



Board's Report 2019-20

To,
The Members,
Anupam Rasayan India limited (the "Company")

Your directors have pleasure in presenting the Seventeenth Annual Report on the business and operations of the Company together with Audited Financial Statements for the financial year ended March 31, 2020.

1. FINANCIAL HIGHLIGHTS:

₹(in Lacs)

Particulars	Standalone		Consolidated	
	2019-2020	2018-2019	2019-2020	2018-2019
Revenue from Operations	52887.97	50149.70	52887.97	50149.70
Other Income	1087.88	1909.23	1087.88	1909.23
Total Income	53975.85	52058.93	53975.85	52058.93
Profit/(Loss) before Depreciation and Tax	10008.57	8825.07	10037.94	8827.61
Less: Depreciation	2871.24	2251.15	2871.24	2252.81
Profit/(Loss) before tax	7137.33	6573.92	7166.70	6574.80
Less: Provision for Income Tax	1283.57	1199.30	1291.57	1199.50
Less/(Add): Deferred tax Liability/(Assets)	554.52	351.29	554.52	351.86
Add/(Less): Share of net profit of associates	-	-	-	(96.11)
Profit/(Loss) after tax	5299.24	5023.32	5320.61	4927.33
Add: Balance B/F from the previous year	22062.32	17039.00	22063.75	17136.42
Add: Retained Earnings (EGGS Assets)	5299.24	5023.32	5320.61	4927.33
Less: Utilization of issue of bonus share	-	-	-	-
Less: Interim Dividend and Dividend Distribution tax	-	-	-	-
Balance Profit/ (Loss) C/F to the next year	27361.56	22062.32	27384.36	22063.75



2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

During the year under review, on standalone basis, the Company has achieved operational revenue of INR 52887.97 Lacs compared to INR 50149.70 Lacs in previous year. The Company has earned net profit of INR 5299.24 Lacs compared to INR 5023.33 Lacs in previous year.

During the year under review, on consolidated basis, the Company has earned net profit of INR 5320.61 Lacs compared to INR 4927.33 Lacs in previous year.

Covid Impact:

In the last quarter of FY 2020, the Coronavirus (COVID-19) pandemic developed rapidly globally and in India forcing governments to enforce lock-down. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in lowered demand and productivity, operational and supply chain disruptions, potentially tightening credit markets and the health of their workforce. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers globally.

In view of the outbreak of the pandemic, the Company undertook timely and essential measures to ensure the safety and well-being of all its employees at all its plant locations at Jhagadia (Bharuch) and Sachin (Surat) and institute sanitation rules in the workplace and establish risk mitigation programs for employees who may still need to work on-site. The Company observed all the government advisories and guidelines thoroughly and in good faith.

Despite of uncertainties due to global pandemic, the Company has made noteworthy capital investments adding different capabilities in the Company's manufacturing activities. The Company is using measures to control the operational and finance cost and is making continuous efforts in the areas of resource optimization, enhancement of operational efficiency, quality of products and research and development to sustain and grow in the competitive market. With demand for the products planned by the Company for manufacture in the new plants under development, along with the newly started production, we anticipate higher turnover with revenues in the upwards trajectory. Your Company is focused on the sales growth with particular attention to exports. The Company's growth prospects are strong.

3.DIVIDEND:

During the year under review, the Company has earned profits. With the growth objective and to strengthen long term financial position of the Company, your directors decided to retain the profit and hence do not recommend any dividend for the year.

4. TRANSFER TO RESERVES:

The Company has not transferred any amount to General Reserve during the financial year.



5. EXTRACT OF ANNUAL RETURN:

The extract of the Annual Return as provided under section 92(3) of the Companies Act, 2013 and rules made thereunder in the prescribed **Form MGT-9** for the Financial Year 2019-20 has been annexed to this report as **Annexure-I**

6. BOARD MEETINGS:

The Board of Directors of the Company conducted 15(Fifteen) Board meetings during the year 2019-2020. The maximum gap between two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1.	May 09, 2019	9.	November 28, 2019
2.	June 10, 2019	10.	December 20, 2019
3.	June 29, 2019	11.	January 20, 2020
4.	August 24, 2019	12.	January 25, 2020
5.	September 06, 2019	13.	February 05, 2020
6.	September 30, 2019	14.	February 27, 2020
7.	October 21, 2019	15.	March 16, 2020
8.	October 24, 2019		

7. COMMITTEE MEETINGS:

The Board of Directors of the Company conducted 6 (six) Audit Committee meetings, 3 (three) CSR Committee meetings and 2 (two) Nomination and Remuneration Committee meetings during the year 2019-2020.

