and Ms. Dipti Todkar, Company Secretary were appointed as person responsible for the entire postal ballot / e-voting process. Mr. Alpeshkumar J. Panchal (ACS 49008; CP

20120), Partner, KJB & Co LLP, Practicing Company Secretaries, Mumbai, was appointed as the scrutinizer to conduct the process of the postal ballot process in a fair and transparent manner.

**Procedure Followed**

In compliance with the Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 108, 110 and other applicable provisions of the Companies Act, 2013, read with the rules made thereunder, the Company provided electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engaged the services of Karvy Fintech Pvt. Ltd. (Karvy) for the purpose of providing e-voting facility.

The members had the option to vote either by physical ballot or e-voting.

The Company dispatched the postal ballot notice dated September 13, 2019 containing draft resolution together with the explanatory statement, the postal ballot forms and self-addressed envelopes to the members whose names appeared in the register of members / list of beneficiaries as on cut-off date i.e. Tuesday, September 10, 2019. The Company also published a notice in the newspaper declaring the details of completion of dispatch on September 15, 2019 and September 16, 2019 and other requirements as mandated under the Act and applicable rules.

Members desiring to exercise their votes by physical postal ballot forms were requested to return the forms duly completed and signed, to the Scrutinizer on or before the close of working hours i.e. by 5.00 pm (IST) on Monday, October 14, 2019. The members who opted for the e-voting

voted from Sunday, September 15, 2019 at 9.00 am (IST) (start date) to Monday, October 14, 2019 at 5:00 pm (IST) (end date).

The Scrutinizer submitted his report on Wednesday, October 16, 2019, after the completion of scrutiny.

The results of the postal ballot were announced by the Chairman on Wednesday, October 16, 2019. The last date specified for receipt of duly completed Postal Ballot Forms and closure of e-voting i.e. October 14, 2019 was taken as the date of passing the resolution.

The result of the postal ballot along with the scrutinizer's report was displayed at the registered office of the Company, hosted at the Company's website at [www.prabhat-india.in](http://www.prabhat-india.in) and on the website of Karvy i.e. <https://evoting.karvy.com> and was also communicated to the Stock Exchanges.

The consolidated summary of the result of postal ballot / e-voting is as under:

| Details of Agenda   | No. of valid votes | Votes cast in favour of the resolution (no. & %) | Votes cast against the resolution (no. & %) |
|---|--------------------|--|---|
| Approval for Voluntary Delisting of the Equity Shares of the Company from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and withdrawal of "Permitted to Trade" status on the Metropolitan Stock Exchange of India Limited ("MSE"). | 88,669,704         | 88,322,128 (99.61%)                              | 347,576 (0.39%)                             |

The consolidated summary of the result of postal ballot / e-voting as per Rule 8 of SEBI (Delisting of Equity shares) Regulations, 2009

| Details of Agenda   | No. of valid votes | Votes cast in favour of the resolution (no. & %) | Votes cast against the resolution (no. & %) |
|---|--------------------|--|---|
| Approval for Voluntary Delisting of the Equity Shares of the Company from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and withdrawal of "Permitted to Trade" status on the Metropolitan Stock Exchange of India Limited ("MSE"). | 39,734,120         | 39,386,544 (99.13%)                              | 347,576 (0.87%)                             |

Apart from the above announcement of results, there is no immediate proposal for passing any other special resolution through Postal Ballot on or before ensuing Annual General Meeting.

