# Vaishali Pharma Ltd.

(Formerly known as Vaishali Pharma Pvt. Ltd.)

Encl: aa

**CORPORATE & REGISTERED OFFICE :**
706-709, 7th Floor, Aravali Business Centre,
R. C. Patel Road, Off. Sodawala Lane,
Borivali (West), Mumbai-400 092.
Tel.: +91-22-4217 1819 (30 Lines)
Fax: +91-22-2892 8833
E-mail : info@vaishalipharma.com
export@vaishalipharma.com
**CIN - L52310MH2008PLC181632**


**Date: 06.09.2019**

To,

**National Stock Exchange of India Limited**
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051.

**NSE Symbol:** VAISHALI **NSE Series:** SM

**Subject:** Intimation of 12th Annual General Meeting of the Company as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**Dear Sir/Madam,**

Pursuant to Regulation 30 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that 12th Annual General Meeting of the Company will be held on Monday, September 30, 2019 at 9.00 a.m. at 706 to 709, 7th Floor, Aravali Business Center, R. C. Patel Road, Off Sodawala Lane, Borivali (West), Mumbai – 400092.

A copy of the AGM Notice is attached herewith.

Kindly take the above on your record.

Yours faithfully,

**For Vaishali Pharma Limited**

VAISHALI PHARMA LTD. * MUMBAI *

**Dewansh Vasani**
**Director**
**Encl: aa**

# ANNUAL REPORT 2018 / 2019

Vaishali Pharma Ltd.

# Strong & Diverse Products Portfolio...

## DOMESTIC

### EXCIPIENTS

### ACTIVE PHARMACEUTICAL INGREDIENTS (APIS)

## INTERNATIONAL

### FORMULATIONS

### SURGICAL

### HERBAL

### VETERINARY

### NUTRACEUTICALS

### ONCOLOGY

# Global Certifications

## Company Certifications

GOVT. RECOGNIZED
STAR EXPORT HOUSE

ISC -Global

NSIC - CRISIL

NSE - EMERGE

## Formulation Certifications

CAMEROON

CAMBODIA

COSTA RICA

DR CONGO

IVORY

KENYA

MADAGASCAR

MYANMAR

NICARAGUA

PAPUA NEW GUINEA

RUSSIA

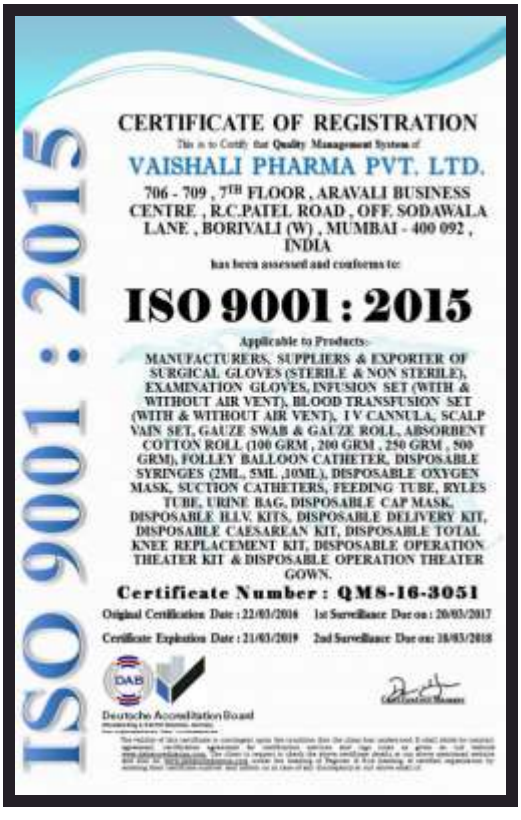
TAJIKISTAN

TANZANIA

YEMEN

ZIMBABWE

# Surgical Certifications



ISO 9001 : 2015

CERTIFICATE OF REGISTRATION

This is to Certify that Quality Management System of

VAISHALI PHARMA PVT. LTD.

706 - 709 , 7TH FLOOR , ARAVALI BUSINESS CENTRE , R.C.PATEL ROAD , OFF. SODAWALA LANE , BORIVALI (W) , MUMBAI - 400 092 , INDIA

has been assessed and conforms to:

ISO 9001 : 2015

Applicable to Products:-

MANUFACTURERS, SUPPLIERS & EXPORTER OF SURGICAL GLOVES (STERILE & NON STERILE), EXAMINATION GLOVES, INFUSION SET (WITH & WITHOUT AIR VENT), BLOOD TRANSFUSION SET (WITH & WITHOUT AIR VENT), I V CANNULA, SCALP VAIN SET, GAUZE SWAB & GAUZE ROLL, ABSORBENT COTTON ROLL (100 GRM , 200 GRM , 250 GRM , 500 GRM), FOLLEY BALLOON CATHETER, DISPOSABLE SYRINGES (2ML, 5ML ,10ML), DISPOSABLE OXYGEN MASK, SUCTION CATHETERS, FEEDING TUBE, RYLES TUBE, URINE BAG, DISPOSABLE CAP MASK, DISPOSABLE H.I.V. KITS, DISPOSABLE DELIVERY KIT, DISPOSABLE CAESAREAN KIT, DISPOSABLE TOTAL KNEE REPLACEMENT KIT, DISPOSABLE OPERATION THEATER KIT & DISPOSABLE OPERATION THEATER GOWN.

Certificate Number : QMS-16-3051

Original Certification Date : 22/03/2016 1st Surveillance Due on : 20/03/2017

Certificate Expiration Date : 21/03/2019 2nd Surveillance Due on: 18/03/2018

Deutsche Accreditation Board

EUROPEAN CERTIFYING ORGANISATION

COMPLIANCE CERTIFICATE

VAISHALI PHARMA PVT. LTD.

706 - 709 , 7TH FLOOR, ARAVALI BUSINESS CENTRE , R.C.PATEL ROAD , OFF. SODAWALA LANE , BORIVALI (W) , MUMBAI - 400 092 , INDIA

has been assessed and conforms to

CE

Applicable to products : As Pre Annexure 1st

Certificate Number : CE-16-3052

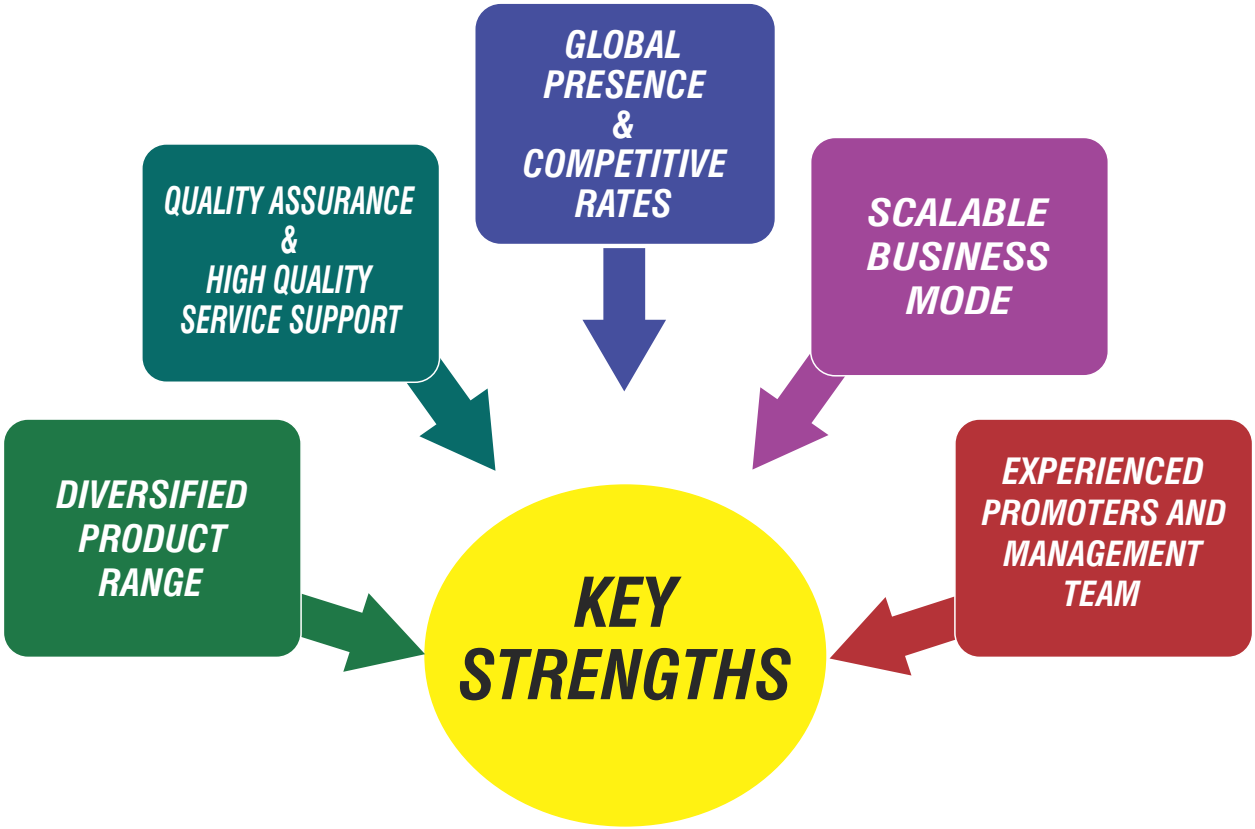
Original Certification Date : 22/03/2016 1st Surveillance Due on : 20/03/2017

Certificate Expiration Date : 21/03/2019 2nd Surveillance Due on: 18/03/2018

Deutsche Accreditation Board

ISO 9001 : 2015

CE




- *Offering range from Formulations,Bulk Drugs, APIs, Veterinary Products, Surgical and Neutraceutical Products Marketing approximately 400 products in Domestic and has product portfolio of more than 1,000 products for overseas market*

- *Caters to Asian, African, CIS and Latin American Countries*
  *Applied for 225 registrations in 25+ countries - 120+ approvals*

- *Accredited & Certified by International board & Organisations.*

- *Chairman Mr. Atul Vasani engaged in Pharmaceutical business for more than 3 decades*
  *Well equipped dedicated Personnel enable to take advantage of both current and future market opportunities*

- *Customer Centric and Order driven business model*
  *Optimum utilisation of resources assuring quality supply enable to achieve economies of scale*
  *Development of new market and products by exploring customer needs, marketing expertise by maintaining quality output*

# Business Model

***To be a well recognized Indian MNC in the pharmaceutical and healthcare industry.***

***To contribute substantially towards well - being and health of the society by providing high quality products and services.***

# Company Overview

## Among fastest growing companies in pharmaceutical industry across globe

- Established in 1989
- Incorporated as Private limited company in 2008
- Incorporated as Limited company in 2017

## Diversified Product Portfolio

- Present dosage forms comprises of: Tablets, Capsules, Oral Liquids , Injections (Dry & Liquid), Dry Syrups in Human / Veterinary; Surgical devices,Oncology, Herbal and Nutraceutical products & API's

## Experienced Sales & Distribution

- Well established sales & Distribution management system
- Efficient execution & Logistic system backed with FlexiERP software for zero defect quality management & Distribution system
- Strong team of Sales & Marketing Professionals having presence in PAN India

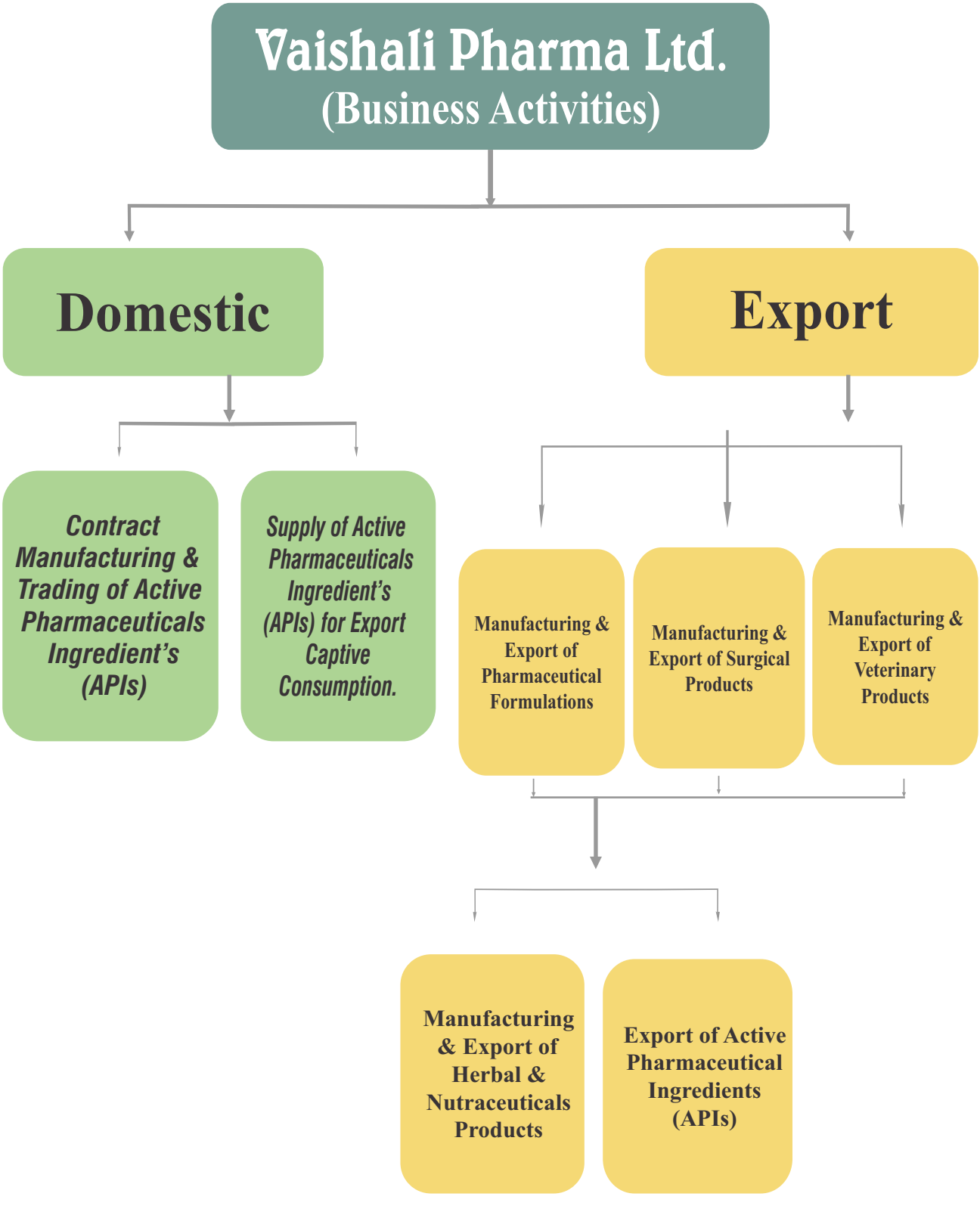
## Offices

- Corporate Office : Headquarters located amidst economic hub of India, Mumbai
- Overseas Regional Office :Vietnam
- Warehouse at Bhiwandi, Maharashtra

## Certifications

- ISO 9001 : 2008 for quality management from BM Trada UKAS
- ISO 9001 : 2015 from Deutsche Accreditation Board, Germany
- Certified by European Certification Organization and compliance Certificate

# Business Structure



# Board of Directors & Key Managerial Personnel

| Name | Designation |
|---|---|
| Mr. Atul Vasani | Chairman and Managing Director |
| Ms. Jagruti Vasani | Whole Time Director |
| Mr. Prataprai Gandhi | Independent Director |
| Mr. Sanjay Mirani | Independent Director |
| Mr. Dewansh Vasani | Non Executive Director |
| Mr. Ratnesh Singh | Chief Financial Officer |
| Ms. Khushboo Panchal | Company Secretary & Compliance Officer |

## Statutory Auditor

M/s. Raman S. Shah & Associates,
Chartered Accountants

## Secretarial Auditor

M/s. Aashish K Bhatt & Associates,
Company Secretaries

## Internal Auditor

M/s. R.U. Kamath & Co.,
Chartered Accountants

## Registrar and Transfer Agent

Bigshare Services Private Limited
Address: 1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East), Mumbai - 400059
E-mail: info@bigshareonline.com
Tel No. : +91 22 6263 8200
Fax No. : +91 226263 8299

## Corporate Information

## Registered Office

Vaishali Pharma Limited
706 to 709, 7th Floor, Aravali Business Center,
R. C. Patel Road, Off Sodawala Lane,
Borivali (West), Mumbai – 400092
Maharashtra, India
Website: www.vaishalipharma.com
Tel: +91 22 42171819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# Introduction

The Company was incorporated on April 25, 2008 under the provisions of the Companies Act, 1956 as **Vaishali Pharma Private Limited**, at Mumbai, Maharashtra. The Company acquired the business of M/s. Vaishali Pharmachem which was the proprietorship concern of our Promoter, Mr. Atul Vasani. We started with trading and marketing of Active Pharmaceutical Ingredient (APIs) and further in the year 2012, we ventured into marketing of pharmaceuticals formulations, the manufacturing of which is outsourced by us to third parties. Our Company was converted into Public Company in the year 2017 and the name of our Company was changed to **"Vaishali Pharma Limited"**.

We, at **Vaishali Pharma Limited** believe that "Quality is an ongoing process of building and sustaining relationship." Our strong commitment of providing quality products is boosted by in-depth industry knowledge, well-qualified team of professionals, as well as hi-tech and advanced infrastructure, resultantly, creating mutually beneficial associations for all parties involved.

Adapting quickly to the ever-evolving demands, we have emerged as one of the fastest growing organization in the pharmaceutical industry across the globe. With our headquarters located amidst the economic hub of India - Mumbai, we have established our office in Vietnam and further widening our reach overseas.

Adhering to high quality standards is not an accident but our habit. Passionate to be the best, we take pride in what we do and strive to deliver products with 0% defects. One can count upon us for quality pharmaceutical and healthcare products.

# Chairman's Message

**Dear Share Owners,**

A journey of dreams, desire, struggle, togetherness & faith began. Gradually, "My" design turned into "Our" design that is **"Vaishali Pharma Limited."** Turning a vision into reality is always a difficult task but it was an evolution and evolutions happen only through immense efforts, support & eternal trust. Today, when I turn the pages behind, of journey, I feel blessed and strengthened. Today, Vaishali Pharma is a known Healthcare Organization flourishing in India & International. We began with a formal business relationship and today, it's a relationship which has unknowingly bond us so close, to whom we name it as "Friends"

I am pleased to present our Annual Report for the financial year 2018-19. It was a year of sustained growth and resilience. Our resilience was derived from the ability to identify opportunities, attaining product registration, investing in enduring relationships and prudent finance management – across geographies and industry cycles.

With our headquarters located admidst the economic hub of India, Mumbai, we have established our office in Vietnam. Further we are widening our reach overseas, we have made a strategical alliance with D.R. Congo based company. Our 120+ formulation brands are being marketed in multiple countries. Our synergistic collaboration with WHO-GMP manufacturing facilities is backed by excellent rapport with our clients.

With a clear vision to spread our wings across the globe, we are currently exposed for Formulations, Surgical & APIs to Kenya, Sri Lanka, Russia, DR Congo, Myanmar, Tajikistan, Bangladesh, Kazakhstan, Cameroon, Jordan, Burkina-Faso, Nicaragua, Senegal, Pakistan, Ukraine, Yemen, Cambodia, Turkey, Congo, Zimbabwe, Ethiopia, Tanzania, Vietnam, Armenia, Costa Rica, Nigeria, C.A.R. and Guinea-Bissau.

I take this opportunity to thank each one of you, valued customers, employees and suppliers for the faith placed in the company and look forward to your continued support.

Thanking You,
Yours sincerely,

**Atul Vasani**
Chairman & Managing Director
DIN: 02107085

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 12th Annual General Meeting of the Members of Vaishali Pharma Limited ("the Company") will be held on Monday, 30th September, 2019 at 9.00 a.m. at the registered office of the Company situated at 706 to 709, 7th Floor, Aravali Business Center, R. C. Patel Road, Off. Sodawala Lane, Borivali (West), Mumbai – 400 092 to transact the following business:-

**Ordinary Business:**

1. To consider and adopt the Audited Financial Statement of the Company for the Financial Year ended 31st March, 2019 together with the Reports of the Board of Directors and the Auditors thereon;

2. To appoint a director in place of Ms. Jagruti Vasani (DIN: 02107094), who retires by rotation and being eligible, offers herself for re-appointment;

**Special Business:**

3. To re- appoint Mr. Atul Vasani as Managing Director and in this regard, to consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

   **"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Atul Vasani (DIN. 02107085) as Chairman and Managing Director for a period of 3 (three) years from the expiry of his present term i.e. with effect from 24th May, 2020 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice and not liable to retire by rotation.

   **RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. To re- appoint Ms. Jagruti Vasani as a Whole Time Director and in this regard, to consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

   **"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Members of the Company be and is hereby accorded to re-appoint Ms. Jagruti Vasani (DIN. 02107094) as Whole Time Director, for a period of 3 (three) years from the expiry of her present term i.e. with effect from 24th May, 2020 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice and not liable to retire by rotation.

   **RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To appoint Mr. Sanjay Mirani as an Independent Director, in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   **"RESOLVED THAT** pursuant to the provisions of 149, 152 and other applicable provisions, if any of the Companies Act, 2013 (the "Act") read with read with Schedule IV of the Act, Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions (including any statutory modification or re-enactment thereof for the time being in force), Mr. Sanjay Mirani (DIN:08216772), who was appointed as an Additional Independent Director, Non-Executive with effect from 14th November, 2018 and who holds office up to the conclusion of this Annual General Meeting in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the company, not liable to retire by rotation for a term of 5 (five) consecutive years with effect from 14th November, 2018."

6. Continuation of Mr. Prataprai Gandhi as an Independent Director in this regard, to consider and if thought fit, to pass, the following resolution as a Special Resolution:

   **"RESOLVED THAT** pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded for the continuation of Mr. Prataprai Gandhi (DIN:07832673), who has attained the age of seventy seven years, as an Independent Director up to expiry of his present term on the existing terms and conditions."

By order of the Board of Directors
Sd/-
**Atul Vasani**
Chairman & Managing Director
DIN: 02107085

Date: 26.08.2019
Place: Mumbai

**Notes:-**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON POLL IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER**. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.

