



Samrat Pharmachem Limited

Manufacturers & Exporters of Pharmaceutical Chemicals

Regd. Office & Factory

Plot No. A2/3445, GIDC, Phase 4,
Opp. PCI, Ankleshwar – 393 002,
Gujarat, India
Tel : +91-7045456789 / 7046456789
Web: www.samratpharmachem.com

CIN: L24230GJ1992PLC017820

Corporate Office

701/702, Business Square,
M. A. Road, Andheri (West),
Mumbai – 400 058, India.
Tel : (91-22) 26701050/1/2
Email: contact@samratpharmachem.in

02 September 2022

To,
**Department of Corporate Services,
BSE Limited**
P J Towers,
Dalal Street,
Mumbai - 400 001.

Scrip Code: 530125

Dear Sir,

Sub: Annual Report for the financial year 2021-22 and Notice of 30th Annual General Meeting

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report including the Notice of 30th Annual General Meeting of the Company for the financial year 2021-22.

The 30th Annual General Meeting (AGM) of the Company will be held on Friday, September 30, 2022 at 02:00 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

The Cut-off date for the purpose of determining the Members eligible to vote on the resolutions set out in the Notice of the AGM is Thursday, September 23, 2022. The remote e-voting period begins on Tuesday, September 27, 2022 at 09:00 a.m. IST and ends on Thursday, September 29, 2022 at 05:00 p.m. IST.

The Annual Report containing the Notice is also uploaded on the Company's website:
www.samratpharmachem.com

This is for your information and records.

For Samrat Pharmachem Limited

Place: Mumbai

Dated: 02 September 2022

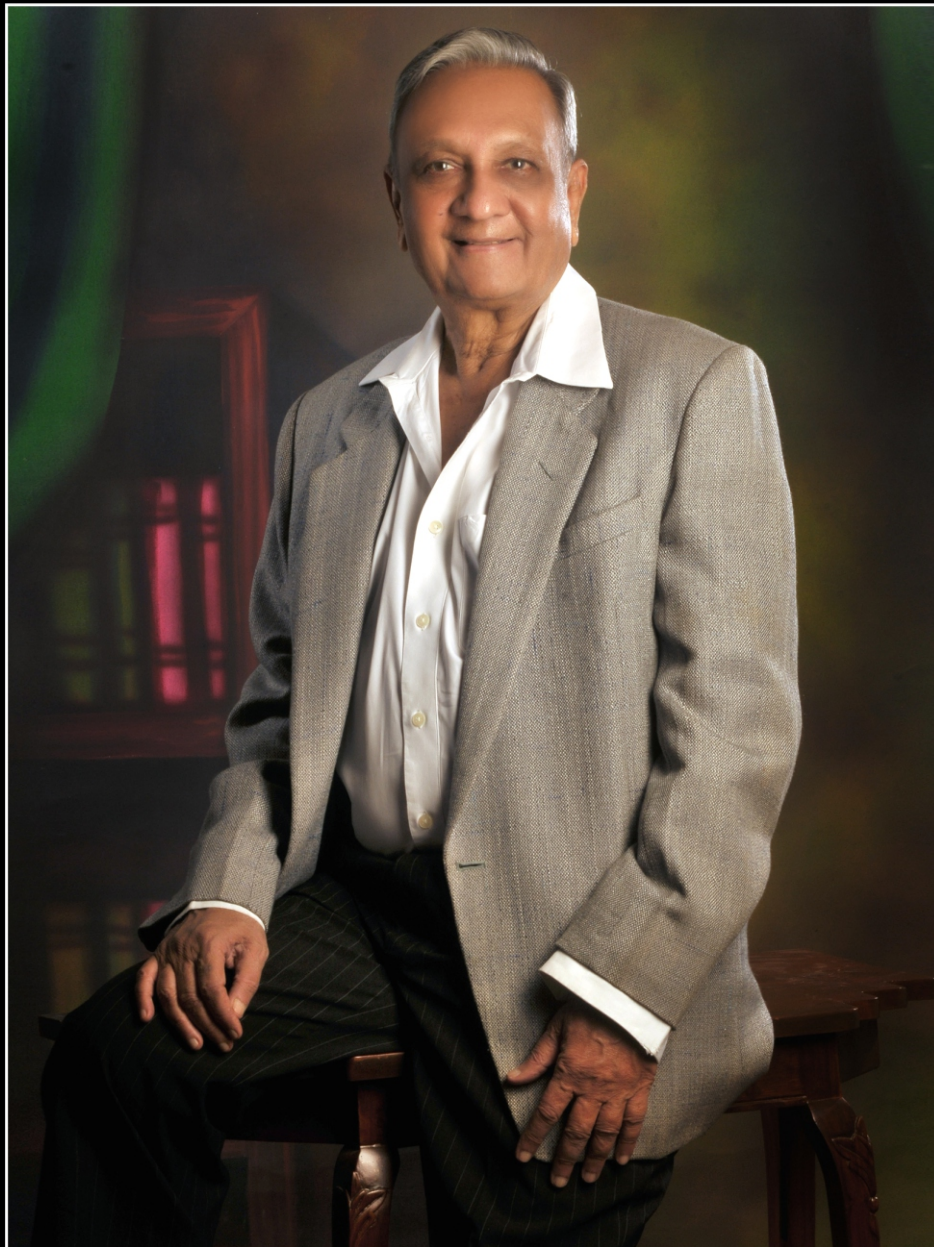
**Nishant Kankaria
Company Secretary & Compliance Officer**