**GENERAL SHAREHOLDER INFORMATION:  
ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2019-20**

|                                     |  |
|-------------------------------------|--|
| DAY AND DATE                        | Saturday, 26 <sup>th</sup> December, 2020  |
| TIME                                | 12.00 noon   |
| VENUE                               | 122, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Shrirampur, Dist. Ahmednagar 413 720, Maharashtra    |
| FINANCIAL YEAR                      | 12 months ended 31 <sup>st</sup> March, 2020   |
| BOOK CLOSURE DATES FOR DIVIDEND     | Monday 21 <sup>st</sup> December 2020 to Saturday, 26 <sup>th</sup> December, 2020 (both days inclusive) |
| LAST DATE OF RECEIPT OF PROXY FORMS | Thursday 24 <sup>th</sup> December, 2020 before 12:00 noon   |



**Tentative Calendar for Financial Year ending March 31, 2021**

The tentative dates for Board Meetings for consideration of quarterly financial results are as follows:

| Sr. No. | Particulars of Quarter                    | Tentative Dates  |
|---------|---|--|
| 1       | First Quarter Results                     | In or before the second week of August/ September * 2020 |
| 2       | Second Quarter & Half Yearly Results      | In or before the second week of November 2020            |
| 3       | Third Quarter & Nine-months ended Results | In or before the second week of February 2021            |
| 4       | Fourth Quarter & Annual Results           | In or before the last week of May 2021                   |

\*Due to Covid 19 SEBI has extended the date for the first quarter results till 15<sup>th</sup> September, 2020.

**Unclaimed Dividend/ Shares**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of Section 125. The details of unclaimed/unpaid dividend are available on the website of the Company at <http://www.prabhat-india.in/investor.html>.

Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

**Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years**

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund)

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules. Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company. As on March 31, 2020 there are no shares liable to be transferred to the Demat Account of IEPFA.

**Details of Unclaimed Dividend as on March 31, 2020 and due dates for transfer are as follows:**

| Sr. No. | Financial Year | Date of Declaration of Dividend | Unclaimed Amount (₹) | Due date for transfer to IEPF Account |
|---------|----------------|---------------------------------|----------------------|---------------------------------------|
| 1       | 2010-11        | N.A.                            | N.A.                 | N.A.                                  |
| 2       | 2011-12        | N.A.                            | N.A.                 | N.A.                                  |
| 3       | 2012-13        | N.A.                            | N.A.                 | N.A.                                  |
| 4       | 2013-14        | N.A.                            | N.A.                 | N.A.                                  |
| 5       | 2014-15        | March 9, 2015                   | Nil                  | N.A.                                  |
| 6       | 2015-16        | September 30, 2016              | 991,627.20           | 2023                                  |
| 7       | 2016-17        | August 10, 2017                 | 26,078               | 2024                                  |

During the year under review, the Company has not transferred any amount to Investor Education and Protection Fund.

As per Regulation 34(3) read with Schedule V of the Listing Regulations, the details of the shares in the Suspense Account are as follows:

| Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year (1) | Number of shareholders who approached the Company for transfer of shares from suspense account during the year (2) | Number of shareholders to whom shares were transferred from suspense account during the year (3) | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year (4) | That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares (5) |
|--|--|--|--|---|
| -----NIL-----  |  |  |  |   |

Note: During the year under review, no shares were credited by the Company to the said demat suspense account.

Distribution of Shareholding as on March 31, 2020

PRABHAT DAIRY LIMITED

Distribution of Shareholding as on 31/03/2020 (TOTAL)

| Sr. No.       | Category (Amount) | No.of Holders | % To Holders  | Amount(₹)             | % To Equity   |
|---------------|-------------------|---------------|---------------|-----------------------|---------------|
| 1             | 1 - 5000          | 15518         | 90.42         | 15,772,880.00         | 1.61          |
| 2             | 5001 - 10000      | 743           | 4.33          | 6,043,140.00          | 0.62          |
| 3             | 10001 - 20000     | 341           | 1.99          | 5,041,440.00          | 0.52          |
| 4             | 20001 - 30000     | 183           | 1.07          | 4,841,170.00          | 0.50          |
| 5             | 30001 - 40000     | 59            | 0.34          | 2,144,140.00          | 0.22          |
| 6             | 40001 - 50000     | 59            | 0.34          | 2,759,290.00          | 0.28          |
| 7             | 50001 - 100000    | 121           | 0.71          | 9,051,560.00          | 0.93          |
| 8             | 100001 and above  | 139           | 0.81          | 931,107,690.00        | 95.33         |
| <b>TOTAL:</b> |                   | <b>17163</b>  | <b>100.00</b> | <b>976,761,310.00</b> | <b>100.00</b> |