   The instrument of Proxy in Form MGT-11 in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.

   Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of their board resolution authorizing their representative together with specimen signature (s) to attend and vote on their behalf at the Meeting. Proxies submitted on behalf of the Companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

2. Members / proxies are requested to bring their duly filled Attendance Slip enclosed herewith to attend the meeting.

3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act"), relating to the Special Business to be transacted at the Meeting is annexed hereto.

4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

5. Members who hold shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.

6. Relevant documents referred to in the accompanying Notice and the Annual Report, are open for inspection by the Members at the Registered Office of the Company during normal business hours on working days up to the date of the Annual General Meeting.

7. At the 10th AGM held on 19th August, 2017 the members approved appointment of M/s Raman S. Shah & Associates, Chartered Accountants as Statutory Auditors of the Company to hold office for a period of five years commencing from the conclusion of 10th AGM, subject to ratification of their appointment by Members at every AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors.

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Bigshare Services Private Limited, the Company's Registrars and Share Transfer Agents.

**The Company also requests you to update your email address with your Depository Participant to enable us to send you the annual/half yearly reports and other communications via email.**

9. Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements), 2015, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, 20th September, 2019 to Monday, 30th September, 2019 (both days inclusive) for the purpose of the Annual General Meeting.

10. Non – Resident Indian Members are requested to inform Bigshare Services Private Limited, the Company's Registrar and Transfer Agent immediately on:

a. the change in the residential status on return to India for permanent settlement; and

b. the particulars of the bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

11. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019. In the view of the above and to avail various benefits of dematerialization, Members are advised to dematerialize shares held by them in physical form.

12. Members holding shares in electronic mode:

    a. are requested to submit their PAN and bank account details to their respective Depository Participants ('DPs') with whom they are maintaining their demat accounts.
    b. are advised to contact their respective DPs for registering the nomination.
    c. are requested to register/update their e-mail address with their respective DPs for receiving all communications from Company electronically.

13. The Company has appointed M/s. Bigshare Services Private Limited, as its Registrars and Share Transfer Agents for rendering the entire range of services to the Shareholders of the Company. Accordingly, all documents, transfers, demat request, change of address intimation and other communication in relation thereto with respect to shares in electronic and physical form should be addressed to the Registrars directly quoting Folio No., full name and name of the Company as Vaishali Pharma Limited.

14. Members desiring any information relating to the Accounts are requested to write to the Company well in advance so as to enable management to keep the information ready.

15. Details Under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India, in respect of appointment, re-appointment and continuation of the Directors at the Annual General Meeting forms an integral part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment /re-appointment.

16. The Notice of the 12th Annual General Meeting and instructions for e-voting along with the Attendance Slip and Proxy Form and the copies of the Annual Report for 2018-19, is being sent by electronic mode to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2018-19 are being sent in the permitted mode.

17. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investor@vaishalipharma.com

18. The Notice of the 12th Annual General Meeting and the Annual Report will be available on the website of the Company www.vaishalipharma.com.

19. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

20. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company.

21. Attendance slip, proxy form and the route map of the venue of the Meeting is annexed hereto. The prominent landmark for the venue of the Meeting is Chamunda Circle.

22. The businesses as set out in the Notice may be transacted through electronic voting system under Section 108 of the Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). Please note that the voting through electronic means is optional.

23. The Company is also offering the facility for voting by way of physical ballot at the AGM. The Members attending the meeting should note that those who are entitled to vote but have not exercised their right to vote by Remote e-voting, may vote at the AGM through ballot for all businesses specified in the accompanying Notice.

24. The voting through electronic means will commence on Friday, 27th September, 2019 at 10.00 a.m. and will end on Sunday, 29th September, 2019 at 5.00 p.m. The Members will not be able to cast their vote electronically beyond the date and time mentioned above.

25. Members have an option to vote either through remote e-voting system or casting a vote at the Meeting. The Members who have casted their votes by remote e-voting prior to the meeting, may also attend the meeting, but shall not be entitled to cast their votes again at the Meeting.

26. The instructions for shareholders voting electronically under remote e-voting system are as under:

**Instructions and other information relating to e-voting are as under:**

A. The Company is pleased to provide remote e-voting facility for its Members to enable them to cast their votes electronically.

The procedure and instructions for the same are as follows:

i) Open your web browser during the remote e-voting period and navigate to "https://evoting.karvy.com".

ii) Enter the login credentials (i.e., user-id and password) mentioned in the letter. Your Folio No. / DP ID No. / Client ID No. will be your User- ID.

| | |
|---|---|
| User ID | For Members holding shares in Demat Form:- |
| | For NSDL :- 8 Character DP ID followed by 8 Digits Client ID<br>For CDSL :- 16 digits beneficiary ID |
| | For Members holding shares in Physical Form:- Event Number followed by Folio No. registered with the Company |
| Password | Your unique password is printed overleaf / sent via e-mail forwarded through the electronic notice |
| Captcha | Please enter the Verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons |

iii) Members can cast their vote on-line from Friday, 27th September, 2019 at 10.00 a.m. and will end on Sunday, 29th September, 2019 at 05:00 p.m.

iv) After entering these details appropriately, click on "LOGIN".

v) Members holding shares in Demat / Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@, #,$, etc.). Kindly note that this password can be used by the Demat holders for voting in any other Company on which they are eligible to vote, provided that the other company opts for e-voting through Karvy e-Voting platform. System will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi) You need to login again with the new credentials.

vii) On successful login, system will prompt you to select the 'Event' i.e. **'Vaishali Pharma Limited'**.

viii) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and have cast your vote earlier for any company, then your existing login ID and password are to be used.

ix) On the voting page, you will see Resolution Description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents the number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding. If you do not wish to vote, please select 'ABSTAIN'.

x) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xi) Once you 'CONFIRM' your vote on the resolution you will not be allowed to modify your vote.

xii) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG format) of the relevant board resolution / authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to 'evoting@karvy.com'. The file / scanned image of the board resolution / authority letter should be in the naming format 'Corporate Name Event no.'.

B. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.

C. The voting rights of the Members shall be in proportion to the number of shares held by them in the equity share capital of the Company as on the cut-off date being Tuesday, September 24, 2019.

D. **The facility for voting shall also be available at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again at the meeting.**

E. In case of any query pertaining to e-voting, please visit Help and FAQs section available at Karvy's website https://evoting.karvy.com OR contact our toll free no.1800 4250 999.

27. The Board of Directors have appointed Mr. Aashish K. Bhatt, Practicing Company Secretary, to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.

28. The Scrutinizer will submit his report to the Chairman and Managing Director or any person authorized by him after completion of the scrutiny and the results of voting will be announced after the meeting of the company. Subject to receipt of requisite number of the votes, the resolutions shall be deemed to be passed on the date of the meeting.

29. The Results shall be declared on or after the Annual General Meeting of the Company. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at www.vaishalipharma.com and on the website of Karvy Fintech Private Limited.

    The Scrutinizer shall immediately after the conclusion of voting at the Meeting, first count the votes thereafter unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and not later than 48 hours from the conclusion of the Meeting and prepare a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

**Explanatory Statement pursuant to Section 102 of the Companies Act 2013**

**Item No. 3**

The Board of Directors of the Company ("the Board"), at its meeting held on 26th August, 2019 subject to approval of members, re-appointed Mr. Atul Vasani (DIN: 02107085) as a Managing Director for a period of 3 (Three) years from the expiry of his present term, i.e. with effect from 24th May, 2020 on terms and conditions including remuneration as recommended by Nomination and Remuneration Committee of the Board.

It is proposed to seek members' approval for the re-appointment of and remuneration payable to Mr. Atul Vasani as a Managing Director of the Company in terms of the applicable provisions of the Companies Act, 2013.

The remuneration payable to and terms of re-appointment of Mr. Atul Vasani as Managing Director of the Company during the tenure of his re-appointment is as follows:

**(I) Remuneration :**

**a) Salary :**

72,00,000/- per annum

**b) Commission:**

As may be decided by the Board of Directors of the Company.

**c) Perquisites:**

**1. Medical Reimbursement:**

Reimbursement for actual medical expenses incurred in India and/or abroad and including hospitalization, nursing home and surgical expenses for self and family subject to a ceiling of one month's salary per year or three month's salary in a period of three years.

**2. Leave Travel Concession:**

Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave travel holiday periods, whenever undertaken, whether in India or abroad in accordance with the rules of the Company.

**3. Leave:**

Privilege Leave as per rules of the Company.

**4. Contribution to Provident Fund, Superannuation or Annuity Fund, Gratuity payable and Encashment of Leave**

The Company's contribution to provident fund, superannuation or annuity fund, gratuity payable and encashment of leave, as per the rules of the Company.

**5. Other perquisites:**

Subject to the overall ceiling on remuneration mentioned herein below, he shall be entitled to any other allowances, benefits and perquisites as the Board of Directors may on the recommendation of the nomination and remuneration committee thereof may from time to time decide.

**Explanation :**

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual cost.

**d. Amenities:**

**Car & Telephone:**

The Company shall provide car for use on Company's business and telephone at the Director's residence. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company

**e. Others**

**1. Overall Remuneration:**

The aggregate of salary, commission and perquisites in any financial year shall not exceed the overall ceilings laid down in sections 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said act as may for the time being in force.

**2. Minimum Remuneration:**

In the event of absence of profits or inadequacy of profits in any financial year, the aforesaid remuneration shall be governed by limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 as may for the time being in force.

The said remuneration and the perquisites are in consonance with the provisions of Schedule V and other applicable provisions of the Companies Act, 2013.

Mr. Atul Vasani fulfils the conditions for eligibility contained in Part I of Schedule V of the Companies Act, 2013 (the "Act") and is not disqualified from being appointed as a Managing Director in terms of Section 164 of the Act.

The terms and conditions for re-appointment including payment of remuneration may be altered and varied from time to time by the Board / Nomination and Remuneration Committee as it may, at its discretion, deem fit within the overall ceiling fixed herein.

The relatives of Mr. Atul Vasani may be deemed to be interested in the resolution as set out in item No. 3 of the notice, to the extent of their shareholding interest, if any, in the Company.

None of the other Directors, Key Managerial Personnel are concerned or interested, financially or otherwise in the resolution as set out in item No. 3 of the notice except Mr. Atul Vasani, Ms. Jagruti Vasani and Mr. Dewansh Vasani.

The Board accordingly recommends the Special Resolution as set out in the notice for the approval of the Members.

**The details of Directors as required under Secretarial Standard on General Meetings ("SS-2") and as per Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as mentioned below:**

| | |
|---|---|
| **Name of Director** | Mr. Atul Vasani |
| **Brief Resume** | Atul Vasani, aged 55 years is the Promoter, Chairman and Managing Director of the Company. He has been associated with the Company since incorporation and has been designated as Chairman and Managing Director w.e.f 25th May, 2017. He has passed his Higher secondary certificate examination from Maharashtra state Board of secondary and Higher Secondary education. He has been in the pharmaceutical Industry since 1987 and has experience of around three decades in pharmaceutical Industry. He has been instrumental in formulating the business strategies of the Company and is entrusted with the responsibility of looking after the overall management and maintaining customer relations. |
| **Date of Birth** | 17.09.1964 |
| **Age** | 55 years |
| **Nationality** | Indian |
| **Date of first appointment on the Board** | 25.04.2008 |

| | |
|---|---|
| **Qualifications** | Under Graduate |
| **Experience** | 31 years |
| **Terms and conditions of re-appointment** | Terms of re-appointment is as per the provisions of the Companies Act, 2013 |
| **Remuneration sought to be paid** | Rs. 72,00,000 p.a. |
| **Remuneration last drawn** | Rs. 54,00,000 p.a. |
| **Relationship with other Directors, Manager and other Key Managerial Personnel of the company** | Ms. Jagruti Vasani is the wife of Mr. Atul Vasani.<br>Mr. Dewansh Vasani is the brother's son of Mr. Atul Vasani.<br>Except Remuneration no other pecuniary relationship. |
| **Number of Meetings of the Board attended during the year** | 9 |
| **Expertise in specific functional area** | Expertise in pharmaceutical Industry |
| **Number of shares held in the Company (as on March 31, 2019)** | 43,15,385 Equity Shares |
| **Membership/Chairmanship of Committees of the other Boards** | Nil |
| **Directorships of other Boards as on 31st March, 2019** | Nil |
| **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any** | Except Remuneration no other pecuniary relationship |

Information about the General Information as per Schedule V

| **I General Information** | | | | |
|---|---|---|---|---|
| Nature of Industry | Pharmaceutical Industry | | | |
| Date or expected date of commencement of commercial production | From the time of incorporation (25.04.2008) of the Company, it is into trading of pharmaceutical products, hence, no commercial production is undertaken | | | |
| In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable | | | |
| Financial performance based on given indicators | **F.Y** | **2018-19** | **2017-18** | **2016-17** |
| | Net Worth | 21,27,25,219 | 20,55,89,600 | 39,317,978 |
| | Net Profit after tax | 71,35,619 | 79,75,944 | 50,81,405 |
| Foreign investments or collaborations, if any | Not Applicable | | | |
| II Information about the director | | | | |
| Background details | Mr. Atul Vasani, aged 55 years is the Promoter, Chairman and Managing Director of the Company. He has been associated with the Company since incorporation and has been designated as Chairman and Managing Director w.e.f 25th May, 2017. He has passed his Higher secondary certificate examination from Maharashtra state Board of secondary and Higher Secondary education. He has been in the pharmaceutical Industry since 1987 | | | |

| | |
|---|---|
| | and has experience of around three decades in pharmaceutical Industry. He has been instrumental in formulating the business strategies of the Company and is entrusted with the responsibility of looking after the overall management and maintaining customer relations. |
| Past remuneration | Rs. 54,00,000 p.a. |
| Recognition or awards | Company has been awarded with Prestigious Rising Brands Asia 2018 Award during his chairmanship |
| Job profile and his suitability | Mr. Atul Vasani has been in the pharmaceutical Industry since 1987 and has experience of around three decades in pharmaceutical Industry. He has been instrumental in formulating the business strategies of the Company and is entrusted with the responsibility of looking after the overall management and maintaining customer relations. Under his guidance the company has gained existence and recognition in over 23 countries round the globe with the vide rage of 150+ Brands. |
| Remuneration proposed | Rs. 72,00,000 p.a. |
| Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | Remuneration for Managing Director who has been in the pharmaceutical Industry since 1987 and having experience of over 3 decades in India is dependent on business approach, scale of business, individual's experience and variety of other factors. On account of this, there is significant difference between the lower range and upper range. |
| Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | Except Remuneration no other pecuniary relationship |
| **III Other information:** | |
| Reasons of loss or inadequate profits | 1. Slow down in global economy<br>2. Escalation of trade war between USA and China<br>3. Delay in materialisation of trade tie ups with other country counter parts. |
| Steps taken or proposed to be taken for improvement | The Company is intending to appoint experienced professionals to turn around the business operations especially for export market. |
| Expected increase in productivity and profits in measurable terms | Company has received registration for four products (i.e. Cellargy, Coldaway, Combicough and Coughquit) across different dosages in the Cambodia market. These products have a good demand in the local market of Cambodia. This remarkable achievement in the Cambodia market symbolizes a landmark and enables the Company to reach out more and strengthen its presence in the high growth market of Cambodia, Asia. |

**Item No. 4**

The Board of Directors of the Company ("the Board"), at its meeting held on 26th August, 2019 subject to approval of members, re-appointed Ms. Jagruti Vasani (DIN: 02107094) as a Whole-time Director for a period of 3 (Three) years from the expiry of her present term, i.e. with effect from 24th May, 2020 on terms and conditions including remuneration as recommended by Nomination and Remuneration Committee of the Board.

It is proposed to seek members' approval for the re-appointment of and remuneration payable to Ms. Jagruti Vasani as a Whole-time Director of the Company in terms of the applicable provisions of the Companies Act, 2013.

The remuneration payable to and terms of re-appointment of Ms. Jagruti Vasani as Whole-time Director of the Company during the tenure of her re-appointment is as follows:

**(II) Remuneration :**

**a) Salary :**

36,00,000/- per annum

**b) Commission:**

As may be decided by the Board of Directors of the Company.

**c) Perquisites:**

**1. Medical Reimbursement:**

Reimbursement for actual medical expenses incurred in India and/or abroad and including hospitalization, nursing home and surgical expenses for self and family subject to a ceiling of one month's salary per year or three month's salary in a period of three years.

**2. Leave Travel Concession:**

Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave travel holiday periods, whenever undertaken, whether in India or abroad in accordance with the rules of the Company.

**3. Leave:**

Privilege Leave as per rules of the Company.

**4. Contribution to Provident Fund, Superannuation or Annuity Fund, Gratuity payable and Encashment of Leave**

The Company's contribution to provident fund, superannuation or annuity fund, gratuity payable and encashment of leave, as per the rules of the Company.

**5. Other perquisites:**

Subject to the overall ceiling on remuneration mentioned herein below, she shall be entitled to any other allowances, benefits and perquisites as the Board of Directors may on the recommendation of the nomination and remuneration committee thereof may from time to time decide.

**Explanation :**

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual cost.

**d. Amenities:**

**Car & Telephone:**

The Company shall provide car for use on Company's business and telephone at the Director's residence. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company

**e. Others**

**1. Overall Remuneration:**

The aggregate of salary, commission and perquisites in any financial year shall not exceed the overall ceilings laid down in sections 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said act as may for the time being in force.

**2. Minimum Remuneration:**

In the event of absence of profits or inadequacy of profits in any financial year, the aforesaid remuneration shall be governed by limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 as may for the time being in force.

The said remuneration and the perquisites are in consonance with the provisions of Schedule V and other applicable provisions of the Companies Act, 2013.

Ms. Jagruti Vasani fulfils the conditions for eligibility contained in Part I of Schedule V of the Act and is not disqualified from being appointed as a Wholetime director in terms of Section 164 of the Act.

The terms and conditions for re-appointment including payment of remuneration may be altered and varied from time to time by the Board / Nomination and Remuneration Committee as it may, at its discretion, deem fit within the overall ceiling fixed herein.

The relatives of Ms. Jagruti Vasani may be deemed to be interested in the resolution as set out in item No. 4 of the notice, to the extent of their shareholding interest, if any, in the Company.

None of the other Directors, Key Managerial Personnel are concerned or interested, financially or otherwise in the resolution as set out in item No. 4 of the notice except, Ms. Jagruti Vasani, Mr. Atul Vasani and Mr. Dewansh Vasani.

The Board accordingly recommends the Special Resolution as set out in the notice for the approval of the Members.

**The details of Directors under Secretarial Standard on General Meetings ("SS-2") and as per Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as mentioned below (For item no. 2 and 4)**

| | |
|---|---|
| Name of Director | Ms. Jagruti Vasani |
| Brief Resume | Ms. Jagruti Vasani, Aged 53 years is the Promoter and Whole time Director of the Company. She has been associated with the Company since incorporation and has been designated as Whole time Director w.e.f 25th May, 2017.She has Graduated in Commerce from Saurashtra University. She looks after Human Resource Department of the Company. She has more than seven years of experience in Pharmaceutical Industry. |
| Date of Birth | 12.05.1966 |
| Age | 53 years |
| Nationality | Indian |
| Date of first appointment on the Board | 25.04.2008 |
| Qualifications | Graduate |
| Experience | She has more than seven years of experience in Pharmaceutical Industry |
| Terms and conditions of re-appointment | Terms of re-appointment is as per the provisions of the Companies Act, 2013 |
| Remuneration sought to be paid | Rs. 36,00,000 p.a. |
| Remuneration last drawn | Rs. 12,00,000 p.a. |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the company | Wife of Mr. Atul Vasani, Chairman and Managing Director.<br>Mr. Dewansh Vasani is the brother's son of Mr. Atul Vasani.<br>Except Remuneration no other pecuniary relationship. |
| Number of Meetings of the Board attended during the year | 9 |
| Expertise in specific functional area | General Administration |
| Number of shares held in the Company (as on March 31, 2019) | 2,99,995 Equity Shares |

| | |
|---|---|
| Membership/Chairmanship of Committees of the other Boards | Nil |
| Directorships of other Boards as on 31st March, 2019 | Nil |
| Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any | Except Remuneration no other pecuniary relationship |

Information about the General Information as per Schedule V

| | |
|---|---|
| General Information | |
| Nature of Industry | Pharmaceutical Industry |
| Date or expected date of commencement of commercial production | From the time of incorporation (25.04.2008) of the Company, it is into trading of pharmaceutical products, hence, no commercial production is undertaken |
| In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable |
| Financial performance based on given indicators | **F.Y** **2018-19** **2017-18** **2016-17**<br>Net Worth 21,27,25,219 20,55,89,600 39,317,978<br>Net Profit after tax 71,35,619 79,75,944 50,81,405 |
| **Foreign investments or collaborations, if any** | Not Applicable |
| **II Information about the director** | |
| Background details | Ms. Jagruti Vasani, Aged 53 years is the Promoter and Whole time Director of the Company. She has been associated with the Company since incorporation and has been designated as Whole time Director w.e.f 25th May, 2017.She has Graduated in Commerce from Saurashtra University. She looks after Human Resource Department of the Company. She has more than seven years of experience in Pharmaceutical Industry. |
| Past remuneration | Rs. 12,00,000 p.a. |
| Recognition or awards | - |
| Job profile and his suitability | She looks after Human Resource Department of the Company |
| Remuneration proposed | Rs. 36,00,000 p.a. |
| Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | Remuneration for Human Resource Department in pharmaceutical industry having more than seven years of experience in India is dependent on business approach, scale of business, individual's experience and variety of other factors. On account of this, there is significant difference between the lower range and upper range. |
| Pecuniary relationship directly or indirectly | Except remuneration no other pecuniary relationship |

| | |
|---|---|
| with the company, or relationship with the managerial personnel, if any. | |
| III Other information: | |
| Reasons of loss or inadequate profits | 1. Slow down in global economy<br>2. Escalation of trade war between USA and China<br>3. Delay in materialisation of trade tie ups with other country counter parts. |
| Steps taken or proposed to be taken for improvement | The Company is intending to appoint experienced professionals to turn around the business operations especially for export market. |
| Expected increase in productivity and profits in measurable terms | Company has received registration for four products (i.e. Cellargy, Coldaway, Combicough and Coughquit) across different dosages in the Cambodia market. These products have a good demand in the local market of Cambodia. This remarkable achievement in the Cambodia market symbolizes a landmark and enables the Company to reach out more and strengthen its presence in the high growth market of Cambodia, Asia. |

**Item No. 5 -**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of section 161(1) of the Act and Articles of Association of the Company appointed Mr. Sanjay Mirani (DIN: 08216772) as an Additional Independent Director of the Company for a term of 5 (five) consecutive years with effect from 14th November, 2018.