Samrat Pharmachem Limited

**30th Annual Report
2021-2022**

"My conscience always tells me, whatever you are, you owe it to the society & your people. I have the conviction that only by doing selfless service to the needy, one can achieve a true sense of satisfaction and happiness; which is the highest purpose of life."



Mr. Lalit Mehta

Founder & Managing Director
Samrat Pharmachem Limited

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BOARD OF DIRECTORS

| Name | Designation | DIN |
|----------------------|------------------------------|------------|
| Mr. Lalit Mehta | Chairman & Managing Director | 00216681 |
| Mr. Rajesh Mehta | Executive Director | 00216731 |
| Mr. Megh Mehta | Executive Director | 07287394 |
| Mr. Mahendra Pipalia | Independent Director | 00216959 |
| Mr. Samir Kothary | Independent Director | 00216603 |
| Ms. Renu Dharod | Independent Director | 07063088 |

REGISTERED OFFICE & FACTORY

Plot No. A2/3445, GIDC, Phase 4, Ankleshwar - 393 002, Gujarat

Tel: +91-7045456789, 7046456789 Email: contact@samratpharmachem.in Web: www.samratpharmachem.com

CIN: L24230GJ1992PLC017820

CORPORATE OFFICE

701/702, Business Square, M. A. Road, Andheri (West), Mumbai - 400 058

Tel: +91 22 26701050/1/2/3

STATUTORY AUDITOR

Shah & Savla LLP

Chartered Accountants

RNJ Corporate, Jawahar Road, Ghatkopar (East), Mumbai - 400 077

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Nishant Kankaria

BANKER

ICICI Bank Limited

Sagar Avenue, S. V. Road, Andheri (West), Mumbai – 400 058

REGISTRARS & SHARE TRANSFER AGENT

Link Intime India Pvt Ltd

C/101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083

Tel: +91 22 49186000 Fax: +91 22 49186060 Email: rnt.helpdesk@linkintime.co.in Web: www.linkintime.co.in

CIN: U67190MH1999PTC118368

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **THIRTIETH ANNUAL GENERAL MEETING of SAMRAT PHARMACHEM LIMITED** will be held on Friday, September 30, 2022 at 2.00 P.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended 31 March 2022, together with Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Megh Rajesh Mehta (DIN: 07287394), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To declare dividend on equity shares for the financial year 2021-22

SPECIAL BUSINESS

4. Ratification of Cost Auditors remuneration

To consider and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any amendment(s) thereto or statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. S. N. Addagatla & Co., Cost Accountants, (Firm Registration No. 103855) appointed as the Cost Auditors, by the Board of Directors of the Company, on the recommendation of the Audit Committee, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2023, be paid the remuneration as set out in the explanatory statement annexed to the Notice convening this meeting and the same is hereby ratified and approved."

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

NOTES

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020, 17/2020, 20/2020, and 2/2022 dated April 8, 2020, April 13, 2020, May 5, 2020 and May 5, 2022 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 12, 2020 and May 13, 2022 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the businesses under Item No. 4 of the Notice, is annexed thereto.
3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice.
4. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.
5. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of their respective Board or governing body Resolution / Authorization etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-Voting. The said Resolution / Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to contact@samratpharmachem.in with a copy marked to evoting@nsdl.co.in.
6. The Register of Members and Share Transfer Books will remain closed for a period of 8 days from Friday, September 23, 2022 to Friday, September 30, 2022 (both days inclusive) for the purpose of AGM and payment of dividend.