Shareholding Pattern as on March 31, 2020

| Category                            | No.of Holders | Total Shares      | % To Equity   |
|-------------------------------------|---------------|-------------------|---------------|
| PROMOTERS                           | 5             | 48,935,584        | 50.10         |
| FOREIGN CORPORATE BODIES            | 2             | 22,515,473        | 23.05         |
| BODIES CORPORATES                   | 193           | 10,377,379        | 10.62         |
| RESIDENT INDIVIDUALS                | 16442         | 6,981,609         | 7.15          |
| FOREIGN PORTFOLIO – CORP            | 7             | 4,397,766         | 4.50          |
| ALTERNATIVE INVESTMENT FUND         | 2             | 2,802,114         | 2.87          |
| MUTUAL FUNDS                        | 7             | 555,014           | 0.57          |
| H U F                               | 406           | 477,171           | 0.49          |
| NON RESIDENT INDIANS                | 216           | 167,775           | 0.17          |
| CLEARING MEMBERS                    | 32            | 64,250            | 0.07          |
| NON RESIDENT INDIAN NON REPATRIABLE | 79            | 46,463            | 0.05          |
| NBFC                                | 1             | 25,000            | 0.03          |
| QUALIFIED INSTITUTIONAL BUYER       | 1             | 64,462            | 0.06          |
| INDIAN FINANCIAL INSTITUTIONS       | 1             | 266,071           | 0.27          |
| <b>Total</b>                        | <b>17394</b>  | <b>97,676,131</b> | <b>100.00</b> |

DEMATERIALIZATION OF SHARES AND LIQUIDITY

Excluding 3 Equity shares of the Company which is held in physical form, all the remaining Equity shares have been dematerialized (NSDL 76.76% and CDSL 23.24 %) as on March 31, 2020. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the Depositories.

Dematerialization of Shares – Process

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

- Demat account should be opened with a Depository Participant (DP).
- Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.

- DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is Karvy Computershare Private Limited.
- RTA will process the DRF and confirm or reject the request to DP/ depositories.
- Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As stipulated by SEBI, a qualified Practising Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted





to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

**Compliance with Secretarial Standards**

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with each one of them.

**Outstanding GDRs/ Warrants and Convertible Bonds, conversion date and likely impact on equity:**

The Company has neither issued nor is there any outstanding GDRs / Warrants or Convertible Bonds as on March 31, 2020.

The Company's equity shares are listed on the following Stock Exchanges and the listing fees have been duly paid to the Exchanges:

| Stock Exchange  | Stock Code |
|---|------------|
| Bombay Stock Exchange Limited (BSE)<br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001  | 539351     |
| National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 <sup>th</sup> Floor,<br>Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 | PRABHAT    |