Sr. No.	Date of Audit Committee Meeting	Sr. No.	Date of Corporate Social Responsibility Committee Meeting	Sr. No.	Date of Nomination & Remuneration Committee Meeting
1.	June 1, 2019	1.	September 21, 2019	1.	August 30, 2019
2.	August 14, 2019	2.	January 11, 2020	2.	March 13, 2020
3.	August 30, 2019	3.	March 14, 2020		
4.	December 11, 2019				
5.	January 11, 2020				
6.	March 13, 2020				



8. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 (Companies Act, 2013 shall mean the Companies Act, 2013 along with its statutory amendments, modifications or enactments, re-enactments and any rules framed thereunder from time to time, hereinafter to be referred to as the "Act") the directors of the Company confirm that:

1. In the preparation of the Annual Accounts for the financial year ended on March 31, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2020 and of the profit of the company for that period.
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The directors have prepared the annual accounts on a 'going concern basis' and
5. The directors have devised proper systems to ensure compliance with the provisions of all the applicable laws and that such systems were adequate and operating effectively.

9. CHANGES IN DIRECTORS & KEY MANAGERIAL PERSONNEL:

Directors retire by rotation:

As per provisions of the Articles of Association, Mrs. Mona Desai (DIN: 00038429), director of the Company retires by rotation in the forthcoming Annual General Meeting and being eligible offer herself for reappointment.

10. AUDITORS:

A. Statutory Auditors:

The Company auditors, RAJENDRA & CO., Chartered Accountants, 1311, Dalamal Tower, 211, Nariman Point, Mumbai – 400 021, Maharashtra, India, FRN: 108355W retires at the conclusion of ensuing Annual General Meeting and had confirmed their eligibility for the reappointment and willingness to accept office, if reappointed.

The Auditors' Report to the members for the year under review does not contain any qualification.

B. Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M.D. BAID & ASSOCIATES, a firm of Company Secretaries in Practice to undertake the Secretarial Audit for FY 2019-20 of the Company. The Secretarial Audit Report is annexed herewith as **"Annexure -II"**.



Auditors Remark

The observations made in the Secretarial Auditor's Report are as hereunder:

- 1.** The Board of Director comprises of 4 directors (2 Promoter Directors and 2 Professional Directors). Section 149 of the Companies Act, 2013 requires that at least one third of the total number of directors of the Company shall be independent director. Thus the Company does not have the required number of independent directors on its board.
- 2.** The Audit Committee comprises of three directors (two executive directors and one non-executive director). Section 177 of the Companies Act, 2013 requires that majority of directors of Audit Committee should be independent. The Company does not have the required number of independent directors on its Audit Committee.
- 3.** The Nomination and Remuneration Committee comprises of three directors (two executive directors and one non-executive director) and Chief Financial Officer (CFO) of the Company. Section 178 of the Companies Act, 2013 requires that majority of directors of Nomination and Remuneration Committee should be independent. The Company does not have the required number of independent directors on its Nomination and Remuneration Committee.
- 4.** The Corporate Social Responsibility (CSR) Committee comprises of 3 directors (two executive directors and one non-executive director). Section 135 of the Companies Act, 2013 requires that CSR Committee shall consist of three or more directors out of which at least one director shall be an independent director. The Company does not have the required number of independent directors on its CSR Committee.

The Board's explanation on observation made in Secretarial Audit Report in 1 to 4 above:

The Company is in process of selection of suitable candidates for appointment as Independent Directors. The Company will reconstitute Audit Committee, Nomination and Remuneration Committee and CSR Committee on appointment of Independent Director.