In accordance with the provisions of Section 149, Section 152 read with Schedule IV to the Act, appointment of Independent Directors requires approval of the members.

Mr. Sanjay Mirani is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given his consent to act as a director. The Company has also received declaration from him that he meets the criteria of independence as prescribed both under Section 149(6) of the Act.

Mr. Sanjay Mirani is interested in the resolution set out in Item No. 5 of the Notice with regard to his appointment. Relatives of Mr. Sanjay Mirani may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in this resolution.

**The details of Directors as required under Secretarial Standard on General Meetings ("SS-2") and as per Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as mentioned below:**

| | |
|---|---|
| Name of Director | Mr. Sanjay Mirani |
| Brief Resume | Mr. Sanjay Mirani has 25 years of experience in the field of marketing of Active Pharmaceutical Ingredient. He undertakes trading of Pharmaceuticals Products in Indian Market and has Good Contacts with Merchants & Manufacturers in Chemical & Pharma Industry. |
| Date of Birth | 15.01.1961 |
| Age | 58 years |
| Nationality | Indian |

| | |
|---|---|
| Date of first appointment on the Board | 14.11.2018 |
| Qualifications | Undergraduate |
| Experience | Mr. Sanjay Mirani has over more than two decades of experience in the field of marketing of Active Pharmaceutical Ingredient. |
| Terms and conditions of re-appointment | Terms of re-appointment is as per the provisions of the Companies Act, 2013 |
| Remuneration sought to be paid | Remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act. |
| Remuneration last drawn | Remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act. |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the company | Not related to any Directors and Key Managerial Personnel |
| Number of Meetings of the Board attended during the year | 3 |
| Expertise in specific functional area | Marketing of Pharmaceutical Products over more than two decades |
| Number of shares held in the Company (as on March 31, 2019) | 1600 Equity Shares |
| Membership/Chairmanship of Committees of the other Boards | Nil |
| Directorships of other Boards as on 31st March, 2019 | Antop Hill Warehousing Co Limited |
| Justification for appointment as Independent Director | Experience in pharmaceutical industry and enriches the debate within the Board for the decision-making process, while contributing to the dynamics and development of the Board Committees of which they are members. |

**Item No. 6**

Continuation of Mr. Prataprai Gandhi as an Independent Director

The Securities and Exchange Board of India vide its Notification No. SEBI/LAD- NRO/GN/2018/10 dated May 9, 2018 has amended Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and prescribed that no company shall continue the directorship of a person as a non-executive director who has attained the age of seventy-five years unless it is approved by the members by passing a special resolution. The effective date of Notification is April 1, 2019.

The Company is listed on SME platform of NSE Emerge. Currently, the company is exempted under regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Therefore the regulations pertaining to Corporate Governance are not applicable to the company. However, it is under the process of migration from SME platform of NSE

Emerge to the main board of NSE. Therefore, prior approval of shareholders is taken in this meeting in order to comply with requirements of amended Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Prataprai Gandhi (DIN: 07832673), who was appointed as Independent Director by the Members to hold office for a period of 5 (five) years w.e.f. 25th May, 2017 have attained the age of seventy-seven years and in terms of the requirements of above mentioned SEBI Notification, continuation of office as Independent Director(s) beyond the age of seventy-five years would require the approval of Members by a special resolution.

In view of above, it is proposed to seek approval of the Members for continuation of directorship of Mr. Prataprai Gandhi as Independent Director on the Board of the Company till the expiry of his term.

Mr. Prataprai Gandhi is interested in the resolution set out in Item No. 6 of the Notice with regard to his appointment. Relatives of Mr. Prataprai Gandhi may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in this resolution.

**The details of Directors as required under Secretarial Standard on General Meetings ("SS-2") and as per Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as mentioned below:**

| | |
|---|---|
| Name of Director | Mr. Prataprai Gandhi |
| Brief Resume | Mr. Pratap Gandhi, aged 77 years has more than 5 decades of varied experience in pharmaceutical industry for marketing of pharmaceutical formulations. He has completed his M.Sc. (Bio-Physics) from University of Mumbai. |
| Date of Birth | 19.10.1941 |
| Age | 77 years |
| Nationality | Indian |
| Date of first appointment on the Board | 25.05.2017 |
| Qualifications | Master of Science (Bio-Physics) |
| Experience | More than 50 years of experience |
| Terms and conditions of continuation as Independent Director | Terms and conditions is as per the provisions of the Companies Act, 2013 |
| Remuneration sought to be paid | Remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act. |
| Remuneration last drawn | Remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act. |

| | |
|---|---|
| Relationship with other Directors, Manager and other Key Managerial Personnel of the company | Not related to any Directors / Key Managerial Personnel |
| Number of Meetings of the Board attended during the year | 9 |
| Expertise in specific functional area | Marketing of Pharmaceutical Formulations |
| Number of shares held in the Company (as on March 31, 2019) | Nil |
| Membership/Chairmanship of Committees of the other Boards | Nil |
| Directorships of other Boards as on 31st March, 2019 | Nil |
| Justification for continuation as Independent Director | His experience has facilitated quick integration and understanding of the business, bringing to the Board new points of view and different approaches. His contribution to the decision-making process of the Board of Directors is very important, as well as in the assessment of the prospects of future business in an industry which is continuously evolving. |

By order of the Board of Directors
Sd/-
**Atul Vasani**
Chairman & Managing Director
DIN: 02107085

Date: 26.08.2019
Place: Mumbai

Important Communication to Members

Your Company is concerned about the environment and utilizes natural resources in a sustainable manner. The Ministry of Corporate Affairs (vide Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011) has allowed companies to share documents with its shareholders through electronic mode as part of the green initiative in corporate governance.

To support this Green initiative in full measures, we hereby propose to send all communications/documents to the email address provided by you with your depository. We request you to update your email address with your depository participant to ensure that the communications/documents reach you on your preferred email address.

# BOARD'S REPORT

To,
The Members
**Vaishali Pharma Limited,**

The Board of Directors of your Company take great pleasure in presenting the 12th Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the year ended 31st March, 2019.

**FINANCIAL RESULTS:**
The financial performance of the Company for the year ended March 31, 2019 is summarized below:

| **Particulars** | **Current year** | **Previous Year *** |
|---|---|---|
| | **31.03.2019** | **31.03.2018** |
| Income from Business Operations | 75,09,09,731 | 67,76,40,663 |
| Other Income | 1,98,22,600 | 1,65,89,582 |
| **Total Income** | **77,07,32,331** | **69,42,30,245** |
| Less: Expenses | 75,94,07,724 | 68,07,75,400 |
| **Profit/(Loss) Before Tax** | **1,13,24,607** | **1,34,54,845** |
| Less: Current Tax | 40,00,000 | 47,50,000 |
| Less: Adjustment of prior periods tax | 5,00,000 | 8,03,064 |
| Less: Deferred Tax (credit)/charge | (3,11,011) | (74,163) |
| **Net Profit/(Loss) After Tax** | **71,35,619** | **79,75,944** |

* Figures have been regrouped and reclassified, wherever required

**STATE OF COMPANY'S FINANCIAL AFFAIRS:**
During the year under review, the operating revenue including other income of the Company is Rs. 77,07,32,331/- for current year as compared to Rs. 69,42,30,245/- in previous year. Your Directors are hopeful to improve the growth rate in turnover. The expenditure incurred during the year is Rs. 75,94,07,724 as against the amount of Rs. 68,07,75,400 during the previous year. Hence, the Company has earned a Net Profit after tax of Rs. 71,35,619 as compared to the previous year amount of Rs. 79,75,944. The Board has taken all necessary steps to expand its activities by making innovations.

**NATURE OF BUSINESS:**
The Company is into pharmaceutical business, mainly dealing in Active Pharmaceutical Ingredient, pharmaceutical formulations, surgical products, veterinary supplements operating in domestic and export market.
The success of the Company depends significantly on ability to commercialize new pharmaceutical products in India and across various markets around the world.

**DIVIDEND**
Since the Company is in expansion mode, your Directors expressed their inability to recommend any dividend for the year under consideration.

**TRANSFER TO RESERVES**
The amount transferred to the reserves during the year ended 31st March, 2019 is Rs. 79,73,699/-

**DEPOSITS UNDER CHAPTER V OF COMPANIES ACT, 2013**

Your Company has neither accepted nor renewed any deposits from public during the year and does not have any outstanding Deposits in terms of Section 76 of the Companies Act, 2013.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 (hereinafter referred as 'the Act') are given in the notes to the Financial Statements.

**CHANGE IN THE NATURE OF BUSINESS**

There has been no change in the nature of Business during the year under review.

**SHARE CAPITAL STRUCTURE**

The Authorized Share Capital of the Company is Rs. 7,50,00,000/- divided into 74,95,000 Equity Shares of Rs.10/- each and 50,000 7% Non-Cumulative Redeemable Preference Shares of Re. 1/-.

The Paid Up Share Capital of the Company as on 31st March, 2019 is Rs. 6,59,13,850 divided into 65,91,385 Equity Shares of Rs.10/- each.

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

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

**INTERNAL FINANCIAL CONTROLS:**

The Company has well placed, proper and adequate internal financial control system that commensurate with the size, scale and complexity of its operations. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the business and functions are systematically addressed through mitigation action on continuing basis. These are routinely tested by Internal Auditors. The Audit observations on internal financial controls are periodically reported to the Audit Committee.

**SIGNIFICANT ORDERS PASSED BY REGULATORS/COURTS/TRIBUNALS**

There are no significant orders passed by regulators/courts/tribunals impacting the going concern status and Company's operations in the future.

**DETAILS OF FRAUD REPORTED BY AUDITORS**

There were no frauds reported by the Statutory Auditors under provisions of Section 143(12) of the Companies Act, 2013 and rules made thereunder.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the financial year 2018-19, as stipulated under Regulation 34(2)(e) of the SEBI(Listing obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI LODR"), is presented in a separate section forming part of the Annual Report.

**RISKS AND AREA OF CONCERN**

The Company has formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be

adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedure will be reviewed by the Audit Committee and Board of Directors on time to time basis.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**
The Company does not have any Subsidiary, Joint Venture or Associate Company.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of the Company comprises an optimum combination of executive and non-executive directors.
As on the date of this report, the Composition of the Board of Directors is as under:

| Name of Director | Category and Designation |
|---|---|
| Mr. Atul Vasani | Chairman & Managing Director |
| Ms. Jagruti Vasani | Whole Time Director |
| Mr. Prataprai Gandhi | Independent Director |
| Mr. Dewansh Vasani # | Non-Executive Non Independent Director |
| Ms. Priyanka Vasani * | Non-Executive Non Independent Director |
| Mr. Bhavesh Shah ** | Independent Director |
| Mr. Sanjay Mirani ## | Additional Independent Director |
| Mr. Ratnesh Singh | Chief Financial Officer |
| Ms. Khushboo Panchal | Company Secretary & Compliance Officer |

# Appointed w.e.f. 26th April, 2018
* Resigned w.e.f. 26th April, 2018
** Resigned w.e.f. 5th June, 2018
## Appointed w.e.f 14th November, 2018

Upon recommendation of Nomination and Remuneration Committee and approval of Board of Directors, Mr. Sanjay Mirani (DIN: 08216772) was appointed as Additional Non-Executive director in Independent Category for a period of 5 (five) consecutive years with effect from 14th November, 2018, holds the office upto ensuing Annual General Meeting (hereinafter referred as 'AGM').

**RETIREMENT BY ROTATION**
In accordance with the provisions of Section 152(6) and other applicable provisions of the Act, Ms. Jagruti Vasani (DIN: 02107094) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers herself for re-appointment and will continue as Wholetime Director of the Company. The Board recommends her re-appointment.

**APPOINTMENT AND CHANGES OF KEY MANAGERIAL PERSONNEL**
During the year under review, there were no changes in the Key Managerial Personnel of the Company.

## INDEPENDENT DIRECTOR DECLARATION

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 confirming that they fulfill criteria for independence as laid under Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as an independent director during the year.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

## MEETINGS OF THE BOARD:

Total Nine (9) Board Meetings were held during the financial year 2018-19 as required u/s 134 (3) (b) of the Act as under:

| | | |
|---|---|---|
| 26th April, 2018 | 30th May, 2018 | 30th June, 2018 |
| 31st July, 2018 | 04th September, 2018 | 14th November, 2018 |
| 14th December, 2018 | 17th December, 2018 | 26th February, 2019 |

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

| Name of Director | Attendance | | |
|---|---|---|---|
| | Entitled | Attended | Attendance last AGM held on 29th September, 2018 |
| Mr. Atul Vasani | 9 | 9 | **Yes** |
| Mrs. Jagruti Vasani | 9 | 9 | **Yes** |
| Mr. Bhavesh Shah | 2 | 2 | **NA** |
| Mr. Prataprai Gandhi | 9 | 9 | **Yes** |
| Ms. Priyanka Vasani | 1 | 1 | **NA** |
| Mr. Dewansh Vasani | 8 | 8 | **Yes** |
| Mr. Sanjay Mirani | 3 | 3 | **NA** |

## COMMITTEES OF THE BOARD:

The Company has been listed on SME platform of National Stock Exchange of India Limited with effect from August 22, 2017. Further to the same the Board has constituted two Committees i.e. the Audit Committee and Nomination & Remuneration Committee in accordance with Companies Act, 2013.

## AUDIT COMMITTEE

The Committee was re-constituted by Board of Directors of the Company on 14th November, 2018.

During the year committee met twice i.e. on 30.05.2018 and 14.11.2018.

Presently, the committee comprises of two Independent Non-Executive directors and one Executive director.

The members of the Committee are as under:

| Sr. no. | Name | Category | Position | Attendance | |
|---|---|---|---|---|---|
| | | | | Entitled | Attended |
| 1 | Mr. Prataprai Gandhi | Independent Director | Chairman | 2 | 2 |
| 2 | Mr. Sanjay Mirani # | Independent Director | Member | 1 | 1 |
| 3 | Mr. Atul Vasani | Managing Director | Member | 2 | 2 |
| 4 | Mr. Bhavesh Shah * | Independent Director | Chairman | 1 | 1 |

# Appointed w.e.f 14th November, 2018
* Resigned w.e.f. 5th June, 2018

During the year under review the Board of Directors has accepted all the recommendations of the Audit Committee and there have been no dissenting views.

**NOMINATION AND REMUNERATION COMMITTEE**

The Committee was re-constituted twice by Board of Directors of the Company on 26th April, 2018 and 14th November, 2018. During the year, committee met twice i.e. on 14.11.2018 and 26.02.2019.

Presently, the committee comprises of two Independent Non-Executive directors and one Non - Independent Non-Executive director.

The members of the Committee are as under:

| Sr. No. | Name | Category | Position | Attendance | |
|---|---|---|---|---|---|
| | | | | Entitled | Attended |
| 1 | Mr. Prataprai Gandhi | Independent Director | Chairman | 2 | 2 |
| 2 | Mr. Sanjay Mirani# | Independent Director | Member | 1 | 1 |
| 3 | Mr. DewanshVasani## | Non Executive Director | Member | 2 | 2 |
| 4 | Ms. Priyanka Vasani* | Non Executive Director | Member | 0 | 0 |
| 5 | Mr. Bhavesh Shah** | Independent Director | Member | 0 | 0 |

# Appointed w.e.f 14th November, 2018
## Appointed w.e.f. 26th April, 2018
* Resigned w.e.f. 26th April, 2018
** Resigned w.e.f. 5th June, 2018

**NOMINATION AND REMUNERATION POLICY**

In accordance with the provisions of the Section 178 of the Companies Act, 2013 read along with the applicable Rules, the Company has formulated "Nomination and Remuneration Policy" containing criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178 of Companies Act, 2013 for selection of any Director, Key Managerial Personnel and Senior Management Employees.

The said policy is attached as **ANNEXURE B** to this report and is available on the Company's website and the web link thereto is https://www.vaishalipharma.com/investors/company-policy/.

**CORPORATE SOCIAL RESPONSIBILITY**

As the provisions of Section 135 of Companies Act, 2013 dealing with Corporate Social Responsibility are not applicable to the Company during the financial year, the Company has not laid down any policy on Corporate Social Responsibility.

**VIGIL MECHANISM:**

Pursuant to the provisions of Section 177 (9) & (10) of the Act read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014, Vigil Mechanism for Directors and employees to report genuine concern and grievances has been established. The said mechanism is governed by the Audit Committee. The Vigil Mechanism Policy has been uploaded on the website of the company at https://www.vaishalipharma.com/investors/company-policy/ and enclosed as **ANNEXURE E**. During the financial year ended the Company has not received any grievances or complaints.

**RELATED PARTY TRANSACTIONS**

Details of related party transactions covered under the provisions of Section 188 of the Companies Act, 2013 are given in the notes to the Financial Statements. The transactions entered into with related parties during the financial year were on arm's length pricing basis and in the ordinary course of business and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. There being no 'material' related party transactions, no details are required to be disclosed in Form AOC-2.

During the year 2018-19, pursuant to section 177 of the Companies Act, 2013, all RPTs were placed before the Audit Committee for its approval.

The policy on Related Party Transactions as approved by the Board is available on website of the Company viz: https://www.vaishalipharma.com/investors/company-policy/.

**EVALUATION OF BOARD OF DIRECTORS, COMMITTEES AND INDIVIDUA L DIRECTOR:**

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act.

The Company has implemented a system of evaluating performance of the Board of Directors, its Committees and individual Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects. The evaluation inter-alia covered different aspects viz. composition of the board and its committees, qualifications, performance, inter-personal skills, submissions done by the director in varied disciplines related to the company's business etc.

A separate meeting of the Independent Directors was also held during the year for evaluation of the performance of non - independent Directors of the Board as whole.

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. Performance evaluation of independent

directors was done by the entire board, excluding the independent director being evaluated. The Board of Directors has expressed their satisfaction with the evaluation process.

**SECRETARIAL STANDARDS**

The Directors declared that applicable Secretarial Standard relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, has been duly followed.

**DIRECTORS RESPONSIBILITY STATEMENT :**

Pursuant to Section 134(3) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

a. In the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. The directors have 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 on March 31, 2019 and of the profit and loss of the Company for that period ended on that date;

c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The directors had prepared the annual accounts on a going concern basis; and

e. The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

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

- **STATUTORY AUDITORS**

In accordance with the provisions of Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, the members of the Company at their 10th Annual General Meeting held on 19th August, 2017 had appointed M/s Raman S. Shah & Associates, Chartered Accountants, (Firm Registration No. : 119891W) as the Statutory Auditors of the Company in place of M/s. S. K. Bobra & Co., Chartered Accountants, (Firm Registration No.: 101534W) for a period of 5 (five) years to hold office from conclusion of aforesaid Annual General Meeting till the conclusion of Annual General Meeting to be held in 2022, subject to ratification by shareholders at every Annual General Meeting.

In accordance with the Companies Amendment Act, 2017, enforced on 7thMay, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

M/s Raman S. Shah & Associates, Chartered Accountants, confirmed their eligibility as Statutory Auditors.

The Notes on financial statements referred to in the Auditors report are self-explanatory and do not call for any further comments. The Auditors Report does not contain any qualification, reservation or adverse remark.

- **INTERNAL AUDITORS**

  M/s. R.U. Kamath & Co., Chartered Accountants were appointed as Internal Auditor of the Company. The internal auditors of the Company directly report to the Audit Committee.

- **SECRETARIAL AUDITORS**

  In compliance with the provisions of Section 204 of the Companies Act, 2013, Board of Directors have appointed M/s. Aashish K. Bhatt and Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for conducting Secretarial Audit for financial year 2018 - 19. The Report of Secretarial Auditor is enclosed in **ANNEXURE C**, which contains one qualification.

**SECRETARIAL AUDITOR'S QUALIFICATION'S EXPLANATION**

Mr. Bhavesh Shah, Independent Director of the Company had resigned on 5th June, 2018 from the Board. As per Act, the Company was required to fill the vacancy within 3 months from the date of such resignation. Thereafter, the Board appointed Mr. Sanjay Mirani as additional Independent Director on 14th November, 2018.

**MAINTENANCE OF COST RECORDS**

The maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of the Section 148 of the Act in respect of the activities carried on by the Company.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**(a) Conservation of Energy & Technology Absorption**

Considering the nature of activities undertaken by the company, above clauses of Section 134 of the Companies Act, 2013 pertaining to the Conservation of Energy, Technology absorption are not applicable to the Company.

**(b) Foreign exchange earnings and outgo-**

During the year there were foreign exchange inflow of Rs. 14,01,44,780/- (PY-Rs. 15,80,32,500/-) on account of export of goods on FOB basis and foreign outflow as follows:-

| Expenditure in Foreign Currency | Current Year | Previous Year |
|---|---|---|
| Import of Goods (on CIF basis) | 0 | 0 |
| Foreign Travelling | 6,79,250 | 6,54,541 |
| Registration Charges | 15,65,716 | 17,98,221 |
| Inspection Charges | 0 | 0 |
| **Gross Total** | **22,44,966** | **24,52,762** |

**EXTRACT OF ANNUAL RETURN:**

The Extract of Annual Return in Form MGT-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached as **ANNEXURE- A**.

**PARTICULARS OF EMPLOYEES**

No employee was employed by the Company receiving remuneration prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Rules) and the rules framed thereunder.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Act and Rule 5 (1) of the Rules have been appended as **ANNEXURE D** to this report.

**LISTING OF SECURITIES**

The Equity shares of the Company are listed on the SME Emerge Platform of National Stock Exchange of India Limited with effect from August 22, 2017.

**DEMATERIALISATION OF EQUITY SHARES**

All the Equity Shares of the Company are in dematerialized form with depositories viz. NSDL and CDSL.
The ISIN No. allotted is INE972X01014.

**DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company is committed and dedicated in providing a healthy and harassment free work environment to every individual of the Company, a work environment that does not tolerate sexual harassment. We highly respect dignity of everyone involved at our work place, whether they are employees, suppliers or our customers. We require all employees to strictly maintain mutual respect and positive attitude towards each other.

The Company has adopted a policy for prevention of Sexual Harassment of Women at Workplace. No complaints or grievances were noticed under the aforesaid policy during the period under review.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

- **ACKNOWLEDGEMENTS:**

  The Board of Directors express their appreciation for the assistance, support and co-operation received from the banks, Government authorities, customers, vendors and members during the year under review. The Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company globally.

**For and on behalf of the Board**
**VAISHALI PHARMA LIMITED**

**Date: 26.08.2019**
**Place: Mumbai**

**Sd/-**
**Atul Vasani**
**Chairman & Managing Director**
**DIN: 02107085**

## Management Discussion and Analysis

### Industry Structure & Developments

The Company is into pharmaceutical business, mainly dealing in Active Pharmaceutical Ingredient, pharmaceutical formulations, surgical products, Herbal & Nutraceutical Products, veterinary supplements operating in domestic and export market.

The success of the Company depends significantly on ability to commercialize new pharmaceutical products in India and across various markets around the world.

### Opportunities and Threats

Due to specialized technology involved, the possibility of further competition is minimal. However, lack of large market is its limitation.

Your Company believes that it has a competitive edge in the market as the Company delivers timely and quality products to its customers. The Company has long standing relationship with many of its customers and vendors. The Company also believes that the real strength of the Company lies with its employees and they are the assets of the Company.

### Segment–wise or product-wise performance

The business of the company is trading of pharmaceuticals products.
During the financial year 2018-19, revenue of operation is Rs. 75,09,09,731 /-

### Outlook

Your Company is continuously working on strengthening the business. Your Company has been successfully executing major orders from various customers and it has been enjoying the confidence of all customers with repeat orders. Your Company has been making consistent efforts for improving margins in majority products by reducing the various costs. The results of these initiatives are expected to improve the overall profitability of the Company further during the coming years.

### Risks & Concerns

The volatility of exchange rate of rupee against US dollar, depreciated rupee has also increased price of imported products can have significant impact on the Company's profitability. However natural hedge mitigates the risk to large extent due to imports.

### Internal Control Systems and their Adequacy

The Company has strong and adequate internal control system suitable to its size and nature of business. The internal audit is done by an independent firm of Chartered Accountants. Internal audits are regularly carried out to review the internal control systems. The systems ensure protection of assets and proper recording of transactions. The internal audit reports along with recommendations contained therein are reviewed by the Audit Committee of the Board. It is a regular practice to review the same by the Audit Committee.

### Discussion on financial performance with respect to operational performance

During the year under review, the operating revenue including other income of the Company is Rs. 77,07,32,331/- for current year as compared to Rs. 69,42,30,245/- in previous year. Your Directors are hopeful to improve the growth rate in turnover. The Company generated surplus funds of Rs. 1,13,24,607 as compared to Rs. 1,34,54,845 in previous year.

**Material developments in Human Resources / Industrial Relations Fronts, including number of people employed**

The Company had cordial relations with its employees and all problems were solved across the table in a very congenial atmosphere. Your Directors wish to place on record their appreciation to all its employees for their sustained efforts and valuable contribution.

**Details of significant changes in key financial ratios, along with detailed explanations thereof (i.e. change of 25% or more as compared to the immediately previous financial year)**

1. Debtors Turnover: 1.60
2. Inventory Turnover: 48.20
3. Interest Coverage Ratio: 1.43
4. Current Ratio: 1.48
5. Debt Equity Ratio: 0.76
6. Operating Profit Margin: 0.05
7. Net Profit Margin or sector-specific equivalent ratios, as applicable: 0.01

There is no significant change in key financial ratios.

**Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.**

The Return on Net Worth in current and previous year is 0.04

There is no change in Return on Net Worth.

**Note**

Certain statement in the management discussion and analysis may be forward looking within the meaning of applicable securities law and regulations and actual results may differ materially from those expressed or implied. Factors that would make differences to Company's operations include competition, price realisation, forex market, changes in government policies and regulations, tax regimes, economic development within India and the countries in which the Company conducts business and other incidental factors.

## Annexure - A

**FORM NO. MGT 9**
**EXTRACT OF ANNUAL RETURN**
**As on financial year ended on 31.03.2019**
**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014**

| **I. REGISTRATION & OTHER DETAILS:** | | |
|---|---|---|
| 1 | CIN | L52310MH2008PLC181632 |
| 2 | Registration Date | 25.04.2008 |
| 3 | Name of the Company | Vaishali Pharma Limited<br>(Formerly known as Vaishali Pharma Private Limited) |
| 4 | Category/Sub-category of the Company | Company Limited By Shares<br>Indian Non-Government Company |
| 5 | Address of the Registered office & contact details | 706 to 709, 7th Floor, Aravali Business Center, R. C. Patel Road, Off Sodawala Lane, Borivali (West), Mumbai-400092 |
| 6 | E-Mail Id | investor@vaishalipharma.com |
| 7 | Whether listed company | Yes (NSE Emerge) |
| 8 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Bigshare Services Private Limited,<br>1stFloor, Bharat Tin Works Building,<br>Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400059.<br>Tel No. : +91 22 62638200<br>Fax No. : +91 22 62638299 |

| **II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** | | | |
|---|---|---|---|
| (All the business activities contributing 10 % or more of the total turnover of the company shall be stated) | | | |
| Sl. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
| 1 | **Trading of Pharmaceutical Products** | **2100** | **100** |

| **III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -** | | | | | |
|---|---|---|---|---|---|
| S. No | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
| **Not Applicable** | | | | | |

| **IV. SHARE HOLDING PATTERN** |
|---|
| (Equity Share Capital Breakup as percentage of total equity) |
| **(i) Category-wise Share Holding** |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| (1) **Indian** | | | | | | | | | |
| a) Individual/ HUF | **4615380** | **-** | **4615380** | **70.2** | **4615380** | **-** | **4615380** | **70.02** | **0.00** |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| -Director's Relative | 5 | - | 5 | 0.00 | 5 | - | 5 | 0.00 | 0.00 |
| **Sub Total (A) (1)** | **4615385** | **-** | **4615385** | **70.02** | **4615385** | **-** | **4615385** | **70.02** | **0.00** |
| (2) **Foreign** | | | | | | | | | |
| a) NRI Individuals | - | - | - | - | - | - | - | - | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks/FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| **Sub Total (A) (2)** | - | - | - | - | - | - | - | - | - |
| **Total shareholding of Promoter (A) =(A)(1)+(A)(2)** | **4615385** | **-** | **4615385** | **70.02** | **4615385** | **-** | **4615385** | **70.02** | **00** |
| **B. Public Shareholding** | | | | | | | | | |
| **1. Institutions** | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| **Sub-total (B)(1):-** | - | - | - | - | - | - | - | - | - |
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | **160000** | - | **160000** | **2.43** | **57600** | - | **57600** | **0.87** | **(1.55)** |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 701742 | - | 701742 | 10.65 | 715600 | - | 715600 | 10.86 | 0.21 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 1043200 | - | 1043200 | 15.83 | 1126400 | - | 1126400 | 17.09 | 1.26 |
| c) Others (specify) | | | | | | | | | |
| Non Resident Indians | 4,800 | - | 4,800 | 0.07 | 3,200 | - | 3,200 | 0.05 | (0.02) |
| Clearing Member | 66,258 | - | 66,258 | 1.01 | 73,200 | - | 73,200 | 1.11 | 0.11 |
| **Sub-total (B)(2):-** | **19,76,000** | **-** | **1976000** | **29.98** | **1976000** | **-** | **1976000** | **29.98** | **0.00** |
| **Total Public Shareholding (B)= (B)(1)+(B)(2)** | **19,76,000** | **-** | **1976000** | **29.98** | **1976000** | **-** | **1976000** | **29.98** | **0.00** |
| **C. Shares held by Custodian for GDRs & ADRs** | - | - | - | - | - | - | - | - | - |
| **Grand Total (A+B+C)** | **6591385** | **-** | **6591385** | **100.00** | **6591385** | **-** | **6591385** | **100.00** | **0.00** |

**(ii) Shareholding of Promoter**

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged /encumbered to total shares | |
| 1 | Mr. Atul Vasani | 4315385 | 65.47% | - | 4315385 | 65.47% | - | 0.00% |
| 2 | Ms. Jagruti Vasani | 299995 | 4.55% | - | 299995 | 4.55% | - | 0.00% |
| | **Total** | **4615380** | **70.02** | | **4615380** | **70.02** | | **0.00%** |

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

| **Sl. No.** | **Shareholder's Name** | **Date** | **Reason for Increase / Decrease** | **Shareholding at the beginning of the year** | | **Cumulative Shareholding during the year** | |
|---|---|---|---|---|---|---|---|
| | | | | **No. of shares** | **% of total shares** | **No. of shares** | **% of total shares** |
| No Change | | | | | | | |

**(iv) Shareholding Pattern of top ten Shareholders** **Equity share capital breakup as percentage of Total Capital)**

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

| **Sl. No.** | **Name** | **Shareholding at the beginning of the year** | | **Increase / Decrease in Shareholding** | | | **Cumulative Shareholding during the year** | | **Shareholding at the end of the year** | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | **No. of shares** | **% of total shares of the Company** | **Date** | **Increase / Decrease** | **Reason** | **No. of shares** | **% of total shares of the Company** | **No. of shares** | **% of total shares** |
| 1 | Manju Jayantilal Lodha | 96000 | 1.46 | | | | | | | |
| | | | | 06.04.2018 | -3200 | Transfer | 92800 | 1.41 | | |
| | | | | 13.04.2018 | -1600 | Transfer | 91200 | 1.38 | | |
| | | | | 29.03.2019 | 81600 | Transfer | 172800 | 2.62 | 172800 | 2.62 |
| 2 | Vikram Jayantilal HUF | 124800 | 1.89 | | | | | | | |
| | | | | 08.06.2018 | -124800 | Transfer | 0 | 0.00 | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 28.09.2018 | 116800 | Transfer | 116800 | 1.77 | | |
| | | | | 22.03.2019 | 40000 | Transfer | 156800 | 2.38 | 156800 | 2.38 |
| 3 | **Naysaa Securities Limited** | 81600 | 1.24 | | | | | | | |
| | | | | 22.03.2019 | -81600 | Transfer | 0 | 0.00 | 0 | 0.00 |
| 4 | **Pantomath Stock Brokers Private Limited** | 56000 | 0.85 | | | | | | | |
| | | | | 06.04.2018 | 3200 | Transfer | 59200 | 0.90 | | |
| | | | | 13.04.2018 | 3200 | Transfer | 62400 | 0.95 | | |
| | | | | 20.04.2018 | 1600 | Transfer | 64000 | 0.97 | | |
| | | | | 08.06.2018 | 1600 | Transfer | 65600 | 1.00 | | |
| | | | | 15.06.2018 | 3200 | Transfer | 68800 | 1.04 | | |
| | | | | 22.06.2018 | 1600 | Transfer | 70400 | 1.07 | | |
| | | | | 29.06.2018 | -16,000 | Transfer | 54400 | 0.83 | | |
| | | | | 30.06.2018 | -38400 | Transfer | 16000 | 0.24 | | |
| | | | | 06.07.2018 | 38400 | Transfer | 54400 | 0.83 | | |
| | | | | 20.07.2018 | -33600 | Transfer | 20800 | 0.32 | | |
| | | | | 31.08.2018 | 1600 | Transfer | 22400 | 0.34 | | |
| | | | | 07.09.2018 | 1600 | Transfer | 24000 | 0.36 | | |
| | | | | 14.09.2018 | 1600 | Transfer | 25600 | 0.39 | | |
| | | | | 21.09.2018 | 43200 | Transfer | 68800 | 1.04 | | |
| | | | | 28.09.2018 | 1600 | Transfer | 70400 | 1.07 | | |
| | | | | 29.09.2018 | -4800 | Transfer | 65600 | 1.00 | | |
| | | | | 05.10.2018 | -41600 | Transfer | 24000 | 0.36 | | |
| | | | | 12.10.2018 | 78400 | Transfer | 102400 | 1.55 | | |
| | | | | 19.10.2018 | -1600 | Transfer | 100800 | 1.53 | | |
| | | | | 26.10.2018 | 4800 | Transfer | 105600 | 1.60 | | |
| | | | | 02.11.2018 | 16000 | Transfer | 121600 | 1.84 | | |
| | | | | 16.11.2018 | 1600 | Transfer | 123200 | 1.87 | | |
| | | | | 23.11.2018 | 4800 | Transfer | 128000 | 1.94 | | |
| | | | | 30.11.2018 | 3200 | Transfer | 131200 | 1.99 | | |
| | | | | 14.12.2018 | 33600 | Transfer | 164800 | 2.50 | | |
| | | | | 31.12.2018 | -5200 | Transfer | 159600 | 2.42 | | |
| | | | | 04.01.2019 | 1600 | Transfer | 161200 | 2.45 | | |
| | | | | 11.01.2019 | -30800 | Transfer | 130400 | 1.98 | | |
| | | | | 25.01.2019 | 10400 | Transfer | 140800 | 2.14 | | |
| | | | | 01.02.2019 | -40000 | Transfer | 100800 | 1.53 | | |
| | | | | 08.03.2019 | 1600 | Transfer | 102400 | 1.55 | | |
| | | | | 15.03.2019 | 78400 | Transfer | 180800 | 2.74 | | |
| | | | | 22.03.2019 | 3200 | Transfer | 184000 | 2.79 | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 30.03.2019 | -110800 | Transfer | 73200 | 1.11 | 73200 | 1.11 |
| 5 | **Ketan Chhaganlal Patel** | 62400 | 0.95 | | - | - | - | - | 62,400 | 0.95 |
| 6 | **Jayantilal Hansraj Lodha** | 57600 | 0.87 | | | | | | | |
| | | | | 01.06.2018 | -57600 | Transfer | 0 | 0.00 | 0 | 0.00 |
| 7 | **Patel Dharmendra M** | 48000 | 0.73 | - | - | - | - | - | 48000 | 0.73 |
| 8 | **Manji Karaman Patel** | 48000 | 0.73 | - | - | - | - | - | 48000 | 0.73 |
| 9 | **NeetuShyamal Gupta** | 0 | 0.0 | | | | | | | |
| | | | | 01.06.2018 | 24000 | Transfer | 24000 | 0.36 | | |
| | | | | 29.06.2018 | 19200 | Transfer | 43200 | 0.66 | | |
| | | | | 16.11.2018 | -1600 | Transfer | 41600 | 0.63 | | |
| | | | | 30.11.2018 | 1600 | Transfer | 43200 | 0.66 | | |
| | | | | 25.01.2019 | -1600 | Transfer | 41600 | 0.63 | | |
| | | | | 01.02.2019 | 1600 | Transfer | 43200 | 0.66 | | |
| | | | | 15.02.2019 | -1600 | Transfer | 41600 | 0.63 | | |
| | | | | 22.02.2019 | 1600 | Transfer | 43200 | 0.66 | 43200 | 0.66 |
| 10 | **Dinesh Kumar Aroda** | 43200 | 0.66 | | | | | | | |
| | | | | 21.09.2018 | -43200 | Transfer | 0 | 0.00 | | |
| | | | | 05.10.2018 | 43200 | Transfer | 43200 | 0.66 | | |
| | | | | 12.10.2018 | -43200 | Transfer | 0 | 0.00 | | |
| | | | | 01.02.2019 | 43200 | Transfer | 43200 | 0.66 | | |
| | | | | 15.03.2019 | -43200 | Transfer | 0 | 0.00 | | |
| | | | | 30.03.2019 | 43200 | Transfer | 43200 | 0.66 | 43200 | 0.66 |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| Sl. No. | Shareholding of each Directors and each Key Managerial Personnel | Date | Reason for Increase / Decrease in Shareholding | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | | | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | **Mr. Atul Vasani, Managing Director** | | | | | | |
| | At the beginning of the year | 01.04.18 | | 4315385 | 65.47% | 4315385 | 65.47% |
| | Changes during the year | | | No Change | | | |
| | At the end of the year | 31.03.19 | | 4315385 | 65.47% | 4315385 | 65.47% |
| 2 | **Mrs. Jagruti Vasani, Whole Time Director** | | | | | | |
| | At the beginning of the year | 01.04.18 | | 299995 | 4.55% | 299995 | 4.55% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Changes during the year | | | No Change | | | |
| | At the end of the year | 31.03.19 | | 2,99,995 | 4.55% | 2,99,995 | 4.55% |
| 3 | **Mr. Prataprai Gandhi, Independent Director** | | | | | | |
| | At the beginning of the year | 01.04.18 | - | - | - | - | - |
| | Changes during the year | - | - | - | - | - | - |
| | At the end of the year | 31.03.19 | - | - | - | - | - |
| 4 | **Mr. Dewansh Vasani, director (Appointed w.e.f 26.04.2018)** | | | | | | |
| | At the beginning of the year | 01.04.18 | - | 1 | 0.00% | 1 | 0.00% |
| | Changes during the year | | | No Change | | | |
| | At the end of the year | 31.03.19 | - | 1 | 0.00% | 1 | 0.00% |
| 5 | **Mr. Sanjay Mirani, Additional Independent Director (Appointed w.e.f 14.11.2018)** | | | | | | |
| | At the beginning of the year | 01.04.18 | - | 1600 | 0.02% | 1600 | 0.02% |
| | Changes during the year | | | | | No change | |
| | At the end of the year | 31.03.19 | - | 1600 | 0.02% | 1600 | 0.02% |
| 6 | **Ms. Priyanka Vasani, Non-executive Director (resigned w.e.f 26.04.2018)** | | | | | | |
| | At the beginning of the year | 01.04.18 | - | 1 | 0.00% | 1 | 0.00% |
| | Changes during the year | | | No Change | | | |
| | At the end of the year | 31.03.19 | - | 1 | 0.00% | 1 | 0.00% |
| 7 | **Mr. Bhavesh Shah, Independent Director (resigned w.e.f. 05.06.2018)** | | | | | | |
| | At the beginning of the year | 01.04.18 | - | - | - | - | - |
| | Changes during the year | - | - | - | - | - | - |
| | At the end of the year | 31.03.19 | - | - | - | - | - |
| 6 | **Mr. Ratnesh Singh, Chief Financial Officer** | | | | | | |
| | At the beginning of the year | 01.04.18 | - | - | - | - | - |
| | Changes during the year | - | - | - | - | - | - |
| | At the end of the year | 31.03.19 | - | - | - | - | - |
| 7 | **Ms. Khushboo Panchal, Company Secretary & Compliance Officer** | | | | | | |
| | At the beginning of the year | 01.04.18 | - | - | - | - | - |
| | Changes during the year | - | - | - | - | - | - |
| | At the end of the year | 31.03.19 | - | - | - | - | - |

**(V) Indebtedness of the Company including interest outstanding/accrued but not due for payment:(Amount in Rupees)**

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 18,11,72,131 | 73,26,217 | 0 | 18,84,98,348 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |

| | | | | |
|---|---|---|---|---|
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| **Total (i+ii+iii)** | **18,11,72,131** | **73,26,217** | **0** | **18,84,98,348** |
| **Change in Indebtedness during the financial year** | | | | |
| * Addition | 0 | 0 | 0 | 0 |
| * Reduction | 1,38,08,244 | 37,67,029 | 0 | 1,75,75,273 |
| **Net Change** | **-1,38,08,244** | **-37,67,029** | **0** | **-1,75,75,273** |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 16,72,04,791 | 35,41,063 | 0 | 17,07,45,854 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 1,59,096 | 18,125 | 0 | 1,77,221 |
| **Total (i+ii+iii)** | **16,73,63,887** | **35,59,188** | **0** | **17,09,23,075** |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

| **Sl. No.** | **Particulars of Remuneration** | **Name of MD/WTD/ Manager** | | **Total Amount (in Rs.)** |
|---|---|---|---|---|
| | **Name** | **Mr. Atul Vasani** | **Mrs. Jagruti Vasani** | |
| | **Designation** | **Managing Director** | **Whole Time Director** | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 54,00,000 | 12,00,000 | 66,00,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | - | - | - |
| | - as % of profit | - | - | - |
| | - others, specify | - | - | - |
| 5 | Others, please specify | - | - | - |
| | **Total (A)** | **54,00,000** | **12,00,000** | **66,00,000** |

| **B. Remuneration to other Directors** | | | | | |
|---|---|---|---|---|---|
| **Sl. No.** | **Particulars of Remuneration** | **Name of Directors** | | | **Total Amount (in Rs.)** |
| | | **Mr. Prataprai Gandhi** | **Mr. Sanjay Mirani#** | **Mr. Bhavesh Shah ##** | |

| | | | | | |
|---|---|---|---|---|---|
| 3 | Independent Directors | | | | |
| | Fee for attending board committee meetings | - | - | - | - |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | **Total (1)** | - | - | - | - |
| 4 | Other Non Executive Directors | **Mr. DewanshVasani*** | **Ms. Priyanka Vasani**** | | |
| | Fee for attending board committee meetings | - | - | - | - |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | **Total (2)** | - | - | - | - |
| | **Total (B)=(1+2)** | - | - | - | - |
| | Total Managerial Remuneration | - | - | - | - |

# Appointed on 14th November, 2018
## Resigned on 5th June, 2018
* Appointed with effect from 26th April, 2018
* *Resigned with effect from 26th April, 2018

| **C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD** | | | | |
|---|---|---|---|---|
| **Sl. No.** | **Particulars of Remuneration** | **Name of Key Managerial Personnel** | | **Total Amount (in Rs.)** |
| | Name | **Mr. Ratnesh Singh** | **Ms. Khushboo Panchal** | |
| | Designation | Chief Financial Officer | Company Secretary | - |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 9,00,000 | 1,80,000 | 10,80,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | - | - | - |
| | - as % of profit | - | - | - |
| | - others, specify | - | - | - |

| | | | | |
|---|---|---|---|---|
| 5 | Others, please specify | - | - | - |
| | **Total** | **9,00,000** | **1,80,000** | **10,80,000** |

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

## Annexure - B

# Nomination and Remuneration Policy

**1. PREAMBLE**

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of every listed public company and such other class or classes of companies as may be prescribed shall constitute the Nomination and Remuneration Committee. The Company has a duly constituted Nomination and Remuneration Committee as per the requirement of section 178 of the Companies Act, 2013. This Committee and the Policy is formulated in compliance with the relevant provisions of the Companies Act, 2013.