**Share Price Data**

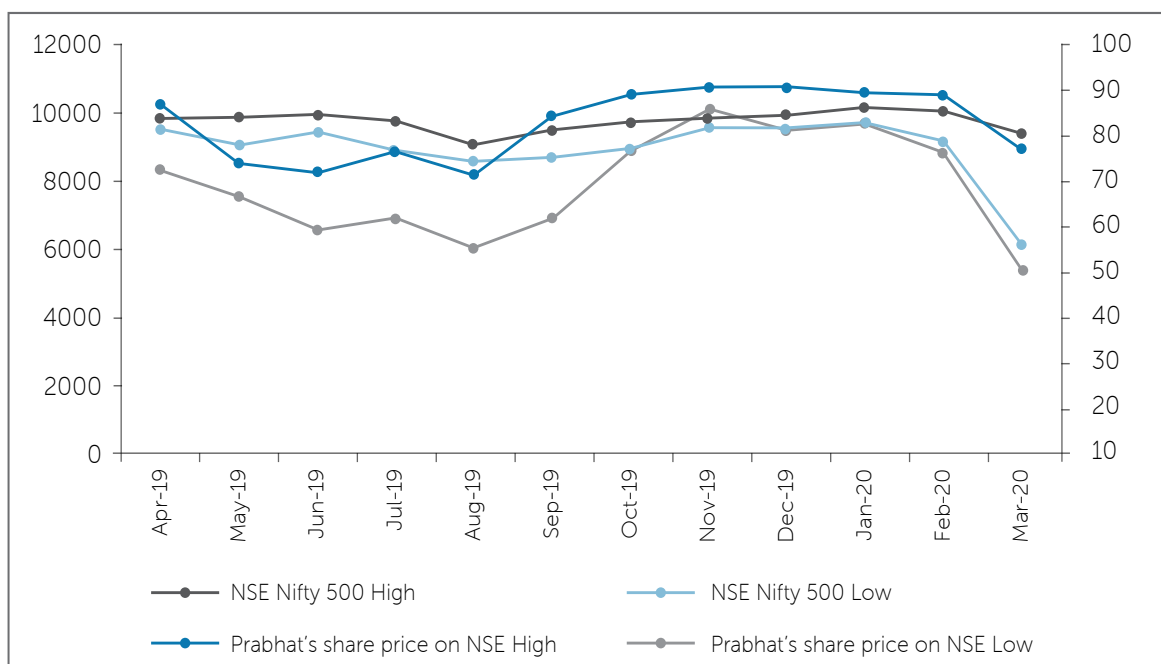
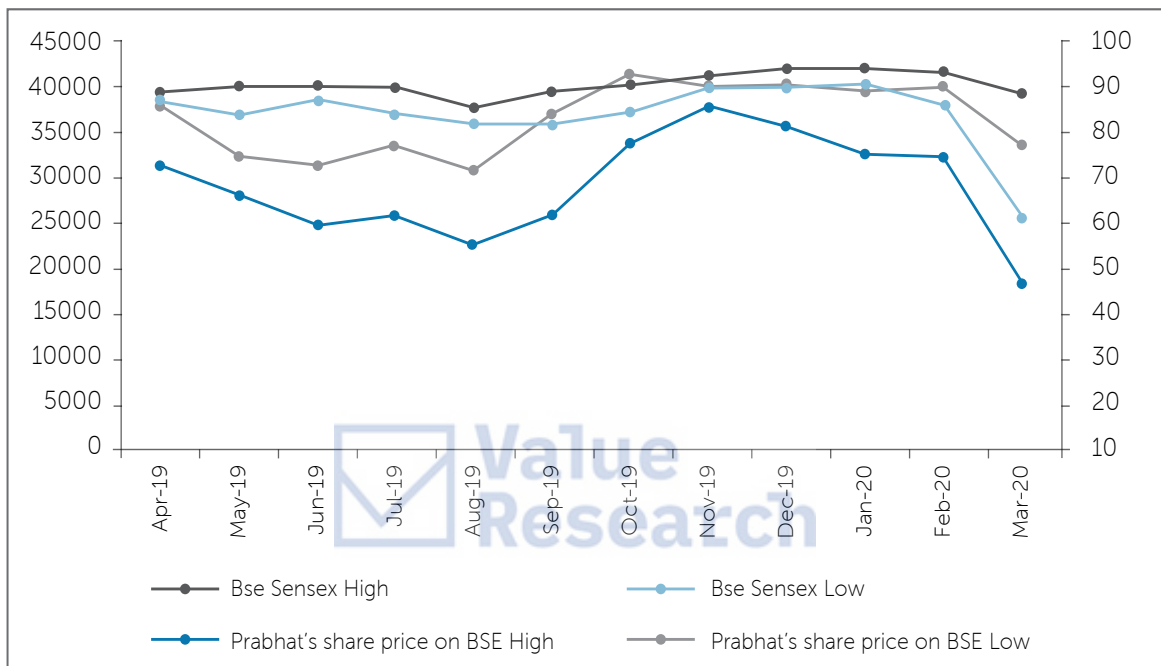
| Month  | BSE   |       |                   | NSE   |       |                   |
|--------|-------|-------|-------------------|-------|-------|-------------------|
|        | High  | Low   | Volume (in lakhs) | High  | Low   | Volume (in lakhs) |
|        | INR   | INR   | Nos.              | INR   | INR   | Nos.              |
| Apr-19 | 85.15 | 69.75 | 3.29              | 85.50 | 69.65 | 23.35             |
| May-19 | 72.00 | 62.45 | 1.97              | 71.30 | 63.05 | 12.19             |
| Jun-19 | 70.00 | 55.5  | 1.27              | 68.90 | 55.10 | 13.48             |
| Jul-19 | 74.9  | 58.00 | 1.69              | 73.90 | 57.70 | 17.03             |
| Aug-19 | 68.75 | 50.60 | 0.72              | 68.50 | 50.40 | 9.50              |
| Sep-19 | 82.30 | 57.50 | 2.49              | 82.50 | 57.35 | 31.78             |
| Oct-19 | 92.00 | 75.00 | 2.48              | 88.00 | 74.55 | 13.62             |
| Nov-19 | 89.10 | 84.25 | 0.25              | 89.90 | 84.40 | 10.95             |
| Dec-19 | 90.00 | 79.75 | 0.35              | 89.90 | 80.00 | 6.81              |
| Jan-20 | 88.20 | 73.00 | 0.56              | 88.60 | 81.00 | 8.76              |
| Feb-20 | 89.00 | 71.45 | 1.83              | 87.90 | 74.05 | 20.57             |
| Mar-20 | 74.80 | 41.00 | 0.50              | 75.10 | 45.10 | 8.73              |