C. Cost Auditors:

Pursuant to the provisions of Section 148 (3) of the Companies Act 2013 and Rule 6(2) of the Companies (Cost records and Audit Rules) 2014, the Company has appointed Bhanwarlal Gurjar & Co., Cost Accountants (Registration No. 101540) to conduct the audit of the cost records maintained by the Company pertaining to the products manufactured by it for financial year 2019-20.

As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, a Resolution seeking member's ratification for the remuneration payable to Bhanwarlal Gurjar & Co., Cost Auditor is included at Item No. 4 of the Notice convening the Annual General Meeting.

Maintenance Of Cost Records:

The Directors of the Company to the best of their knowledge and belief state that the Company has maintained adequate Cost records as required to be maintained by the Company under the provisions of Section 148 of the Companies Act, 2013 read with the relevant Rules framed thereunder.



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

The Company has a wholly owned subsidiary i.e. Jainam Intermediates Private Limited and a step down subsidiary i.e. Radha Murari Petrofills Private Limited as on March 31, 2020. Statement pursuant to Section 129(3) of the Companies Act, 2013 in respect of the Subsidiary Companies are annexed herewith as Annexure-III.

Further, during the year, the Company has sanctioned the Scheme of Arrangement in the nature of amalgamation of step-down subsidiary of the company with the wholly owned subsidiary under section 233 of the Companies Act, 2013.

12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS U/S 186:

A. Investments Made: The Company has made the investments in the body corporate as per the Note Number 4 of the Audited Financial Statements for FY 2019-20.

B. Loans and Advances: The Company has given loans and advances as per the Note Number 11 of the Audited Financial Statements for FY 2019-20.

13. RELATED PARTY TRANSACTIONS:

The disclosure of related party transactions is attached in Form AOC-2 as **Annexure-IV**

14. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO:

The information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to section 134(3)(m) of the Act, read with Rule 8(3) of Companies (Accounts) Rules, 2014 is attached herewith as **Annexure-V**.

15. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

Your Company has always laid emphasis on progress with social commitment. We believe strongly in our core values of empowerment and betterment of not only the employees but also our communities. Following this principle, the Company had laid the foundation of a comprehensive approach towards promoting and facilitating various aspects of our surrounding communities.

The Board has approved a policy for Corporate Social Responsibility and same has been uploaded on the website i.e. <https://www.anupamrasayan.com/corporate-social-responsibility/> as required under Section 135 of the Companies Act, 2013 and to demonstrate the responsibilities towards Social upliftment in structured way, the Company has formed a Policy to conduct the task under CSR, during the year.

The report on Corporate Social Responsibility (CSR) Activities along with Annexure as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as a separate **Annexure-VI**.



16. RISK MANAGEMENT POLICY:

Risk management forms an integral part of the management's focus. In the last month of FY 2019-20, the world was disrupted when the World Health Organization (WHO) declared Covid-19 as a 'pandemic'. Your Company is working on a resilient and adaptive risk management strategy.

An effective risk management framework is put in place in the Company in order to analyze, control or mitigate risk. The framework provides an integrated approach for managing the risks in various aspects of the business.

17. INTERNAL FINANCIAL CONTROLS:

The Company has developed and maintained adequate measures for internal financial control for the year ended March 31, 2020. The Company has appointed the internal auditor to conduct the quarterly audit of the accounting records, books of accounts, financial data, taxation data, stock audit, MCA filings, and compliances under different laws and present his report to the audit committee of the Company.

18. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Board of Directors of the Company confirms to the best of their knowledge and belief that the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India as amended from time to time and made applicable by the Ministry of Corporate Affairs during the financial year under review.

19. SHARE CAPITAL:

A. The paid up Equity Share Capital as on March 31, 2020 was INR 50,00,01,000/-

a. BUY BACK OF SECURITIES

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

b. SWEAT EQUITY

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

c. BONUS SHARES

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

d. EMPLOYEES STOCK OPTION PLAN

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

e. INITIAL PUBLIC OFFER

The Company not made initial public offer of its shares during the year under review.

B. The paid up Preference Share Capital as on March 31, 2020 was INR 28,12,49,000/-

During the year, the Company has allotted 27,98,508 and 6,99,626 Compulsorily Convertible Preference Shares ("CCPS") on September 30, 2019 and October 24, 2019 respectively in dematerialized form on preferential allotment basis.