**2. INTRODUCTION**

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that shareholders remain informed and confident in the management of the Company. To harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the rules made there under, this policy on nomination and remuneration of Directors (including non-executive directors) on the Board of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors. This Policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors (including non-executive directors), Key Managerial Personnel and Senior Management Personnel.

**3. OBJECTIVES**

Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully.

Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

Ensure that annual compensation review considers industry/ business outlook and strategies adopted by industry peers, differentiates employees based on their merits and also protects employees, particularly those in junior cadre, against inflationary pressures;

Retention of high performers at all levels and those playing critical roles.

**4. PURPOSE**

The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, Key Managerial Personnel and officials comprising the senior management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

**5. ACCOUNTABILITIES**

a. The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.
b. The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

**6. DEFINITIONS**

**"Employees' Stock Option"** means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre- determined price.

**"Independent Director"** means a director referred to in Section 149(6) of the Companies Act, 2013

**"Key Managerial Personnel"** (KMP) means—

(i) The Chief Executive Officer or the managing director or the manager;

(ii) The company secretary;

(iii) The whole-time director;

(iv) The Chief Financial Officer;

(v) Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and

(vi) Such other officer as may be prescribed"

**"Nomination and Remuneration Committee"** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.

**"Remuneration**" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

**"Senior Management Personnel"** (SMP) means to include all members other than the Directors and KMPs of the Company, who are the functional heads of the departments/divisions/branches of the Company.

The terms used in this Policy but not defined in this Policy shall have the same meaning as defined under the Companies Act, 2013.

**NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee is responsible for:

a. Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;

b. Identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company;

c. Recommending to the Board on the selection of individuals nominated for directorship;

d. Making recommendations to the board on the remuneration payable to the Director/ KMPs /SMPs so appointed / reappointed;

e. Assessing the independence of independent directors;

f. Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provision of the Companies Act 2013 and Rules thereunder.

g. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

h. Ensuring that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

i. Devising a policy on Board diversity;

j. Developing a succession plan for the Board and to regularly review the plan.

**7. COMPOSITION OF THE NOMINATION AND REMUNERATION COMMITTEE**

a. The Committee shall consist of a three (3) or more non-executive directors out of which not less than one-half shall be independent directors.
b. Minimum two (2) members shall constitute a quorum for the Committee meeting.
c. Membership of the Committee shall be disclosed in the Annual Report.
d. The Company Secretary of the Company shall act as Secretary of the Committee.

**8. CHAIRMAN**

a. The Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
b. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
c. The Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**9. FREQUENCY OF THE MEETINGS OF THE COMMITTEE**

The meeting of the Committee shall be held at such regular intervals as may be required.

**10. COMMITTEE MEMBERS' INTERESTS**

a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
b. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**11. VOTING**

a. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed to be a decision of the Committee.
b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**12. MINUTES OF THE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

**13. APPLICABILITY**

This Policy is applicable to:

a. Directors (Executive, Non-Executive and Independent)
b. Key Managerial Personnel
c. Senior Management Personnel
d. Other employees as may be decided by the Nomination and Remuneration Committee

**14. CRITERIA FOR APPOINTMENT OF DIRECTORS/KMPs/SENIOR MANAGEMENT PERSONNEL**

I. Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMPs are the basis for the Nomination and Remuneration Committee to nominate a candidate for appointment by the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee shall have regard to:

a. Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;

b. The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;

c. The skills and experience that the appointee brings to the role of KMP/SMP and how an appointee will enhance the skill sets and experience of the Board as a whole;

d. The nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;

II. **Personal Specifications**:

a. Degree holder in relevant disciplines;
b. Experience of management in a diverse organization;
c. Excellent interpersonal, communication and representational skills;
d. Demonstrable leadership skills;
e. Commitment to high standards of ethics, personal integrity and probity;
f. Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
g. Having continuous professional development to refresh knowledge and skills.

Details of the personal specifications are provided in the **Annexure** hereto.

## 15. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

**(A) General**

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, KMPs and other SMPs. The salary of Directors, Key Management Personnel and other Senior Management Personnel shall be based & determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nomination & Remuneration Committee shall determine individual remuneration packages for Directors, KMPs and SMPs of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee shall consult with the Chairman of the Board as it deems appropriate.

The remuneration/ compensation/ commission etc. to Directors and KMPs determined by the Committee will be recommended to the Board for its approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required. Increments to the existing remuneration/ compensation structure of Directors and KMPs shall be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Directors.

Where any insurance is taken by the Company on behalf of its Directors, KMPs and SMPs for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**(B) Provisions under Companies Act, 2013 In Respect of Directors**

a. The remuneration and commission to be paid to Directors shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

b. The total managerial remuneration payable by the Company to its Directors, including Managing Director and Whole Time Director (including its Manager, if any) in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed as per the manner prescribed under the Act.

c. The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V of the Act.

d. The Company may with the approval of the shareholders authorise the payment of remuneration upto five percent of the net profits of the Company to any one Managing Director/Whole Time Director/Manager and ten percent in case of more than one such official.

e. The Company may pay remuneration to its Directors, other than Managing Director and Whole Time Director upto one percent of the net profits of the Company, if there is a Managing Director or Whole Time Director or Manager and three percent of the net profits in any other case.

f. If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

g. The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

h. The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.

**(C) Remuneration Composition**

**I. Remuneration to Executive Directors and KMPs**

Fixed Pay:

a. Executive Directors and KMPs shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Nomination and Remuneration Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

b. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Variable Components:

The Executive Directors and KMPs may participate in a performance linked variable pay scheme which will be based on the individual and company performance for the year, pursuant to which the Executive Directors and KMPs are entitled to performance-based variable remuneration.

**II. Remuneration to Directors other than Executive Directors:**

Sitting Fees:

a. The Non- Executive / Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

b. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**Commission:**

The Non- Executive / Independent Directors may receive Commission on yearly basis as per the Policy of the Company with regards to the profits achieved by the Company.

**III. Remuneration to Senior Management Personnel:**

a. The Nomination and Remuneration Committee may determine from time to time the remuneration payable to Senior Management Personnel including the increments payable as per the Policy.

b. The authority of such determination of remuneration of the SMPs may be delegated to the Managing Director by the Nomination and Remuneration Committee as the Committee deems fit in this regard.

c. The Managing Director shall from time to time intimate the Nomination and Remuneration Committee the remuneration payable to the Senior Management Personnel in case of delegation of authority to him by the Nomination and Remuneration Committee.

Fixed Pay:

a. Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Nomination and Remuneration Committee. However, in case of Manager as defined under Companies Act, 2013, the remuneration shall be in accordance with the statutory provisions of the Companies Act, 2013, and the Rules made there under for the time being in force.
b. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Nomination and Remuneration Committee.

**Variable Components:**

The Senior Management Personnel may participate in a performance linked variable pay scheme which will be based on the individual and Company performance for the year, pursuant to which the Senior Management Personnel are entitled to performance-based variable remuneration.

**16. CRITERIA FOR EVALUATION OF DIRECTORS/ KMPs/SMPs OF THE COMPANY**

I. The evaluation of the Directors, KMPs and the SMPs of the Company shall be conducted on an annual basis.

II. The following criteria may be considered in determining how effective the performances of the Directors/ KMPs / SMPs have been:

a. Leadership & stewardship abilities
b. Contributing to clearly define corporate objectives & plans
c. Communication of expectations & concerns clearly with subordinates
d. Obtain adequate, relevant & timely information from external sources.
e. Review & approval achievement of strategic and operational plans, objectives, budgets
f. Regular monitoring of corporate results against projections
g. Identify, monitor & mitigate significant corporate risks
h. Assess policies, structures & procedures
i. Direct, monitor & evaluate KMPs, SMPs
j. Review management's succession plan

k. Effective meetings
l. Assuring appropriate board size, composition, independence, structure
m. Clearly defining roles & monitoring activities of committees
n. Review of corporation's ethical conduct

III. Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

IV. The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

**17. TERM OF APPOINTMENT AND LIMITS ON NUMBER OF DIRECTORSHIPS**

**I. Managing Director or Whole – Time Directors**

The Company shall appoint or re-appoint any person as its Managing Director / Whole-Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**II. Independent Directors**

a. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

b. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

c. The maximum number of public companies in which a person can be appointed as a director shall not exceed ten.

For reckoning the limit of public companies in which a person can be appointed as Director, directorship in private companies that are either holding or subsidiary company of a public company shall be included.

d. The appointment shall be subject to the other applicable provisions of Companies Act, 2013

**18. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes, seminars and plant visits.

**19. REMOVAL**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable laws, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP, subject to the provisions and compliance of the applicable laws, rules and regulations.

**20. RETIREMENT**

The Directors & KMPs shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company, while SMPs shall retire as per the prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMPs, SMPs in the same position / remuneration or otherwise even after attaining the retirement age, in the best interest and benefit of the Company.

**21. DISCLOSURES**

The Company shall disclose the Policy on Nomination and Remuneration in the Board Report.

**22. DEVIATION FROM THE POLICY**

The Board may, in individual or collective case, deviate from this Policy, in its absolute discretion, if there are particular reasons to do so. In the event of any departure from the Policy, the Board shall record the reasons for such departure in the Board's minutes. However, the deviations made in the Policy shall not be in contradiction to the Companies Act, 2013, and any other laws or rules applicable thereto amended from time to time.

**23. AMENDMENTS TO THE POLICY**

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

## Annexure -

**Personal Specification for Directors**

1. Qualification
    a. Degree holder in relevant disciplines (e.g. management, accountancy, legal); or
    b. Recognised specialist

2. Experience
    a. Experience of management in a diverse organisation
    b. Experience in accounting and finance, administration, corporate and strategic planning or fund management
    c. Demonstrable ability to work effectively with a Board of Directors

3. Skills
    a. Excellent interpersonal, communication and representational skills
    b. Demonstrable leadership skills
    c. Extensive team building and management skills
    d. Strong influencing and negotiating skills
    e. Having continuous professional development to refresh knowledge and skills

4. Abilities and Attributes
    a. Commitment to high standards of ethics, personal integrity and probity
    b. Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace

5. Political inclinations and opinions.

## Annexure - C

**Form No. MR -3**

**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**
*[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
**The Members,**
**Vaishali Pharma Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Vaishali Pharma Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2019, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment; There are no external commercial borrowing – Not Applicable
v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (the 'SEBI Act'):-
    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

    b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

    c) The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – Not Applicable;

    d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not Applicable;

e) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 – Not Applicable;

f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable;

vi. Taking into consideration, business activities of the Company and confirmation received from the Management, there are no specific regulator / law whose approval is required for undertaking business operations of the Company and hence no comment is invited in respect of the same. We have in-principally verified existing systems and mechanism which is followed by the Company to ensure compliance of other applicable laws and have relied on the representation made by the Company and its Officers in respect of aforesaid systems and mechanism for compliances of other applicable acts, laws and regulations and found the satisfactory operation of the same.

I have also examined compliances with applicable clauses of:

vii. Secretarial Standards issued by the Institute of the Company Secretaries of India;

viii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered by the Company with National Stock Exchange of India Limited

During the financial year under report, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. as mentioned above except for appointment of Independent Director within the time limit as prescribed under the Act and its related compliances.

I further report that:

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

Adequate notice, agenda and detailed notes have been given to all Directors to schedule the Board Meetings at least seven days in advance except for board meeting held on December 17, 2018 which was held on shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views were expressed.

Based on the representation made by the Company and relied upon, we further report that there are adequate systems and processes in the company commensurate with its size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

1. Appointment of Mr. Dewansh Vasani, as Non-Executive Non Independent Director;
2. Appointment of Mr. Sanjay Mirani as Non-Executive Independent Director;
3. Resignation of Ms. Priyanka Vasani as Non-Executive Director;
4. Resignation of Mr. Bhavesh Shah as Non-Executive Independent Director;
5. Re-constitution of Nomination and Remuneration Committee and Audit Committee;

For **Aashish K. Bhatt & Associates**
**Company Secretaries**
**(ICSI Unique Code S2008MH100200)**

**Place: Mumbai**
**Date**: **26.08.2019**

**Aashish Bhatt**
**Proprietor**
**ACS No.: 19639, COP No.: 7023**

# APPENDIX A

To,
The Members,
**Vaishali Pharma Limited**

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

1. The responsibility of maintaining Secretarial record is of the management and based on our audit, we have expressed my opinion on these records.
2. I am of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the Secretarial records were reasonable for verification.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. Our examination was limited to the verification of procedure and wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations etc.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Aashish K. Bhatt & Associates**
**Company Secretaries**
**(ICSI Unique Code S2008MH100200)**

**Place: Mumbai**
**Date: 26.08.2019**

**Aashish Bhatt**
**Proprietor**
**ACS No.: 19639, COP No.: 7023**

## Annexure - D

**Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19 and ratio of the remuneration of each Director to the median remuneration of the employee of the Company for the financial year 2018-19 are as under:

| Name of the Director | Designation | Remuneration in FY 2018-19 | % Increase in Remuneration in FY 2018-19 | Ratio of remuneration of each Director to median remuneration of employees |
|---|---|---|---|---|
| Mr. AtulVasani | Managing Director | 54,00,000 | 0 | 20.93 : 1 |
| Ms. JagrutiVasani | Whole Time Director | 12,00,000 | 0 | 4.65 : 1 |
| Mr. Prataprai Gandhi | Independent Director | 0 | 0 | 0 |
| Mr. DewanshVasani # | Non-Executive Director | 0 | 0 | 0 |
| Ms. Priyanka Vasani * | Non-Executive Director | 0 | 0 | 0 |
| Mr. Bhavesh Shah ** | Independent Director | 0 | 0 | 0 |
| Mr. Sanjay Mirani ## | Additional Independent Director | 0 | 0 | 0 |
| Mr. Ratnesh Singh | Chief Financial Officer | 9,00,000 | 0 | 3.49 : 1 |
| Ms. Khushboo Panchal | Company Secretary & Compliance Officer | 1,80,000 | 0 | 0.70 : 1 |

# Appointed w.e.f. 26th April, 2018
* Resigned w.e.f. 26th April, 2018
** Resigned w.e.f. 5th June, 2018
## Appointed w.e.f 14th November, 2018

The median remuneration of employees of the Company during the financial year was 2,58,000/-

Percentage increase in the median remuneration of employees in the financial year 2018-19: 0.98%

Number of permanent employees on the rolls of Company: 29

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average percentile increase in the salaries of employees other than the managerial personnel in the financial year 2018-19 is 11.97 % whereas the percentile increase in the managerial remuneration during the year is 11.33 %.

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

There were no employees of Company, who were employed throughout the financial year, were in receipt of remuneration for that year which, in the aggregate, was not less than One Crore Two Lakhs Rupees;

There were no employees of Company, who were employed for a part of the financial year, were in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight Lakh and Fifty Thousand Rupees per month

There were no employees who were employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

The particulars of employees posted and working in a country outside India, not being directors or their relatives, drawing more than sixty lakh rupees per financial year or five lakh rupees per month, as the case may be, as may be decided by the Board - NA

(ii) **Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

| Sr. No | Name of the Employee | Designation of the employee | Remuneration received (Rs) | Nature of Employment, whether contractual or otherwise | Qualifications and experience of the employee | Date of commencement of employment | Age of such employee | Last employment held by such employee before joining the company | The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) of Rule 5 as mentioned above | Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager |
|---|---|---|---|---|---|---|---|---|---|---|
| NOT APPLICABLE | | | | | | | | | | |

## Annexure - E

**Policy on vigil mechanism**

1. **Preface**

The Company has adopted a Code of Conduct ("the Code"), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company. The role of employees in pointing out such violations of the Code cannot be undermined. Accordingly, this Whistle blower Policy ("the Policy") has been formulated with a view to provide a mechanism for employees of the Company to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of the Board and its Powers), 2014 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

2. **Objective**

The purpose of the policy is to provide a framework to promote responsible and secure whistle blowing. It creates an environment for the employees to report any instance of unethical behaviour, actual or suspected fraud or violation of the Company's policy and processes.

3. **Policy**

This Policy is applicable to all stakeholders of the Company. These stakeholders may fall into the following broad categories:

a. Directors of the Company

b. Employees of the Company

Any other person having an association with the Company

4. **Definitions**

"Company" means Vaishali Pharma Limited.

"Director" means a Director on the board of the Company whether whole-time or otherwise.

"Disciplinary Action" means any action that can be taken on the completion of/ during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

"Employee" means every employee of the Company.

"Protected Disclosure" means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

"Subject" means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

"Whistle Blower" is someone who makes a Protected Disclosure under this Policy.

"Committee" means the Audit Committee.

"Ombudsperson" will be the Chief Executive Officer of the Company for the purpose of receiving all complaints under this Policy and ensuring appropriate action.

**5. Key Guidelines**

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will

a. Ensure that the Whistle Blower and/or the persons processing the Protected Disclosure is not victimised for doing so.
b. Treat victimisation as a serious matter including initiating disciplinary action on such person(s).
c. Ensure complete confidentiality
d. Take disciplinary measures, if any one destroys or conceals evidence of the protected disclosure made/to be made.
e. Provide an opportunity to be heard to the persons involved especially to the Subject.

**6. Coverage of Policy**

This Policy covers any form of wrongdoing that may be noticed within the Company and includes any of the following (the list given below is only indicative and not an exhaustive one);

a. Violation of the Code of Conduct
b. Unlawful conduct
c. Misconduct with other employees, customers or suppliers
d. Violation of any legal or regulatory provisions
e. Misrepresentation of facts and information related to the company that causes breach of trust of customer.
f. Unauthorized use of company's funds
g. Criminal offence such as fraud, theft, corruption, etc.
h. Sexual or other form of harassment
i. Discrimination against an employee or customer of service provider on the grounds of sex, religion, caste or disability
j. Any other form of improper action or conduct

This Policy has been provided so as to enable raising of any issues or wrong doings at an early stage to avoid escalation of the issue to cause major harm to the Company or any of the stakeholders.

**7. Disqualifications**

While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant Disciplinary action.

Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala-fide, frivolous or malicious shall be liable to be prosecuted under Company's Code of Conduct.

**8. Procedure for raising concern**

A complainant may make Protected Disclosure in writing to the Ombudsperson by sending an e-mail to Chief Executive Officer on email id: finance@vaishalipharma.com. If the initial enquiries by Ombudsperson indicate that the concern has no basis, it may be dismissed and the decision is documented.

When the initial enquiries indicate that further investigation is necessary, it will be carried on either by ombudsperson or the persons nominated by Audit Committee for the purpose. A written report of the finding will be made to the Committee.

On submission of the written report, the Ombudsperson shall either

a. In case the Protected Disclosure is proved, accept the findings of the Whistle Blower Person and take such disciplinary action as he may think fit or

b. If the Protected Disclosure is not proved, dismiss the matter or
c. Depending upon the seriousness of the matter, refer the matter to the Committee.

In exceptional cases, if the Whistle Blower is not satisfied with the outcome of the investigation, she/he can make direct appeal to the Chairman of the Audit Committee.

**9. Protection to Whistle Blower**

If an individual raises any concern under this Policy, the company shall ensure that he / she is not put at any risk of reprisal / retaliation. Retaliation could include harassment, discrimination or vengeance of any manner.

Protection under this policy shall be available provided that:
a. The disclosure has been made in good faith
b. The complainant reasonably believes that the information provided and the allegations made are substantially true
c. The complaint is not made with any malicious intent or for personal gain

The Company encourages individuals who want to raise any concern to do so by disclosing their identity to the reporting authority. Though the company will consider complaints made anonymously, it is much more difficult to address the matter or provide protection to the position of the complainant.

The identity of the complainant shall be kept confidential. However, in instances that require the disclosure of the identity of the complainant in order to resolve the concern, the manner in which the process will be conducted will be discussed with the complainant and as far as possible, attempts would be made to meet his / her preferences on revealing the identity.

An individual who abuses this Policy by reporting a concern, knowing it to be untrue, for a malicious intent shall be subject to Disciplinary Action.

No action will be taken against an individual for raising a concern in good faith, believing it to be true, even if the allegation is subsequently not confirmed through investigation.

**10. Confidentiality**

The Whistle Blower, the Subject, the Committee and everyone involved in the process shall:
a. Maintain complete confidentiality/ secrecy of the matter
b. Not discuss the matter in any informal/social gatherings/ meetings
c. Discuss only to the extent or with the persons required for the purpose of completing the process and investigations
d. Not keep the papers unattended anywhere at any time
e. Keep the electronic mails/files under password

If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

**11. Reporting**

A report with number of complaints, if received under the Policy, their outcome shall be placed before the Audit Committee and the Board.

# INDEPENDENT AUDITOR'S REPORT

**To the Members of VAISHALI PHARMA LIMITED**
**(Formerly known as Vaishali Pharma Private Limited)**

**Report on the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **Vaishali Pharma Limited** (the 'Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report(Board's Report including Annexures to Board's Report thereon, Directors Report, Management and Discussion Analysis), but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the

preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(If the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The company has no pending litigations on its financial position;
ii. The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses;
iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Raman S. Shah & Associates**
Chartered Accountants
Firm Registration No.119891W

**Santosh A. Sankhe**
Partner
Membership No.100976

Place : Mumbai
Date : 30th May 2018

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Vaishali Pharma Limited of even date)**

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

We have audited the internal financial controls over financial reporting of VAISHALI PHARMA LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Limitations of Internal Financial Controls Over Financial Reporting**

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

**For Raman S. Shah & Associates**
Chartered Accountants
Firm Registration No.119891W

**Santosh A. Sankhe**
Partner
Membership No.100976

Place : Mumbai
Date : 30th May 2019

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment's.

(b) The Company has a regular program of physical verification of its Property, Plant & Equipment under which Property, Plant & Equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, Plant & Equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification/ material discrepancies noticed on physical verification have been properly dealt with in the books of accounts.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii) (a), 3(iii) (b) and 3(iii) (c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) Reporting under clause 3(vi) of the order is not applicable as the company's business activities are not covered under Companies (Cost Records and Audit) Rules, 2014.