|  |        |              |
|--|--------|--------------|
| ISIN   | :      | INE302M01033 |
| Particulars  | BSE    | NSE          |
| Closing share price as on March 31, 2020 (INR)             | 54.45  | 55.10        |
| Market Capitalisation as on March 31, 2020 (INR in Crores) | 531.85 | 538.20       |

**Prabhat's Equity Share Performance vis-à-vis BSE Sensex and NSE Nifty 500**

| Month  | Prabhat's share price on BSE |       | BSE SENSEX |          | Prabhat's share price on NSE |       | NSE NIFTY 500 |         |
|--------|------------------------------|-------|------------|----------|------------------------------|-------|---------------|---------|
|        | High                         | Low   | High       | Low      | High                         | Low   | High          | Low     |
|        | Apr-19                       | 85.15 | 69.75      | 39487.45 | 38460.25                     | 85.50 | 69.65         | 9826.45 |
| May-19 | 72.00                        | 62.45 | 40124.96   | 36956.10 | 71.30                        | 63.05 | 9889.3        | 9108.45 |
| Jun-19 | 70.00                        | 55.50 | 40312.07   | 38870.96 | 68.90                        | 55.10 | 9941.45       | 9476.1  |
| Jul-19 | 74.9                         | 58    | 40032.41   | 37128.26 | 73.90                        | 57.70 | 9805.3        | 8928.00 |
| Aug-19 | 68.75                        | 50.60 | 37807.55   | 36102.35 | 68.50                        | 50.40 | 9103.1        | 8628.35 |
| Sep-19 | 82.30                        | 57.50 | 39441.12   | 35987.80 | 82.50                        | 57.35 | 9552.25       | 8738.65 |