7. Process for Registration/updation of E-mail ID, PAN, Bank Account Details and other details:

| Type of Holder | Process to be followed | |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Physical | For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, Link Intime India Private Limited either by email to rnt.helpdesk@linkintime.co.in or by post to Link Intime India Private Limited, C101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083. Tel: 022 - 4918 6000 | |
| | Form for availing investor services to register PAN, email address, bank details and other KYC details or changes/update thereof for securities held in physical mode | Form ISR-1 |
| | Update of signature of securities holder | Form ISR-2 |
| | For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014 | Form SH-13 |
| | Declaration for opting out of Nomination | Form ISR-3 |
| | Cancellation of nomination by the holder(s) (along with ISR-3)/Change of Nominee | Form SH-14 |
| | Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form | Form ISR-4 |
| | The forms for updating the above details are available at: https://web.linkintime.co.in/KYC-downloads.html | |
| Demat | Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service ("NECS"), Electronic Clearing Service ("ECS"), mandates, nominations, power of attorney, change of address/name, e-mail address, contact numbers, etc. to their Depository Participant ("DP") only, and not to the Company's RTA. | |
| | Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its RTA to provide efficient and better services to the Members. | |

8. Members may note that the Board of Directors of the Company, at its meeting held on May 30, 2022, has recommended a final dividend of ₹ 1.00 (Rupee One only) per equity share of Rs. 10/- each for the Financial Year 2021-22. The date of Book Closure for the purpose of dividend as mentioned above is from Friday, September 23, 2022 to Friday, September 30, 2022 (both days inclusive). The dividends, once approved by the Members at the ensuing AGM, will be paid within 30 days from the date of their declaration, electronically through various online transfer modes to those Members who have updated their bank account details. For Members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses. To avoid delay in receiving dividend, Members are requested to update their KYC with their depositories (where shares are held in dematerialised mode) and with the Company's RTA (where shares are held in physical mode) to receive dividend directly into their bank account on the payout date.
9. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of Members. The Company shall therefore be required to deduct Tax at Source ("TDS") at the time of making the payment of dividends as mentioned above.

In order to enable the Company to determine the appropriate TDS rate as applicable, Members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

| | |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Members having valid Permanent Account Number ("PAN") | 10% or as notified by the Government of India |
| Members not having PAN / valid PAN (Section 206AA of the IT Act) | 20% or as notified by the Government of India |
| Members not filing Income Tax return for preceding one year and whose TDS/TCS credit is more than ₹ 50,000 (Section 206AB of the IT Act) | 20% or as notified by the Government of India |

However, no tax shall be deducted on the dividends payable to a resident individual if the total dividend to be received by them during fiscal 2022 does not exceed ₹ 5,000 and also in cases where Members provide Form 15G / Form 15H (Form 15H is applicable to individuals aged sixty (60) years or more) subject to conditions specified in the IT Act. PAN is mandatory for Members providing Form 15G / 15H or any other document as mentioned above.

Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding tax.

For non-resident shareholders (including Foreign Institutional Investors / Foreign Portfolio Investors), Taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividends payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA"), read with Multilateral Instrument ("MLI") between India and the country of tax residence of the Member, if they are more beneficial to them. For this purpose, i.e., to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Self-attested copy of the PAN card allotted by the Indian Income Tax Authorities duly attested by the Member or in case PAN is not available, details as prescribed under Rule 37BC of Income-tax Rules, 1962
- Self-attested copy of Tax Residency Certificate for fiscal 2022 obtained from the revenue authorities of the country of tax residence, duly attested by Member
- Self-declaration in Form 10F
- Self-declaration by the Member that (i) does not have a permanent establishment in India under the applicable Tax Treaty, (ii) is the beneficial owner of the dividends, (iii) complies with any other condition prescribed in the relevant Tax Treaty and provisions under the Multilateral Instrument ('MLI') (iv) will not have a place of effective management in India.
- FPI shareholders shall, in addition to above documents, also provide SEBI Registration Certificate as FII / FPI
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the Member.

Please note that application of the beneficial rate of tax treaty for TDS is at the discretion of the company and shall depend upon the completeness and satisfactory review of the same by the Company.

Accordingly, the aforementioned documents are required to be uploaded on the shareholder portal at <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before September 23, 2022.

No communication would be entertained from Members after September 23, 2022 regarding tax withholding matters.

It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from a Member, there would still be an option available with the Member to file the return of income and claim an appropriate refund, if eligible.

The Company shall arrange to e-mail the soft copy of TDS certificate to Members at their registered e-mail ID in accordance with the provisions of the Income Tax Act 1961 after filing of the quarterly TDS Returns of the Company, post payment of the said Dividend.