20. DEBT STRUCTURE:

During the year under review, the Company has issued and allotted on private placement basis, Non-Convertible Debentures (NCDs) aggregating INR 1600.00 Lacs (160 Debentures at INR 10,00,000/- each) in dematerialized form to Avendus Structured Credit Fund-I.

21. PUBLIC DEPOSITS:

The details relating to the deposits covered under Chapter V of the Act are as under:

A. Accepted during the year:

Your company has not accepted any deposits within the meaning of Section 2(31) read with Section 73 of the Act, and as such no amount of principal or interest was outstanding as on the date of the Balance Sheet.

B. Remained unpaid or unclaimed as at the end of the year: None

C. Whether there has been any default in repayment of deposits or payment of interest thereon during the year: None

D. The details of deposits which are not in compliance with the requirements of Chapter V of the Act: None

22. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The appointments, removal and remuneration of the directors is subject to the recommendations of the Nomination and Remuneration Committee ("NRC") and in accordance to the provisions of the Companies Act, 2013 and rules framed thereunder from time to time ("Act"). The Company's policy on Appointment and Remuneration of Directors is available on website of the Company at <https://www.anupamrasayan.com/nomination-and-remuneration-policy/>

The Nomination and Remuneration Committee consists of the following directors:

1. Mr. Anand Desai, Chairperson
2. Mrs. Mona Desai, Member
3. Mr. Milan Thakkar, Member
4. Mr. Afzal Malkani, Member

The terms of reference of the Nomination and Remuneration Committee include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "Board" or "Board of Directors") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("Remuneration Policy");
- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity;



- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Recommend to the board, all remuneration, in whatever form, payable to senior management;
- Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.
- The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that:
 - a. The level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

23. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM:

The Audit Committee consists of the following members:

1. Mrs. Mona Desai, Chairperson
2. Mr. Anand Desai, Member
3. Mr. Milan Thakkar, Member

The Company has established a vigil mechanism and oversees through the committee, the genuine concerns expressed by any of the employees and other directors. The Company has also provided adequate safeguards against victimization of employees and directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company. The Vigil Policy/whistle blower Policy of the Company is available at the website of the Company at <https://www.anupamrasayan.com/vigil-or-whistle-blower-mechanism-policy/>

24. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS:

No significant and material order has been issued by any regulator/court/other authority which impacts the going concern status and Company's operation in future.



25. CHANGE(S) IN THE NATURE OF BUSINESS, IF ANY:

No change in the nature of business during the year under review.

26. ANNUAL EVALUATION OF BOARD OF DIRECTORS, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

The Board of Directors ("Board") upon recommendation of Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Board of the Company, its Committees and the individual Board members.

The performance of the Board and its committees were evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as effectiveness of board processes, information and functioning, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

27. PARTICULARS OF EMPLOYEES / MANAGERIAL REMUNERATION:

Details of employee as stipulated under provisions of rule 5(2) of chapter XIII, the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached and marked as Annexure – VII.

28. MATERIAL CHANGES:

There have been no other material changes in the Company from the end of the financial year till the date of this report.

29. DISCLOSURE UNDER SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (Prevention, Prohibition & Redressal) Act, 2013:

The Company has in place an Anti-Sexual Harassment policy in line with the requirement of the Sexual Harassment of woman at Workplace (Prevention Prohibition and Redressal) Act, 2013.

The Company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 in compliance with the MCA notification of 31.07.2018.

The following is the summary of the complaints received and disposed of during the financial year 2019-2020:

a) No. of complaints received: NIL

b) No. of complaints disposed off: NIL



30. EMPLOYEE RELATIONS:

Employee relations throughout the Company were harmonious. The Board wishes to place on record its sincere appreciation of the devoted efforts of all employees in advancing the Company's vision and strategy to deliver good performance.

31. ACKNOWLEDGEMENT:

The directors express their gratitude to the Company's stakeholders and employees of the Company. They also take the opportunity to thank the Company's valued customers, bankers, financial institutions, suppliers and the shareholders who have extended their support to the Company.

For and on behalf of the Board

Anand Desai
Managing Director
DIN:00038442

Mona Desai
Whole-Time Director
DIN:00038429

Place: Surat
Date: September 20, 2020