| Month  | Prabhat's share price on BSE |       | BSE SENSEX |          | Prabhat's share price on NSE |       | NSE NIFTY 500 |         |
|--------|------------------------------|-------|------------|----------|------------------------------|-------|---------------|---------|
|        | High                         | Low   | High       | Low      | High                         | Low   | High          | Low     |
| Oct-19 | 92.00                        | 75.00 | 40392.22   | 37415.83 | 88.00                        | 74.55 | 9733.35       | 9008.85 |
| Nov-19 | 89.10                        | 84.25 | 41163.79   | 40014.23 | 89.90                        | 84.40 | 9874.9        | 9596.85 |
| Dec-19 | 90.00                        | 79.75 | 41809.96   | 40135.37 | 89.90                        | 80.00 | 9946.05       | 9574.85 |
| Jan-20 | 88.20                        | 73.00 | 42273.87   | 40476.55 | 88.60                        | 81.00 | 10174.95      | 9700.35 |
| Feb-20 | 89.00                        | 71.45 | 41709.30   | 38219.97 | 87.90                        | 74.05 | 10071.7       | 9214.1  |
| Mar-20 | 74.80                        | 41.00 | 39083.17   | 25638.90 | 75.10                        | 45.10 | 9436.50       | 6151.6  |





## MEANS OF COMMUNICATION TO SHAREHOLDERS

- (i) The unaudited quarterly/ half yearly results are announced within forty five days of the close of the quarter / half year. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations. Any delay in declaration of results shall be intimated to the shareholders through stock exchanges.
- (ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper viz. "Financial Express" and in local language (Marathi) newspaper viz. "Kesari", within forty-eight hours of approval thereof. Presently, the same are not sent to the shareholders separately.
- (iii) The Company's financial results and official press releases are displayed on the Company's website at <http://www.prabhat-india.in/investor.html>.  
Any presentation made to the institutional investors or/ and analysts are also posted on the Company's website at <http://www.prabhat-india.in/investor.html>.
- (iv) Management Discussion and Analysis report forms part of the Annual Report, which is sent to the shareholders of the Company.
- (v) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Ltd. are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.
- (vi) A separate dedicated section under "Investor Desk", on the Company's website [www.prabhat-india.in](http://www.prabhat-india.in) gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.

- (vii) SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

The Company has designated the email ids [dipti.todkar@prabhat-india.in](mailto:dipti.todkar@prabhat-india.in) and [investor@prabhat-india.in](mailto:investor@prabhat-india.in) exclusively for investor relation and the same is prominently displayed on the Company's website at <http://www.prabhat-india.in/investor.html>.

### Share Transfer System

The transfer of shares in physical form is processed and completed by Registrar and Transfer Agent within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

### Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

### Service of documents through electronic mode

As a part of Green Initiative, the members who wish to receive the notices/documents through e-mail, may kindly intimate their e-mail addresses to the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited; to its dedicated e-mail id i.e. [suresh.d@kfintech.com](mailto:suresh.d@kfintech.com).

### Address for Correspondence:

| Compliance Officer   | Registrar and Transfer Agents  | Correspondence with the Company  |
|--|--|--|
| Mrs. Dipti Todkar<br>Legal & Company Secretary<br>Ph. No. +91 22 41287700<br>E-mail id: <a href="mailto:dipti.todkar@prabhat-india.in">dipti.todkar@prabhat-india.in</a> | KFin Technologies Private Limited<br>Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 | Prabhat Dairy Ltd.<br>Gat No. 122, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Shirampur, Ahmednagar-413720<br>Ph. No. +91 22 41287700<br>E-mail id: <a href="mailto:investor@prabhat-india.in">investor@prabhat-india.in</a> |

### Locations:

1. **Prabhat Dairy Limited**  
Gat No. 122, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Shirampur, Ahmednagar-413720
2. **Prabhat Dairy Limited**  
Tower 1, Seawoods Grand Central, Sector 40, Seawoods Railway Station, 10<sup>th</sup> floor, Navi Mumbai, Maharashtra - 400706