In terms of the provisions of Section 124 and other applicable provisions of the Act, the amount of dividend not encashed or claimed within seven (7) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

10. To support the 'Green Initiative', members who have not registered their e-mail addresses are requested to register the same with our RTA M/s. Link Intime India Pvt. Ltd. / Depositories.
11. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent, M/s. Link Intime India Pvt. Ltd. for assistance in this regard.
12. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA M/s. Link Intime India Pvt. Ltd., the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
13. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
14. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before September 23, 2022 through e-mail on contact@samratpharmachem.in. The queries will be replied by the Company suitably.
15. Members holding shares in physical form are requested to intimate the Registrar and Transfer Agent ("RTA") of the Company viz., Link Intime India Private Limited, C101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083 immediately of any change in their name, registered address along with pin code number, email address, telephone / mobile number, Permanent Account Number ("PAN"), mandates, nominations, power of attorneys, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc. and relevant evidences.

Members holding shares in electronic form shall update such details with their respective Depository Participant ("DP").

16. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
17. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
18. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
19. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. September 30, 2022. Members seeking to inspect such documents can send an email to contact@samratpharmachem.in
20. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.samratpharmachem.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
21. The Board of Directors has appointed Mr. Aqueel A. Mulla of M/s. A. A. Mulla & Associates, Practising Company Secretary (Membership No. FCS 2973) as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

Instructions for e-voting and joining the AGM are as follows:

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Tuesday, September 27, 2022 at 9:00 A.M. and ends on Thursday, September 29, 2022 at 5:00 P.M. During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, September 23, 2022 i.e. cut-off date, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

I. Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

| Type of Shareholders | Login Method |
|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL | <p>A NSDL IDeAS facility If you are already registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on “Access to e-Voting” appearing on the left hand side under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting. <p>If you are not registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Option to register is available at https://eservices.nsdl.com/. 2. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Please follow steps given in points 1-5. |

| | |
|----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>B e-Voting website of NSDL</p> <ol style="list-style-type: none"> 1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone. 2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting. |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi / Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of ESP i.e. NSDL portal. Click on NSDL to cast your vote. |
| | <ol style="list-style-type: none"> 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/ EasiRegistration. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) logging through their depository participants | <ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility. 2. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting. |

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

| Login type | Helpdesk details |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities held with NSDL | Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Securities held with CDSL | Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

II. Login method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under “Shareholders / Member” section
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
5. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | | Your User ID is: |
|----------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A) | For Members who hold shares in demat account with NSDL | 8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12***** |
| B) | For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12***** |
| C) | For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001*** |

6. Your password details are given below:
 - A) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - B) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you by NSDL. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - C) How to retrieve your ‘initial password’?

- i) If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii) In case you have not registered your e-mail address with the Company / Depository, please follow instructions mentioned below in this notice.
7. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
 - a) Click on "Forgot User Details / Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address
 - d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL
8. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box
9. Now, you will have to click on "Login" button
10. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is mentioned below:**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to contact@samratpharmachem.in with a copy marked to evoting@nsdl.co.in

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to contact@samratpharmachem.in

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to contact@samratpharmachem.in

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/have questions during the meeting may register themselves as speakers and/or may send their questions/ request seven (7) days prior to meeting mentioning their name demat account number/folio number, email id, mobile number at contact@samratpharmachem.in. The same will be replied by the company suitably.

Other Instructions:

1. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, September 23, 2022.
2. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his / her existing User ID and password for casting the vote.
3. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, within a period not exceeding two (2) working days from the conclusion of the AGM, a consolidated Scrutinizers Report of the total votes cast in favour or against if any, to the Chairman of the Company who shall countersign the same.
4. The results declared along with the Scrutinizer's Report will be posted on the company's website www.samratpharmachem.com and on the website of NSDL <https://www.evoting.nsdl.com> within two (2) days of the passing of the resolutions at the 30th AGM of the Company on Friday, September 30, 2022 and shall be communicated to BSE Limited ("BSE"), where the shares of the Company are listed.

**By order of the Board of Directors
For Samrat Pharmachem Limited**

**Lalit Mehta
Chairman & Managing Director
DIN : 00216681**

**Place : Mumbai
Date : 30 May 2022**

ANNEXURE TO THE NOTICE
Explanatory Statement

Pursuant to section 102 of the Companies Act

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statements set out all material facts relating to the business mentioned under Item No. 4 accompanying Notice:

Item No. 4

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. S. N. Addagatla & Co., Cost Accountants, (Firm Registration No. 103855), the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2023 at a remuneration of ₹ 90,000/- (Rupees Ninety Thousand Only) plus applicable taxes. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the Members of the Company. Accordingly, ratification by the Members is sought for the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2023 by passing an Ordinary Resolution as set out at Item No. 4 of the Notice.