(vii) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, sales-tax, GST, custom duty, cess and other material statutory dues, as applicable, have generally been regularly and timely deposited with the appropriate authorities though there have been significant delays in payment for income tax(TDS) and provident fund.

No undisputed amount payable in respect of Income tax (TDS) and provident fund were outstanding, at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations provided to us, there were no dues outstanding on account of any dispute with respect to GST, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, octroi, cess and other material statutory dues.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers, financial institutions. The Company does not have any loans or borrowings from Government, nor has it issued any debentures during the year.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required under Ind-Accounting Standard (Ind-AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

**For Raman S. Shah & Associates**
Chartered Accountants
Firm Registration No.119891W

**Santosh A. Sankhe**
Partner
Membership No.100976

Place : Mumbai
Date : 30th May 2019

## Balance Sheet as at 31st March 2019

(Amount in Rs.)

| | Particulars | Note No. | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|---|---|
| I | **ASSETS** | | | |
| 1 | **Non-current assets** | | | |
| | (a) Property, Plant and Equipment | 4 | 8,784,068 | 9,846,971 |
| | (b) Intangible assets | 5 | 4,593,051 | 2,761,724 |
| | (c) Intangible assets under development | | 354,959 | 848,623 |
| | (d) Financial assets | | | |
| | (i) Investments | | | |
| | (a) Other investments | 6 | 4,314,725 | 4,314,725 |
| | (ii) Other financial assets | 7A | 19,082,616 | 17,885,593 |
| | (e) Deferred tax asset (net) | 8 | 1,096,979 | 1,205,964 |
| | (f) Other non - current assets | 9A | 19,582,763 | 14,854,789 |
| | **Total non-current assets** | | 57,809,161 | 51,718,389 |
| 2 | **Current assets** | | | |
| | (a) Inventories | 10 | 9,812,734 | 18,680,113 |
| | (b) Financial assets | | | |
| | (i) Trade receivables | 11 | 494,236,525 | 445,817,523 |
| | (ii) Cash and cash equivalents | 12 | 2,299,910 | 2,080,943 |
| | (iii) Bank balances other than (iii) above | 13 | 862,603 | 722,351 |
| | (iv) Other financial assets | 7B | 90,592,710 | 95,854,887 |
| | (c) Other current assets | 9B | 31,897,400 | 27,351,578 |
| | **Total current assets** | | 629,701,882 | 590,507,395 |
| | **Total Assets** | | **687,511,043** | **642,225,784** |
| II | **EQUITY AND LIABILITIES** | | | |
| 1 | **EQUITY** | | | |
| | (a) Share capital | 14 | 65,913,850 | 65,913,850 |
| | (b) Other equity | | 148,075,845 | 140,102,147 |
| | **Equity attributable to the owners of the Company** | | 213,989,695 | 206,015,997 |
| 2 | **LIABILITIES** | | | |
| 2a | **Non-current liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 15A | 47,796,790 | 26,455,159 |
| | (b) Provisions | 16A | 941,997 | 1,825,738 |
| | **Total non-current liabilities** | | 48,738,787 | 28,280,897 |
| 2b | **Current liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 15B | 114,499,283 | 149,128,729 |
| | (ii) Trade payables | 17 | | |
| | - Total outstanding dues of Micro, Small and Medium Enterprises | | 3,376,341 | - |
| | - Total outstanding dues of creditors other than Micro, Small and Medium Enterprises | | 241,901,440 | 223,832,731 |
| | (iii) Other financial liabilities | 18 | 28,188,315 | 23,201,341 |
| | (b) Provisions | 16B | 139,117 | 132,216 |
| | (c) Income Tax Liabilities (Net) | | 7,287,589 | 3,742,920 |
| | (d) Other current liabilities | 19 | 29,390,475 | 7,890,953 |
| | **Total current liabilities** | | 424,782,561 | 407,928,890 |
| | **Total Equity and Liabilities** | | **687,511,043** | **642,225,784** |
| | **Significant Accounting Policies** | 3 | | |

**The notes are an integral part of these standalone financial statements**

As per our report of even date attached
**For Raman S. Shah & Associates**
Chartered Accountants
Firm Registration No. 119891W

**Santosh A. Sankhe**
Partner
Membership No. 100976
Mumbai, 30th May 2019

**For and on behalf of the Board**
**Vaishali Pharma Limited**
CIN : L52310MH2008PLC181632

**DEWANSH AJAY VASANI**
Non-Executive Director
DIN : 08111804

**SANJAY GIRDHARILAL MIRANI**
Director
DIN : 08216772

**KHUSHBOO PANCHAL**
Company Secretary
& Compliance Officer

**RATNESH SINGH**
Chief Financial Officer

## Statement of Profit and Loss for the year ended 31st March 2019

(Amount in Rs.)

| | | Note | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|---|---|
| I | Revenue from operations | 20 | 750,909,731 | 677,640,663 |
| II | Other income | 21 | 19,822,600 | 16,589,582 |
| III | **Total Income (I + II)** | | **770,732,331** | **694,230,245** |
| IV | **Expenses** | | | |
| | (a) Purchases of stock-in-trade | | 677,752,750 | 606,141,174 |
| | (b) Changes in inventories of finished goods, stock-in-trade and work-in progress | 22 | 8,867,379 | (7,133,170) |
| | (c) Employee benefits expense | 23 | 21,252,693 | 20,369,608 |
| | (d) Finance costs | 24 | 26,389,281 | 28,525,410 |
| | (e) Depreciation and amortisation expense | 25 | 2,688,078 | 2,547,638 |
| | (f) Other expenses | 26 | 22,457,543 | 30,324,740 |
| | **Total expenses** | | **759,407,724** | **680,775,400** |
| V | **Profit before tax (III - IV)** | | **11,324,607** | **13,454,845** |
| VI | **Tax expense** | | | |
| | Current tax | | 4,000,000 | 4,750,000 |
| | Adjustment of tax relating to earlier periods | | 500,000 | 803,064 |
| | Deferred tax (credit) / charge | | (311,011) | (74,163) |
| VII | **Profit for the year (V - VI)** | | **7,135,619** | **7,975,944** |
| VIII | **Other Comprehensive Income** | | | |
| | **(i) Items that will not be reclassified to profit or loss** | | | |
| | (a) Remeasurements of the defined benefit plans : Gains | | 1,258,076 | 652,063 |
| | (b) Income tax relating to items that will not be reclassified to profit or loss -( Debit) | | (419,996) | (225,666) |
| | **Other Comprehensive Income for the year (VIII)** | | **838,080** | **426,397** |
| IX | **Total Comprehensive Income for the year (VII + VIII)** | | **7,973,699** | **8,402,341** |
| X | **Earnings per equity share (for continuing operations):** | | | |
| | **Equity share of par value of Rs.10/- each** | | | |
| | Basic / Diluted | 29 | 1.08 | 1.41 |

**The notes are an integral part of these standalone financial statements**

As per our report of even date attached
**For Raman S. Shah & Associates**
Chartered Accountants
Firm Registration No. 119891W

**Santosh A. Sankhe**
Partner
Membership No. 100976
Mumbai, 30th May 2019

**For and on behalf of the Board**
**Vaishali Pharma Limited**
CIN : L52310MH2008PLC181632

**DEWANSH AJAY VASANI**
Non-Executive Director
DIN : 08111804

**SANJAY GIRDHARILAL MIRANI**
Director
DIN : 08216772

**KHUSHBOO PANCHAL**
Company Secretary
& Compliance Officer

**RATNESH SINGH**
Chief Financial Officer

## Statement of cash flows for the year ended 31st March 2019

(Amount in Rs.)

| | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
|---|---|---|
| **Cash flows from operating activities** | | |
| **Profit for the year (before tax)** | **11,324,607** | **13,454,845** |
| Adjustments for: | | |
| Finance costs recognised in profit and loss | 26,389,281 | 28,525,410 |
| Interest income recognised in profit and loss | (12,045,275) | (14,795,289) |
| Dividend income | (450,255) | (188,650) |
| Depreciation and amortisation of non-current assets | 2,688,078 | 2,547,638 |
| **Operating profit before working capital changes** | **27,906,437** | **29,543,954** |
| *Movements in working capital:* | | |
| (Increase)/Decrease in trade receivables | (48,419,002) | (71,088,299) |
| (Increase)/Decrease in inventories | 8,867,379 | (7,133,170) |
| (Increase)/Decrease in other current and non-current financial assets | 4,719,894 | (92,893,194) |
| (Increase)/Decrease in other current and non-current assets | (8,823,796) | (21,671,427) |
| Increase/(Decrease) in trade payables | 18,068,709 | 70,023,643 |
| Increase/(Decrease) in provisions, current and non-current liabilities | 27,116,677 | 2,325,900 |
| **Cash generated from operations** | **29,436,299** | **(90,892,593)** |
| Less: Income taxes paid | (955,331) | (3,705,884) |
| **Net cash generated from operating activities (A)** | **28,480,968** | **(94,598,477)** |
| **Cash flows from investing activities** | | |
| (Purchase) / (reinvestment) of financial assets | - | (563,000) |
| Purchase of PPE and intangible assets | (2,962,838) | (3,116,274) |
| Interest received | 11,390,534 | 14,110,565 |
| Dividend from non-current investments | 255 | 188,650 |
| **Net cash generated from /(used in) investing activities (B)** | **8,427,951** | **10,619,941** |
| **Cash flows from financing activities** | | |
| Proceeds/(Payments) from non-current borrowings net | 21,439,906 | (16,332,841) |
| Proceeds/(Payments) from short term borrowing net | (34,629,446) | (28,372,325) |
| Proceeds from issue of equity (net of share issue expenses) | - | 157,863,836 |
| Finance cost paid | (26,736,501) | (28,196,037) |
| **Net cash used in financing activities (C)** | **(39,926,041)** | **84,962,633** |
| **Net increase/ (decrease) in cash and cash equivalents (A+B+C)** | **(3,017,122)** | **984,097** |
| Cash and cash equivalents at the beginning of the year | 2,803,294 | 1,819,197 |
| **Cash and cash equivalents at the end of the year (Refer note 12 & 13)** | **3,162,513** | **2,803,294** |

**As per our report of even date attached**

**For Raman S. Shah & Associates**
Chartered Accountants
Firm Registration No. 119891W

**Santosh A. Sankhe**
Partner
Membership No. 100976
Mumbai, 30th May 2019

**For and on behalf of the Board**
**Vaishali Pharma Limited**
CIN : L52310MH2008PLC181632

**DEWANSH AJAY VASANI**
Non-Executive Director
DIN : 08111804

**SANJAY GIRDHARILAL MIRANI**
Director
DIN : 08216772

**KHUSHBOO PANCHAL**
Company Secretary
& Compliance Officer

**RATNESH SINGH**
Chief Financial Officer

## Statement of changes in equity for the year ended 31st March, 2019

(Amount in Rs.)

### A Equity share capital

| | |
|---|---|
| **Balance as at 01st April 2017** | **30,000,000** |
| Conversion of unsecured loan to shares | 16,153,850 |
| Issue of fresh shares | 19,760,000 |
| **Balance as at 31st March 2018** | **65,913,850** |
| Issue of fresh shares | - |
| **Balance as at 31st March 2019** | **65,913,850** |

(Amount in Rs.)

| | Reserves and Surplus | | Items of OCI | Total Other Equity |
|---|---|---|---|---|
| | Securities Premium Reserve | Retained Earnings | Remeasurement of Defined benefit plan | |
| **C Balance as at 01st April 2017** | **-** | **9,749,820** | **-** | **9,749,820** |
| Profit for the year | | 7,975,944 | | **7,975,944** |
| Other comprehensive income | - | - | 426,397 | **426,397** |
| Total Comprehensive Income for the year | **-** | **7,975,944** | **426,397** | **8,402,341** |
| Issue of additional equity Shares | 127,358,155 | - | - | **127,358,155** |
| Share issue expenses | (5,408,169) | | | **(5,408,169)** |
| **Balance as at 31 March 2018** | **121,949,986** | **17,725,764** | **426,397** | **140,102,146** |
| Profit for the year | | 7,135,619 | | **7,135,619** |
| Other comprehensive income | - | - | 838,080 | **838,080** |
| Total Comprehensive Income for the year | **-** | **7,135,619** | **838,080** | **7,973,699** |
| Issue of additional equity Shares | - | - | - | **-** |
| **Balance as at 31 March 2019** | **121,949,986** | **24,861,383** | **1,264,477** | **148,075,845** |

**As per our report of even date attached**

**For Raman S. Shah & Associates**
Chartered Accountants
Firm Registration No. 119891W

**Santosh A. Sankhe**
Partner
Membership No. 100976
Mumbai, 30th May 2019

**For and on behalf of the Board**
**Vaishali Pharma Limited**
CIN : L52310MH2008PLC181632

**DEWANSH AJAY VASANI**
Non-Executive Director
DIN : 08111804

**SANJAY GIRDHARILAL MIRANI**
Director
DIN : 08216772

**KHUSHBOO PANCHAL**
Company Secretary
& Compliance Officer

**RATNESH SINGH**
Chief Financial Officer

# Notes on standalone financial statements for the year ended 31st March 2019

## 1. Background

Vaishali Pharma Limited ("the Company") is a public limited company domiciled in India and incorporated on 25th April, 2008 under the provisions of the Companies Act, 1956. The Company is primarily engaged in the marketing of pharmaceutical products including active pharmaceutical ingredients.

The Financial Statements are approved for issue by the Company's Board of Directors on May 30, 2019.

The company was Listed on 22 August 2017 in NSE – Emerge.

## 2. Basis of preparation

### 2.1. Statement of compliance with Ind AS

The financial statements (on standalone basis) of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The Company had prepared its standalone financial statements in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules 2014 (referred as "Indian GAAP"). The Company's annual financial statements are prepared complying in all material respects with the Ind AS notified under Section 133 of the Companies Act, 2013.

### 2.2. Overall consideration

The standalone financial statements have been prepared on going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. These financial statements are prepared under the historical cost convention unless otherwise indicated.

The standalone financial statement has been prepared considering all Ind AS notified by MCA till reporting date i.e. 31st March 2019. The significant accounting policies used in preparing the financial statements are set out in note 3 of the notes to the standalone financial statement.

### 2.3. Functional and presentation of currency

The financial statements are prepared in Indian Rupees which is also the Company's functional currency.

### 2.4. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 – Unadjusted quoted price in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – unobservable inputs for the asset or liability

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

**2.5. Use of significant accounting estimates, judgements and assumptions**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses for the periods presented. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Significant estimates and critical judgement in applying these accounting policies are described below:

**i) Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on industry practice, Company's past history and existing market conditions as well as forward looking estimates at the end of each reporting period.

**ii) Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**iii) Income taxes**

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit and loss.

**iv) Measurement of defined benefit plan & other long term benefits**

The cost of the defined benefit gratuity plan / other long term benefits and the present value of the gratuity obligation /

other long term benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation / other long term benefits is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**v) Impairment of non-financial assets**

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an assets or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

**3. Significant Accounting Policies**

**3.1. Presentation and disclosure of standalone financial statement**

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the division II of Schedule III of the Companies Act, 2013 for a company whose financial statements are made in compliance with the Companies (India Accounting Standards) Rules, 2015.

Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current / non-current classification of assets and liabilities.

**3.2. Property, Plant and Equipment and Depreciation**

**Recognition and measurement**

Properties plant and equipment are stated at their cost of acquisition. Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.

Parts (major components) of an item of property, plant and equipment having different useful lives are accounted as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date.

**Depreciation and useful lives**

Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on written own value (WDV) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013.

Building on leasehold lands and improvements to building on leasehold land / premises are amortized over the period of lease or useful life whichever is lower.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

**De-recognition**

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is de-recognised.

**3.3. Intangible assets and amortisation**

**Recognition and measurement**

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.

Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

**Amortization and useful lives**

Computer softwares are amortized over 3-5 years on written down value basis. Intangible Rights are amortized over the period of right to use. Amortization methods and useful lives are reviewed at each financial year end and adjusted prospectively.

In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition

**3.4. Inventories**

Inventories consisting of stock-in-trade are valued at cost or net realisable value, whichever is lower. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory includes estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

**3.5. Revenue recognition**

**Sale of Goods**

Revenue from sale of goods is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.
Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, net of returns and allowances, trade discounts and volume rebates and excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and the receivable is recognized when it becomes unconditional.

Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable and are also netted off for probable saleable and non-saleable return of goods from the customers, estimated on the basis of historical data of such returns.

**Income from Services**

Revenue from rendering of services is recognised over time where the Company satisfies the performance obligation over time or point in time where the Company satisfies the performance obligation at a point in time.

**Advance from customers**

**Advance from Customers:** When a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised and disclosed as advances from customers.

**Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

**Export Incentive**

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported, and no significant uncertainty exist regarding its ultimate collection.

**3.6. Foreign currency transaction**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary items are translated at closing exchange rate. Exchange difference arising on settlement or translation of foreign currency monetary items are recognised as income or expense in the year in which they arise.

Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate at the date of transactions.

**3.7. Employee benefits**

- Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the un-discounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

- Post-employment benefits & other long term benefits

The company has considered valuation of long term employee benefits as per the certificate received from actuarial valuer. For gratuity plan, re-measurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Such re-measurements are not reclassified to statement of profit and loss in subsequent periods.

The interest cost on defined benefit obligation is recognised under finance cost.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions for other employee benefit plan [other than gratuity] are recognized immediately in the Statement of Profit and Loss as income or expense.

**3.8. Borrowing cost**

Borrowing costs (net of interest income on temporary investments) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

**3.9. Leases**

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease. Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**Where Company is Lessee**

**Operating Lease** - Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

**Finance Lease** – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease.

**Where Company is lessor**

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

**3.10. Taxes on income**

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Company has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

**3.11. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent as calculated above also includes outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**3.12. Cashflow statement**

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

**3.13. Provisions, contingent liabilities, contingent assets**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

**3.14. Earnings per share**

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

### 3.15. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### 3.15.1. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

**Investments in equity instruments at FVTOCI**

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Reserve for equity instruments through other comprehensive income’. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

**A financial asset is held for trading if:**

- It has been acquired principally for the purpose of selling it in the near term; or

- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee. Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

**Financial assets at fair value through profit or loss (FVTPL)**

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

**Impairment of financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach' for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

**De-recognition of financial asset**

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### 3.15.2. Financial liability and equity instrument

**Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

**Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive

income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

**Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Reclassification**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**De-recognition of financial liabilities**

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in profit or loss.

**3.16 Amendment to Existing issued Ind AS**

The MCA has also carried out amendments of the following accounting standards:

Amendments to Ind AS 116, 'Leases'

"On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies

(Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17."

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities. The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc

Application of above standards are not expected to have any significant impact on the Company's Financial Statements

## 4 - Property, Plant and Equipment

**(Amount in Rs.)**

| Particulars | Building | Office equipment | Furniture & fixtures | Computer Equipments | Vehicles | Total |
|---|---|---|---|---|---|---|
| **Gross Carrying Value** | | | | | | |
| **Balance as at 01st April 2017** | **7,250,291** | **686,149** | **4,875,352** | **425,840** | **516,387** | **13,754,019** |
| Additions | - | 192,766 | 18,926 | 17,459 | - | **229,151** |
| Disposals | - | - | - | - | - | **-** |
| **Balance as at 31st March 2018** | **7,250,291** | **878,915** | **4,894,278** | **443,299** | **516,387** | **13,983,170** |
| Additions | - | 145,175 | 137,657 | - | - | **282,832** |
| Disposals | - | - | - | - | - | **-** |
| **Balance as at 31st March 2019** | **7,250,291** | **1,024,090** | **5,031,935** | **443,299** | **516,387** | **14,266,002** |
| **Accumulated Depreciation** | | | | | | |
| **Balance as at 01st April 2017** | **350,593** | **315,316** | **1,264,708** | **260,890** | **195,471** | **2,386,978** |
| Depreciation expense | 333,618 | 226,236 | 940,976 | 110,770 | 137,621 | **1,749,221** |
| Disposals | - | - | - | - | - | **-** |
| **Balance as at 31st March 2018** | **684,211** | **541,552** | **2,205,684** | **371,660** | **333,092** | **4,136,199** |
| Depreciation expense | 317,466 | 183,453 | 722,908 | 60,760 | 61,149 | **1,345,735** |
| Disposals | - | - | - | - | - | **-** |
| **Balance as at 31st March 2019** | **1,001,677** | **725,005** | **2,928,592** | **432,420** | **394,241** | **5,481,934** |
| **Carrying amount** | | | | | | |
| **Balance as at 31st March 2018** | 6,566,080 | 337,363 | 2,688,594 | 71,639 | 183,295 | **9,846,971** |
| **Balance as at 31st March 2019** | 6,248,614 | 299,085 | 2,103,343 | 10,879 | 122,146 | **8,784,068** |

**5 - Intangible assets**

(Amount in Rs.)

| Particulars | Computer Software | Intangible Rights | Total |
|---|---|---|---|
| **Cost or Deemed Cost** | | | |
| **Balance as at 01st April 2017** | **243,592** | **1,668,289** | **1,911,881** |
| Additions | - | 2,038,500 | 2,038,500 |
| **Balance as at 31st March 2018** | **243,592** | **3,706,789** | **3,950,381** |
| Additions | - | 3,173,670 | 3,173,670 |
| **Balance as at 31st March 2019** | **243,592** | **6,880,459** | **7,124,051** |
| **Amortisation** | | | |
| **Balance as at 01st April 2017** | **112,192** | **278,048** | **390,240** |
| Amortisation expense | 61,340 | 737,077 | 798,417 |
| **Balance as at 31st March 2018** | **173,532** | **1,015,125** | **1,188,657** |
| Amortisation expense | 31,943 | 1,310,400 | 1,342,343 |
| **Balance as at 31st March 2019** | **205,475** | **2,325,525** | **2,531,000** |
| **Carrying Amount** | | | |
| **Balance as at 31st March 2018** | 70,060 | 2,691,664 | **2,761,724** |
| **Balance as at 31st March 2019** | 38,117 | 4,554,934 | **4,593,051** |

**6 - Investments**

(Amount in Rs.)

| | As at 31st March 2019 | | As at 31st March 2018 | |
|---|---|---|---|---|
| | Nos. | Amount | Nos. | Amount |
| **Non- current** | | | | |
| **Unquoted (at Cost)** | | | | |
| Equity shares of Janata Sahakari Bank Limited of Rs. 100 each | 43,130 | 4,313,000 | 43,130 | 4,313,000 |
| Equity shares of City Cooperative Bank Limited of Rs. 10 each | 100 | 1,000 | 100 | 1,000 |
| Equity shares of Shamrao Vithal Co-operative Bank Limited of Rs. 10 each | | 725 | | 725 |
| **Sub-total** | | **4,314,725** | | **4,314,725** |
| Aggregate carrying value of unquoted investments (Net of provision) - Non current | | **4,314,725** | | **4,314,725** |

Note :

1. The company has obtained equity shares of Janata Sahakari Bank Limited in pursuant to working capital loan obtained from the same bank, hence the fair value of such share certificate will be equal to face value.

## 7 - Other Financial Assets

(Amount in Rs.)

| | Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|---|
| 7A | **Non-current** | | |
| | **Unsecured, Considered Good unless otherwise stated)** | | |
| | Security Deposits | 8,904,561 | 8,362,279 |
| | Interest receivable on Margin money deposit | 3,678,055 | 3,023,314 |
| | Bank deposits with original maturity of more than twelve (12) months | 6,500,000 | 6,500,000 |
| | **Non-current total** | **19,082,616** | **17,885,593** |
| 7B | **Current** | | |
| | **Unsecured, Considered Good unless otherwise stated)** | | |
| | Security Deposits | - | 1,577,720 |
| | Advance recoverable in cash or kind | 90,592,710 | 94,277,167 |
| | **Current total** | **90,592,710** | **95,854,887** |
| | **Total** | **109,675,327** | **113,740,480** |

For the financial assets that are measured at amortised cost, the fair values are not materially different from their carrying amounts, since they are either of short term nature or interest receivable is close to current market rates. (Refer Note 28B)

## 8 - Income Taxes

**(A) Income Tax Expense in the Statement of Profit and Loss comprises :** (Amount in Rs.)

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| Current Income Taxes | 4,000,000 | 4,750,000 |
| Deferred Income Taxes | (311,011) | (74,163) |
| **Income Tax Expense (net)** | **3,688,989** | **4,675,837** |

**(B) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below:**

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| Profit before income tax | 11,324,607 | 13,454,845 |
| Applicable income tax rate | 27.820% | 33.063% |
| **Computed expected tax expense** | **3,150,506** | **4,448,575** |
| Other - Interest, permenant diffrence etc | 538,483 | 227,262 |
| **Income tax expense charged to the Statement of Profit and Loss** | **3,688,989** | **4,675,837** |

**(C) Components of deferred income tax assets and liabilities arising on account of temporary differences are:**

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| **Deferred Income Tax Asset** | | |
| Timing difference on tangible and intangible assets depreciation and amortisation | 1,096,979 | 1,205,964 |
| **Total Deferred Income Tax Asset (net)** | **1,096,979** | **1,205,964** |

**9 - Other Assets** **(Amount in Rs.)**

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| **9A Non-current** | | |
| VAT receivable | 9,730,089 | 14,840,868 |
| Other Receivables | 9,833,872 | - |
| Prepaid expenses | 18,802 | 13,921 |
| **Non-current total** | **19,582,763** | **14,854,789** |
| **9B Current** | | |
| Export benefit receivables | 3,824,233 | 5,320,810 |
| Advances to Suppliers | 23,692,647 | 13,654,441 |
| Prepaid expenses | 517,618 | 338,234 |
| Balances with Customs, Port Trust, Central Excise etc. | 3,412,902 | 8,038,093 |
| Other Receivables | 450,000 | - |
| **Current total** | **31,897,400** | **27,351,578** |
| **Total** | **51,480,163** | **42,206,367** |

**10 - Inventories**

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| **Inventories (lower of cost and net realisable value)** | | |
| Stock-in-trade | 9,812,734 | 18,680,113 |
| **Total** | **9,812,734** | **18,680,113** |

## 11 - Trade receivables

(Amount in Rs.)

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| Secured, Considered good * | | |
| Unsecured, considered good | 494,236,525 | 445,817,523 |
| | **494,236,525** | **445,817,523** |

**Note**

1 The Company's exposure to credit, liquidity and market risks, and loss allowances related to Trade Receivables is disclosed in Note 27

**Provision Matrix**

The Company has robust policy of provisioning the debtors. The Overdue debtors above 1 year is critically reviewed and necessary provision between 50% to 100% is done on case to case basis post evaluation.

## 12 - Cash and cash equivalents

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| Cash on hand | | |
| - In Indian Currency | 1,589,967 | 1,921,232 |
| Balances with Banks | | |
| - In current accounts | 685,594 | 141,099 |
| - In Exchange Earners' Foreign Currency Account | 24,348 | 18,612 |
| | **2,299,910** | **2,080,943** |

## 13 - Bank balances other than Cash and cash equivalents

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| Balance with bank earmarked as margin money | 862,603 | 722,351 |
| | **862,603** | **722,351** |

**14 - Equity Share capital**

(Amount in Rs.)

| Particulars | As at 31st March 2019 | | As at 31st March 2018 | |
|---|---|---|---|---|
| | Numbers | Amount | Numbers | Amount |
| **Authorised Share Capital** | | | | |
| Equity shares of Rs.10/- each | 7,495,000 | 74,950,000 | 7,495,000 | 74,950,000 |
| Non-cumulative Redeemable Preference Shares of Re. 1 each | 50,000 | 50,000 | 50,000 | 50,000 |
| **Issued, subscribed and fully paid up** | | **75,000,000** | | **75,000,000** |
| **Equity share capital** | | | | |
| Equity shares of Rs.10/- each | 6,591,385 | 65,913,850 | 6,591,385 | 65,913,850 |
| | **6,591,385** | **65,913,850** | **6,591,385** | **65,913,850** |

**(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:**

| Particulars | As at 31 March 2019 | | As at 31 March 2018 | |
|---|---|---|---|---|
| | No of shares | Amount | No of shares | Amount |
| **Equity shares:** | | | | |
| At the beginning of the period | 6,591,385 | 65,913,850 | 3,000,000 | 30,000,000 |
| Add: Issued during the year | - | - | 3,591,385 | 35,913,850 |
| At the end of the period | **6,591,385** | **65,913,850** | **6,591,385** | **65,913,850** |

**Note**

During the financial year 2016-17 the company had issued 25,00,000 bonus shares having face value of Rs. 10 per share amounting to Rs. 2,50,00,000 by utilising the Retained Earnings.

During the previous financial year the company has converted unsecured loans by issue of share capital. The company has issued 16,15,385 shares at a premium of Rs. 3 per share having a face value of Rs. 10 per share

The company has also issued 19,76,000 shares by way of Initial Public Offer at a premium of Rs. 62 per share in previous financial year.

**(b) Rights and terms attached to equity shares**

The Company has only one class of equity shares each having par value of Rs.10 per share. The holder of equity shares is entitled to one vote per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting rights. The Company declares and pays dividends on shares in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) **Details of shareholders holding more than 5% shares in the company**

| Name of the shareholder | As at 31 March 2019 | | As at 31 March 2018 | |
|---|---|---|---|---|
| | No of shares | % holding in the class | No of shares | % holding in the class |
| **Equity shares of Rs.10 each fully paid** | | | | |
| Atul A. Vasani | 4,315,385 | 65.47% | 4,315,385 | 65.47% |

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**15 - Financial liabilities**

(Amount in Rs.)

| | Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|---|
| 15A | **Non- Current Borrowings** | | |
| | **Secured:** | | |
| | **Term Loan** | | |
| | From Banks | 53,632,260 | 9,679,890 |
| | **Unsecured** | | |
| | Other Loans | | |
| | - from Banks | - | 19,016,159 |
| | - from Non Banking Financial Company | 2,632,437 | 6,128,742 |
| | **Total Non-Current Borrowings** | **56,264,697** | **34,824,791** |
| | Less : Amount disclosed under the head "Other current liabilities" | 8,467,907 | 8,369,632 |
| | **Non- Current Borrowings (as per balance sheet)** | **47,796,790** | **26,455,159** |
| 15B | **Current Borrowings** | | |
| | **Secured** | | |
| | Cash credit from banks | 113,586,532 | 147,988,552 |
| | **Unsecured** | | |
| | Loans from Related Party ( Refer Note 30) | 912,751 | 1,140,177 |
| | **Current Borrowings (as per balance sheet)** | **114,499,283** | **149,128,729** |

**15 - Financial liabilities**

**Borrowing**

**Note:-**

**Non-Current Borrowing**

1. Working Capital Term Loan from Janata Sahakari Bank Ltd is secured by the collateral security by equitable mortgage of assets owned by Directors and their family members and by lien of Fixed Deposit placed by the company with the bank repayable in 60 monthly installments commencing from March 2017, and carries an interest rate of 13.50%
2. Working Capital Term Loan from Janata Sahakari Bank Ltd is secured by the collateral security by equitable mortgage of assets owned by Directors and their family members and by lien of Fixed Deposit placed by the company with the bank repayable in 84 monthly installments commencing from January 2019, and carries an interest rate of 13.50%
3. Term Loan taken from L&T Housing Finance Ltd (NBFC) is secured by mortgage of immovable property and is repayable in 120 monthly installments commencing from March 2015 and April 2017, and carries an effective interest rate of 12.25% & 11.50%
4. Term loan from Bajaj Finance Limited is unsecured and is repayable in 36 monthly installments commencing from May 2016, and carries interest rate of 18.01%
5. Unsecured loan from International Financial Services Ltd is unsecured and is repayable on demand, and carries interest rate of 21.00% \
6. Term loan from Capital First Limited is unsecured and is repayable in 24 monthly installments commencing from March 2017, and carries interest rate of 12.25%
7. Term loan from Religare Finvest Ltd is unsecured and is repayable in 24 monthly installments commencing from April 2017, and carries interest rate of 19.30%
8. The unsecured loan taken from directors is interest free. The loan is re-payable on demand.

| Bank name | Rate of interest p.a | No. of instalments pending | Installment Amount | Commencement from |
|---|---|---|---|---|
| Janata Sahakari Bank Ltd, Pune | 13.50% | 46 | 525,000 | Mar-17 |
| Janata Sahakari Bank Ltd, Pune | 13.50% | 82 | 516,000 | Mar-18 |
| L & T Housing Finance | 12.25% | 71 | 252,886 | Mar-15 |
| L & T Housing Finance | 11.50% | 96 | 89,982 | Apr-17 |
| Religare Finvest | 19.30% | 0 | 194,409 | Apr-17 |
| Bajaj Finserv | 18.01% | 1 | 10,911 | May-16 |
| Capital First | 22.00% | 0 | 130,993 | Mar-17 |

9 There is no default in repayment of Loans

**Current Borrowing**

1 Cash Credit facility from Janata Sahakari Bank Ltd, Pune secured against primary security of hypothecation of stock & book debts & equitable mortgage of properties owned by directors & their relatives, fixed deposits liened to the facilities & personal guarantee of directors & owners of the properties.

**16 - Provisions**

**(Amount in Rs.)**

| | Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|---|
| 16A | **Non-current** | | |
| | Provision for employee benefits | | |
| | Gratuity ( Refer Note 23) | 941,997 | 1,825,738 |
| | **Non-current total** | **941,997** | **1,825,738** |
| 16B | **Current** | | |
| | Provision for employee benefits | | |
| | Gratuity | 139,117 | 132,216 |
| | **Current total** | **139,117** | **132,216** |
| | **Total** | **1,081,114** | **1,957,954** |

## 17 - Trade payables

(Amount in Rs.)

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| Trade payables | | |
| Due to Micro, Small and Medium Enterprises* | 3,376,341 | - |
| Other than Micro, Small and Medium Enterprises | 241,901,440 | 223,832,731 |
| | **245,277,781** | **223,832,731** |

* The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information available with the Company.

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| Principal amount and interest due: | | |
| Principal amount | 3,376,341.00 | - |
| Interest due | - | - |
| Interest paid by Buyer in terms of section 16 of MSMED Act | - | - |
| Amount paid beyond the appointed day | - | - |
| Interest due and payable to supplier, for payment already made under MSMED Act | - | - |
| Amount of Interest accrued and remaining unpaid at the end of accounting year | - | - |
| Amount of further interest remaining due and payable even in succeeding years | - | - |

## 18 - Other financial liabilities

(Amount in Rs.)

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| **Current** | | |
| Current maturities of long-term debt | 8,467,907 | 8,369,632 |
| Interest accrued but not due on borrowings | 159,096 | 506,316 |
| Employee payables | 3,715,360 | 2,651,931 |
| Accrual for expenses | 15,845,952 | 11,673,462 |
| | **28,188,315** | **23,201,341** |

For the financial liabilities that are measured at amortised cost, the fair values are not materially different from their carrying amounts, since they are of short term nature. (Refer Note 27B)

**19 - Other liabilities**

(Amount in Rs.)

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| **Current** | | |
| Advances from customers | 23,002,650 | 4,949,021 |
| Statutory Dues | 6,387,825 | 2,941,932 |
| | **29,390,475** | **7,890,953** |

**20 - Revenue from Operations**

(Amount in Rs.)

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| **Sale of Products** | | |
| (i) Stock-in-trade | 724,555,376 | 653,289,565 |
| **Other operating revenue** | | |
| (i) Commission Income | 20,821,209 | 17,262,184 |
| (ii) Export Incentive | 5,533,146 | 6,986,856 |
| (iii) Packing and Forwarding Income | - | 18,994 |
| (iv) Excise Duty Refund | - | 83,064 |
| | **750,909,731** | **677,640,663** |

**21 - Other income**

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| Interest income earned on financial assets not designated as at FVTPL | | |
| Bank deposits | 12,045,275 | 7,224,756 |
| Other financial assets | - | 7,570,533 |
| Dividend income on equity shares at FVTPL | 450,255 | 188,650 |
| Foreign currency transactions and translation gain (net) | 6,970,743 | 1,588,114 |
| Insurance claim - Received | 259,978 | - |
| Miscellaneous Income | 96,349 | 17,529 |
| | **19,822,600** | **16,589,582** |

**22 - Changes in inventories of finished goods, stock-in-trade and work-in-progress**

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| **Opening inventories** | | |
| Stock-in-trade | 18,680,113 | 11,546,943 |
| | **18,680,113** | **11,546,943** |
| **Closing inventories** | | |
| Stock-in-trade | 9,812,734 | 18,680,113 |
| | **9,812,734** | **18,680,113** |
| **Total** | **8,867,379** | **(7,133,170)** |

## 23 - Employee benefits expense

(Amount in Rs.)

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| Salaries, wages and bonus including Gratuity | 20,634,128 | 18,048,397 |
| Contribution to provident funds and other funds | 398,242 | 2,059,758 |
| Employees' welfare expenses | 220,323 | 261,453 |
| | **21,252,693** | **20,369,608** |

**Employee benefit plans**

### 23A Gratuity and other post-employment benefit plans

The Company operates a defined gratuity plan for its employees. Under the gratuity plan, every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

**Statement of profit and loss**

Net employee benefit expenses recognised in the employee cost

| | |
|---|---|
| Actuarial Risk | It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:<br>Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.<br>Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.<br>Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date. |
| Investment risk | For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period. |

| | |
|---|---|
| Liquidity Risk | Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows. |
| Legislative Risk | Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective. |

The principal assumptions used for the purposes of the actuarial valuations were as follows.

| **Particulars** | **Valuation as at** | | | |
|---|---|---|---|---|
| | **Year ended 31st March 2019** | | **31st March 2018** | |
| Discount rate(s) | 7.60% | | 7.55% | |
| Expected rate(s) of salary increase | 7% | | 7% | |
| Mortality rates | Age(Years) | Rates (p.a.) | Age(Years) | Rates (p.a.) |
| | 20 | 0.09% | 20 | 0.09% |
| | 30 | 0.11% | 30 | 0.11% |
| | 40 | 0.18% | 40 | 0.18% |
| | 50 | 0.49% | 50 | 0.49% |
| | 60 | 1.15% | 60 | 1.15% |

Amounts recognised in the Statement of profit and loss in respect of these defined benefit plans are as follows.

**(Amount in Rs.)**

| **Particulars** | **Year ended 31st March 2019** | **Year ended 31st March 2018** |
|---|---|---|
| Service cost: | | |
| Current service cost | 238,402 | 257,282 |
| Past service cost and gain from settlements | - | 84,668 |
| Interest on net defined benefit asset | 142,834 | 152,004 |
| **Components of defined benefit costs recognised in profit or loss** | 381,236 | 493,954 |
| Opening amount recognised in other comprehensive income | | |
| Re-measurement on the net defined benefit liability | - | - |
| Actuarial (gains) / losses arising from changes in financial assumptions | (182,902) | (30,759) |
| Actuarial (gains) / losses arising from experience adjustments | (1,075,174) | (621,304) |
| **Components of defined benefit costs recognised in other comprehensive income** | **(1,258,076)** | **(652,063)** |

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The re-measurement of the net defined benefit liability is included in other comprehensive income.

Movements in the present value of the defined benefit obligation are as follows.

(Amount in Rs.)

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| Opening defined benefit obligation | 1,957,954 | 2,116,063 |
| Current service cost | 238,402 | 257,282 |
| Interest cost | 142,834 | 152,004 |
| Re-measurement (gains)/losses: | | |
| Actuarial gains and losses arising from changes in financial assumptions | (182,902) | (30,759) |
| Actuarial gains and losses arising from experience adjustments | (1,075,174) | (621,304) |
| Past service cost, including losses/(gains) on curtailments | - | 84,668 |
| Benefits paid | - | - |
| **Closing defined benefit obligation** | **1,081,114** | **1,957,954** |

**Sensitivity Analysis:**

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation (DBO) at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

| Particulars | Period Ended 31st March, 2019 | | Period Ended 31st March, 2018 | |
|---|---|---|---|---|
| | Discount Rate | Salary Escalation Rate | Discount Rate | Salary Escalation Rate |
| Impact of increase in 50 bps on DBO | 9.59% | 7.00% | -4.94% | 7.00% |
| Impact of decrease in 50 bps on DBO | 23.52% | 7.00% | 5.41% | 7.00% |

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

The average duration of the benefit obligation at 31st March 2019 is 6.20 years, (as at 31st March 2018: 5.95 years).

**Projected Plan Cash Flow :**

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date :

(Amount in Rs.)

| Maturity Profile | 2018-2019 | 2017-2018 |
|---|---|---|
| Expected benefits for year 1 | 139,117 | 123,920 |
| Expected benefits for year 2 | 30,115 | 48,924 |
| Expected benefits for year 3 | 33,989 | 55,802 |
| Expected benefits for year 4 | 36,928 | 56,995 |
| Expected benefits for year 5 | 152,336 | 418,638 |
| Expected benefits for year 6 and above | 254,467 | 412,608 |

## 24 - Finance costs

(Amount in Rs.)

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| Interest expenses on short term borrowings, bank overdraft and others | 26,377,481 | 28,232,924 |
| Other borrowing costs | 11,800 | 292,486 |
| | **26,389,281** | **28,525,410** |

## 25 - Depreciation and amortisation expense

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| Depreciation of Property, Plant and Equipment pertaining to continuing operations (Refer Note 4) | 1,345,735 | 1,749,221 |
| Amortisation of Intangible assets (Refer Note 5) | 1,342,343 | 798,417 |
| | **2,688,078** | **2,547,638** |

## 26 - Other expenses

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| Repairs and Maintenance | 327,739 | 348,013 |
| Brokerage and Commission | 620,640 | 2,363,513 |
| Rent (Refer note 30) | 3,141,562 | 3,090,020 |
| Insurance | 281,610 | 697,379 |
| Rates and Taxes | 1,057,972 | 1,043,717 |
| Advertisement and Sales Promotion Expenses | 2,012,739 | 4,358,561 |
| Travelling and Conveyance | 2,548,619 | 3,930,364 |
| Product Registration and Development Expenses | - | 142,277 |
| Carriage and Freight | 8,070,032 | 6,431,858 |
| Packing expenses | - | 76,499 |
| Printing & Stationery | 463,425 | 799,854 |
| Office expenses | 1,156,516 | 355,628 |
| Postage, Telephone and Fax | 693,937 | 821,570 |
| Legal, Professional and Consultancy Charges (Refer note 26A) | 1,705,945 | 5,764,621 |
| Donations | - | 24,000 |
| Miscellaneous Expenses | 376,808 | 76,866 |
| | **22,457,543** | **30,324,740** |

## 26A Legal and professional expenses

(Amount in Rs.)

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| **Legal and professional expenses include:** | | |
| **Auditors' remuneration and expenses** | | |
| Statutory Auditor's Remuneration | 75,000 | 75,000 |
| Half Yearly Limited Review | 50,000 | 50,000 |
| **Tax Auditors Fees** | | |
| Taxation matters | 50,000 | - |
| **Others** | | |
| Fees for other audit related services | 5,000 | - |

## 27 - Risk Management

### 27A Capital Risk

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted).

### 27B Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income & expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are as disclosed in Note no. 3 to the financial statements.

(Amount in Rs.)

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| **Financial assets** | | |
| **Measured at Fair value through other comprehensive income** | | |
| Investments | 4,314,725 | 4,314,725 |
| **Measured at amortised cost** | | |
| Cash and bank balances | 2,299,910 | 2,080,943 |
| Trade receivable | 494,236,525 | 445,817,523 |
| Security Deposits | 8,904,561 | 8,362,279 |
| Margin Money | 862,603 | 722,351 |
| Fixed Deposit with bank | 6,500,000 | 6,500,000 |
| **Financial liabilities** | | |
| **Measured at amortised cost** | | |
| **Borrowings** | | |
| Long Term Borrowings | 47,796,790 | 26,455,159 |
| Short Term Borrowings | 113,586,532 | 147,988,552 |
| **Measured at amortised cost** | | |
| Trade payable | 245,277,781 | 223,832,731 |
| Current Maturities of Long Term Borrowings (including interest accrued but not due) | 8,627,003 | 8,875,948 |
| Employee Benefits payable | 3,715,360 | 2,651,931 |
| Others - Provision for Expenses | 15,845,952 | 11,673,462 |

The management considers that the carrying amount of financials assets & financial liabilities recognised in the financial statement approximate their fair values.

### 27C Financial Risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Company's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operation and financial assets includes trade receivables and other receivables etc. that arise from its operation.

The Company has constituted a Risk Management Committee consisting of majority of directors and senior managerial personnel. The Company has a robust Business Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments.

The Company has instituted a self governed Risk Management framework based on identification of potential risk areas, evaluation of risk intensity, and clearcut risk mitigation policies, plans and procedures both at the enterprise and operating levels. The framework seeks to facilitate a common organisational understanding of the exposure to various risks and uncertainties at an early stage, followed by timely and effective mitigation. The Audit Committee of the Board reviews the risk management framework at periodic intervals. Our risk management procedures ensure that the management controls various business related risks through means of a properly defined framework.

**27D Market Risk**

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk to the extent that there is mismatch between the currencies in which its sales and services and purchases from overseas suppliers in various foreign currencies. Market Risk is the risk that changes in market prices such as foreign exchange rates will effect groups income or value of its holding financial assets/ instruments.

The Company also holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the Rupee appreciates/ depreciates against US dollar (USD)

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities at the end of the reporting period which are hedged are as follows.

**(Amount in USD)**

| Particulars | Assets | | Liabilities | |
|---|---|---|---|---|
| | As at 31st March 2019 | As at 31st March 2018 | As at 31st March 2019 | As at 31st March 2018 |
| Trade receivables | 50,000 | 200,000 | - | - |

(i) This is mainly attributable to the exposure outstanding on foreign currency receivables in the Company at the end of the reporting period.

(ii) The Company hedges its net exposure in foreign currencies and as such the profit or loss of the company is not subject to foreign exchange fluctuation.

The unhedged foreign currency exposures of the company are as follows :

**(Amount in USD)**

| Particulars | Assets | | Liabilities | |
|---|---|---|---|---|
| | As at 31st March 2019 | As at 31st March 2018 | As at 31st March 2019 | As at 31st March 2018 |
| Trade receivables | 322,254 | 235,662 | - | - |

**27E Credit risk**

Credit risk refers to the risk of default on its obligation by the customer / counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is carrying value of respective financial assets.

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, credit default swap quotes, credit ratings from international credit rating agencies and historical experience for customers.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in shares of co-operative banks.

**27F Liquidity Risk**

"The Company's principle sources of liquidity are cash and cash equivalents, current investments and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Company closely monitors its liquidity position and maintains adequate source of funding".

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31st March,2019:

**(Amount in Rs.)**

| Particulars | As at 31st March 2019 | Less than 1 year | 1-5 years | Above 5 years |
|---|---|---|---|---|
| Borrowings | 56,264,697 | 8,467,907 | 47,796,790 | - |
| Trade Payables | 245,277,781 | 245,277,781 | - | - |
| Other Financial Liabilities | 28,188,315 | 28,188,315 | - | - |

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31st March,2019:

**(Amount in Rs.)**

| Particulars | As at 31st March 2018 | Less than 1 year | 1-5 years | Above 5 years |
|---|---|---|---|---|
| Borrowings | 34,824,791 | 8,369,632 | 26,455,159 | - |
| Trade Payables | 223,832,731 | 223,832,731 | - | - |
| Other Financial Liabilities | 23,201,341 | 23,201,341 | - | - |

**28 - Segment Information**

The Company is primarily engaged in only one type of business i.e. marketing of pharmaceutical products including active pharmaceutical ingredients and there are no separate reportable segments.

**29 - Earnings per share**

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| **Basic / Diluted earnings per share** | | |
| From continuing operations attributable to the owners of the company | 1.08 | 1.41 |
| **Total basic earnings per share attributable to the owners of the company** | **1.08** | **1.41** |

**Basic / Diluted earnings per share**

The earnings and weighted average number of equity share used in the calculations of basic earnings per share are as follows :

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| Profit for the year attributable to the owners of the company | 7,135,619 | 7,975,944 |
| **Earnings used in the calculation of basic earnings per share from continuing operations** | **7,135,619** | **7,975,944** |

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| Weighted average number of equity shares for the purpose of basic / diluted earnings per share | 6,591,385 | 5,656,698 |

**30 - Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31 March 2019**

**A Key Managerial Personnel ("KMP")**

| | |
|---|---|
| Mr. Atul Vasani | Chairman and Managing Director |
| Mrs. Jagruti Vasani | Whole Time Director |
| Mr.Ratnesh Kumar Singh | Chief Financial Officer |
| Miss Khushboo Panchal | Company Secratory |

**B Relatives of Key Managerial Personnel ("KMP") with whom transactions have taken place during the year**

| | |
|---|---|
| Mr. Arvind Vasani | Father of Mr. Atul Vasani |
| Mrs. Manjula Vasani | Mother of Mr. Atul Vasani |
| Ms. Priyanka Vasani | Daughter of Mr. Atul Vasani |
| Ms. Vaishali Vasani | Sister of Mr. Atul Vasani |
| Mr. Ajay Vasani | Brother of Mr. Atul Vasani |
| Mr. Kevin Vasani | Son of Mr. Atul Vasani |

**D Entities over which Key Management Personnel and their relatives have significant influence and with whom transactions have taken place during the year ("Entities")**

Arochem Industries 25% partnership of Mr. Atul Vasani

**Details of Transactions with Related Parties**

| Sr No | Particulars | Year ended 31 March 2019 | | | |
|---|---|---|---|---|---|
| | | Key Management Personnel | Relatives of Key Management Personnel | Entities | Total |
| | | a | b | c | |
| 1 | Remuneration | 6,600,000 | - | - | 6,600,000 |
| | | (6,600,000) | - | - | (6,600,000) |
| 2 | Salary paid | 1,080,000 | 3,691,360 | - | 4,771,360 |
| | | (1,065,000) | (1,218,487) | - | (2,283,487) |
| 3 | Rent | 1,740,000 | 880,000 | - | 2,620,000 |
| | | - | (140,000) | - | (140,000) |
| 4 | Advances given | - | - | - | - |
| | | - | (1,238,819) | - | (1,238,819) |
| 5 | Loan taken | - | - | - | - |
| | | (2,250,000) | - | - | (2,250,000) |
| 6 | Loan repaid | 227,425 | - | - | 227,425 |
| | | (24,844,245) | - | - | (24,844,245) |
| 7 | Material Purchased | - | - | 35,547 | 35,547 |
| | | - | - | - | - |

Figures in the brackets are the comparative figures of the previous year

**Balance due from / to the related parties**

| Sr No | Particulars | As at 31 March 2019 | | | |
|---|---|---|---|---|---|
| | | Key Managerial Personnel | Relatives of KMP | Other Related Parties | Total |
| 1 | Loan Payable | 912,751 | - | - | 912,751 |
| 2 | Rent Payable | 166,591 | 200,000 | - | 366,591 |
| 3 | Remuneration Payable | 4,222,547 | 1,598,253 | - | 5,820,800 |
| 4 | Advances given | - | 1,851,344 | - | 1,851,344 |
| 5 | Other Receivables | - | - | - | - |
| 6 | Deposits given | 750,000 | 250,000 | - | 1,000,000 |

| Sr No | Particulars | As at 31 March 2018 | | | |
|---|---|---|---|---|---|
| | | Key Managerial Personnel | Relatives of KMP | Other Related Parties | Total |
| 1 | Loan Payable | 1,140,177 | - | - | 1,140,177 |
| 2 | Rent Payable | 535,548 | 80,000 | - | 615,548 |
| 3 | Remuneration Payable | 574,048 | - | - | 574,048 |
| 4 | Advances given | - | 1,965,870 | - | 1,965,870 |
| 5 | Other Receivables | 166,516 | - | - | 166,516 |
| 6 | Deposits given | 750,000 | 250,000 | - | 1,000,000 |

**31A - Leases**

| | Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|---|
| | **Minimum lease rental payments** | | |
| 1 | Payable not later than one year | 4,382,200 | 3,083,500 |
| 2 | Payable later than one year and not later than five years | 8,820,000 | 9,120,000 |
| 3 | Payable later than five years | - | - |

1 The lease agreement provides for an option to Company to renew the lease period at the end of the non-cancellable period. There are no exceptional/restrictive covenants in the lease agreements.

2 Further the company has entered into cancellable operating lease for office premises and godown. Tenures of leases generally vary from one year to five years. Terms of the lease include operating terms for renewal, terms of cancellation, etc.

3 Lease payments in respect of the above leases are recognised in the Statement of Profit and Loss under the head Rent Expenses.

**31B - Contingent Liabilities**

As per the management of the company there are no contingent liabilities which are required to be disclosed in the notes to the financial statements.

**32** Previous year numbers have been regrouped / restated to match with the current year's classification

As per our report of even date attached

**For Raman S. Shah & Associates**
Chartered Accountants
Firm Registration No. 119891W

**Santosh A. Sankhe**
Partner
Membership No. 100976
Mumbai, 30th May 2019

**For and on behalf of the Board**
**Vaishali Pharma Limited**
CIN : L52310MH2008PLC181632

**DEWANSH AJAY VASANI**
Non-Executive Director
DIN : 08111804

**SANJAY GIRDHARILAL MIRANI**
Director
DIN : 08216772

**KHUSHBOO PANCHAL**
Company Secretary
& Compliance Officer

**RATNESH SINGH**
Chief Financial Officer

# Vaishali Pharma Ltd.

**Registered Office:** 706 to 709, 7th Floor, Aravali Business Center, R. C. Patel Road,
Off Sodawala Lane, Borivali (West) Mumbai – 400 092
**Telephone:** 022242171819; **Email:** Investor@vaishalipharma.com;
**Website:** www.vaishalipharma.com; **CIN:** L52310MH2008PLC181632

## ATTENDANCE SLIP

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I/we hereby record my/ our presence at the 12th Annual General meeting of the Company at 706 to 709, 7th Floor, Aravali Business Center, R. C. Patel Road, Off Sodawala Lane, Borivali (West) Mumbai – 400092 on Monday 30th September, 2019 at 9.00 a.m.

_____

Full name of the Member (in block letters) Signature

Folio No.: _____ DP ID No.*_____ Client ID No. _____

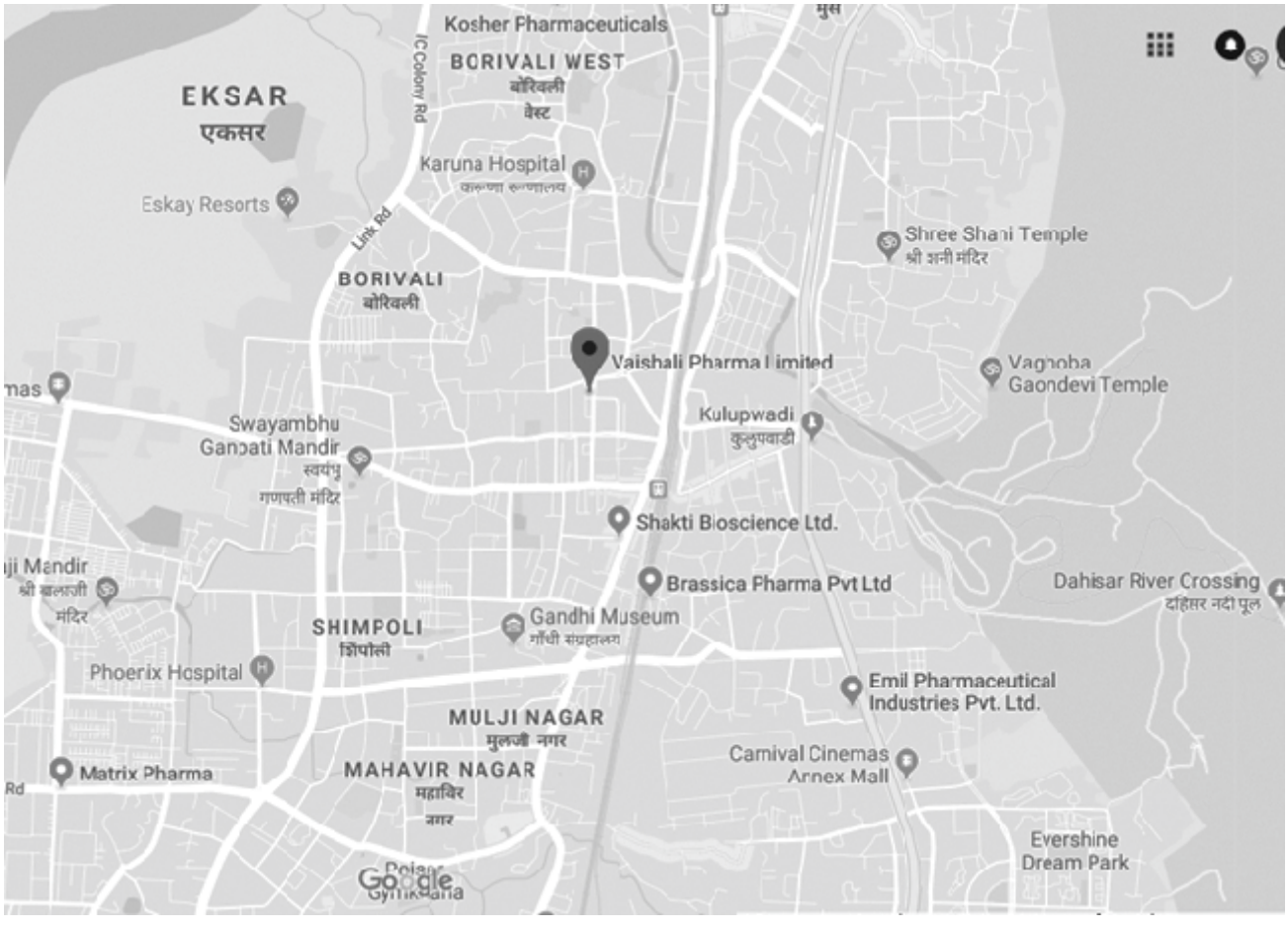
*Applicable for member holding shares in electronic form

_____

Full name of the proxy (in block letters) Signature

----------TEAR HERE----------

# Route Map


Kosher Pharmaceuticals
BORIVALI WEST
बोरिवली
वेस्ट
EKSAR
एकसर
IC Colony Rd
Karuna Hospital
Eskay Resorts
Link Rd
BORIVALI
बोरिवली
Shree Shani Temple
श्री शनी मंदिर
Vaishali Pharma Limited
Vagnoba
Gaondevi Temple
Kulupwadi
कुलुपवाडी
Swayambhu
Ganpati Mandir
स्वयंभू
गणपती मंदिर
Shakti Bioscience Ltd.
Brassica Pharma Pvt Ltd
Dahisar River Crossing
दहिसर नदी पूल
SHIMPOLI
शिंपोली
Gandhi Museum
गाँधी संग्रहालय
Phoenix Hospital
Emil Pharmaceutical
Industries Pvt. Ltd.
MULJI NAGAR
मुलजी नगर
Carnival Cinemas
Annex Mall
Matrix Pharma
MAHAVIR NAGAR
महावीर
नगर
Evershine
Dream Park
Google

# Vaishali Pharma Ltd.

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Off Sodawala Lane, Borivali (West) Mumbai – 400 092
**Telephone:** 022242171819; **Email:** Investor@vaishalipharma.com;
**Website:** www.vaishalipharma.com; **CIN:** L52310MH2008PLC181632

**Form No. MGT – 11**
**PROXY FORM**
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s) :
Registered Address :

E-Mail ID :
Folio No :
DP ID :
Client ID No. :

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

1. Name : _____
   Address : _____
   E-Mail ID : _____
   Signature : _____ or failing him/her

2. Name : _____
   Address : _____
   E-Mail ID : _____
   Signature : _____ or failing him/her

3. Name : _____
   Address : _____
   E-Mail ID : _____
   Signature : _____

As my/our proxy to attend and vote (on a poll) for me /us and on my /our behalf at the 12th Annual General Meeting of the company, to be held on Monday, 30th September, 2019 at 9.00 a.m. at 706 to 709, 7th Floor, Aravali Business Center, R. C. Patel Road, Off Sodawala Lane, Borivali (West), Mumbai – 400092 and at any adjournment thereof in respect of such resolutions as set out in the Notice convening the meeting, as are indicated below:

| Resolution No. | Resolution | Optional (See Note 3) | |
|---|---|---|---|
| **Ordinary Business** | | | |
| 1. | Adoption of the Financial Statements for the year ended March 31, 2019 together with the Reports of Board of Director's and Auditor's thereon. | | |
| 2. | Re-appointment of Ms. Jagruti Vasani (DIN: 02107094), retiring by rotation, as a Director of the Company and will continue as Whole Time Director of the Company. | | |
| **Special Business** | | | |
| 3. | Re-appointment of Mr. Atul Vasani (DIN:02107085) as Managing Director of the Company. | | |
| 4. | Re-appointment of Ms. Jagruti Vasani (DIN: 02107094) as Whole Time Director of the Company. | | |
| 5. | Appointment of Mr. Sanjay Mirani (DIN: 08216772) as an Independent Director of the Company. | | |
| 6. | Continuation of Mr. Prataprai Gandhi as an Independent Director | | |

Signed this _____ day of _____ 2019

Affix Revenue Stamp not less than Re. 0.15

_____ Signature of Shareholder

_____ Signature of Proxy holder(s)

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the company, not less than 48 hours before the commencement of the meeting.
2. For the Resolutions, Explanatory Statement and Notes, Please refer to the Notice of the 12th Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

# Way Ahead

## Increased Global Presence

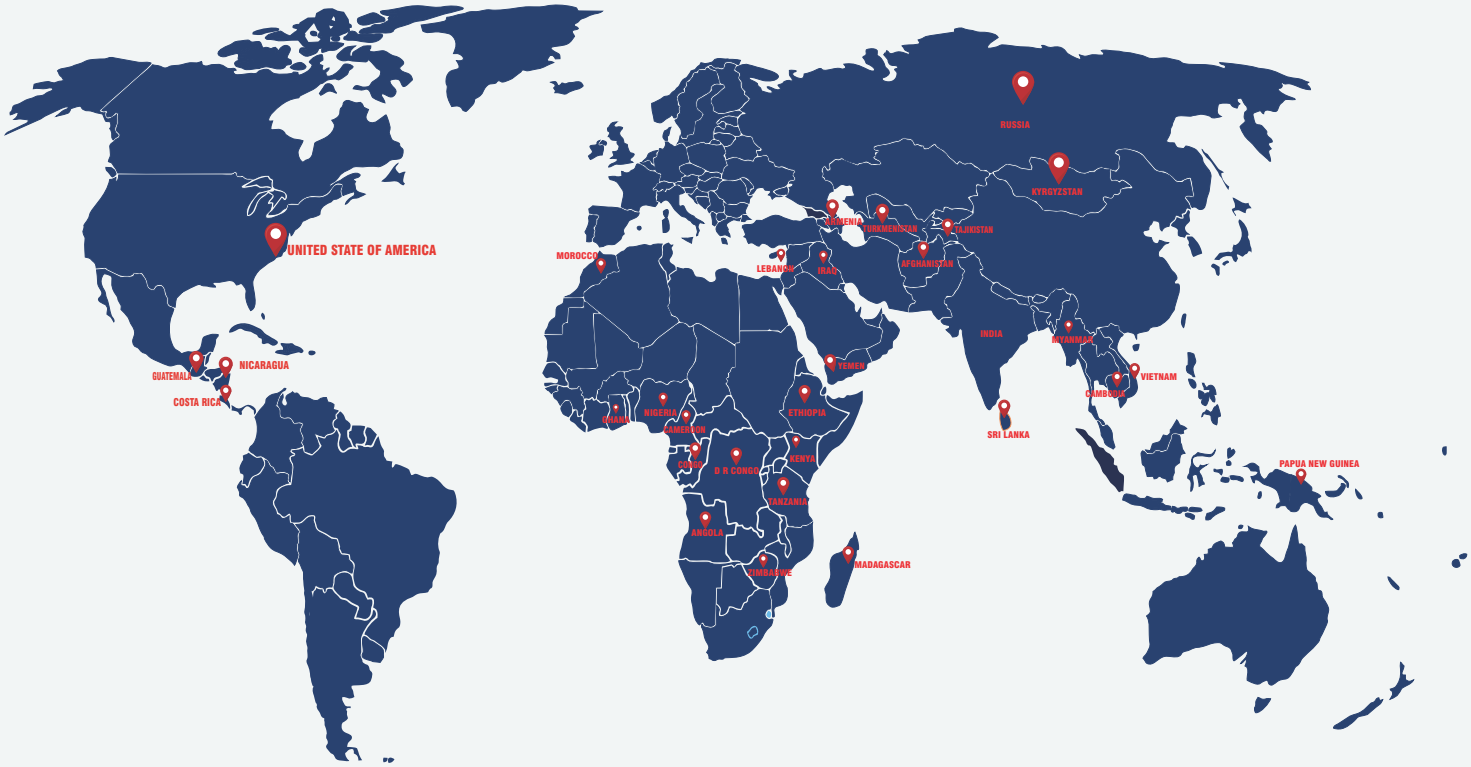
- Currently have presence in Asian, African, CIS and Latin American Countries
- Applied for 225 registrations in 25+ countries, out of which received 120+ approvals and remaining in process that will boost export operation

## Leveraging Market Skills and relationship

- Continuous focus on leveraging market skills and relationship in organization
- Impart innovative and technical skills in people & to give importance to customers

## Market Expansion

- Nutraceuticals is newly introduced segment in Pharmaceuticals, and is one of fastest growing vertical in India & Internationals. Nutraceuticals are entirely based on dietary supplements and Nutritional food additives
- To explore potential in DR Congo market, plans to introduce 12 new molecules in 2019
- Also, plans to expand by registering 30 more products in International market





**Vaishali Pharma Ltd.**

***REGD. OFFICE:***
***706-709, 7th Floor, Aravali Business Centre***
***R.C.Patel Road, Sodawala Lane,***
***Borivali (West), Mumbai – 400092. INDIA***
***Tel. : 91- 22- 42171819 (30 lines)***
***Fax : 91- 22- 2892 8833***
***Email ID: exports@vaishalipharma.com***
***Website: www.vaishalipharma.com***