None of the Directors and Key Managerial Personnel of the Company (including relatives of Directors and Key Managerial Personnel) are in any way, whether financially or otherwise, concerned or interested in the said resolution.

The Board of Directors recommend the Ordinary Resolution as set out in Item No. 4 of the Notice for approval by the Members.

By order of the Board of Directors
For Samrat Pharmachem Limited

Place : Mumbai
Date : 30 May 2022

Lalit Mehta
Chairman & Managing Director
DIN : 00216681

Annexure A

Details of Directors seeking re-appointment at the Annual General Meeting scheduled to be held on September 30, 2022

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015].

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Name of the Director | Megh Rajesh Mehta (DIN: 07287394) |
| Date of birth | 01.08.1992 |
| Age | 29 years |
| Date of Appointment | 01.10.2015 |
| Relationship with Directors | Relative: Son of Mr. Rajesh Mehta Grandson of Mr. Lalit Mehta |
| Expertise in specific functional area | Wide experience in Marketing & Sales |
| Qualification(s) | <ul style="list-style-type: none"> • Bachelor of Management Studies (BMS) • Masters in Business Administration (MBA) |
| Directorships held in other listed companies | Nil |
| Chairmanships/ Memberships of Committees of other public companies (includes only Audit Committee And Stakeholders Relationship Committee) | Nil |
| Number of shares held in the Company as on March 31, 2022 | 46,650 |

Notes:

1. The Directorship, Committee Memberships and Chairmanships do not include positions in foreign companies, unlisted companies and private companies, position as an Advisory Board Member and position in companies under Section 8 of the Companies Act, 2013.
2. The proposal for re-appointments of Directors has been approved by the Board pursuant to the recommendation of the Board Governance, Nomination and Compensation Committee considering their skills, experience and knowledge and positive outcome of performance evaluation.
3. Information pertaining to remuneration paid to the Directors who are being re-appointed and the number of Board Meetings attended by them during the year 2021-22 are provided in the Corporate Governance Report.
4. For other details such as number of meetings of the board attended during the year, remuneration drawn, please refer to the corporate governance report which is a part of this Annual Report.

DIRECTORS' REPORT

To,
The Members
 Samrat Pharmachem Limited

The Directors are pleased to present the 30th Annual Report on the business and operations of the company and the financial accounts for the year ended 31 March 2022

FINANCIAL PERFORMANCE

| <i>Particulars</i> | 31-Mar-2022 Rs. Lakhs | 31-Mar-2021 Rs. Lakhs |
|--------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| <i>Revenue from Operations</i> | 22,181.17 | 17,901.78 |
| <i>Other Income</i> | 55.08 | 46.28 |
| <i>Total Revenue</i> | 22,236.24 | 17,948.06 |
| <i>Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)</i> | 2,489.40 | 913.11 |
| <i>Interest and Finance Charges</i> | 67.45 | 127.67 |
| <i>Profit / (Loss) before Depreciation, Exceptional Items & Tax</i> | 2,421.96 | 785.44 |
| <i>Depreciation</i> | 59.47 | 49.29 |
| <i>Exceptional Items</i> | 2.34 | 1.77 |
| <i>Profit / (Loss) before Tax (PBT)</i> | 2,362.48 | 736.16 |
| <i>Provision for Tax / Tax expense</i> | 641.65 | 201.07 |
| <i>Profit / (Loss) after Tax (PAT)</i> | 1,720.83 | 535.09 |
| <i>Earnings Per Share (Basic EPS) in Rupees</i> | 5,562,000.00 | 1,726,000.00 |

Other Financial Disclosures

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which this financial statement relates on the date of this Report.

During the financial year, there was no amount proposed to be transferred to the Reserves. Capital Expenditure during the year was at Rs. 127 Lakhs (*Rs. 272 Lakhs in the previous year*).

During the year, your Company did not accept any public deposits under Chapter V of the Companies Act, 2013.

Your Company manages cash and cash flow processes assiduously, involving all parts of the business. There was a net cash surplus of 1446.17 lakhs (*financial year 2020-21: -1.56 Lakhs*), as on 31st March, 2022. The Company's low debt equity ratio provides ample scope for gearing the Balance Sheet, should the need arise. Foreign Exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time. There are no materially significant uncovered exchange rate risks in the context of Company's imports and exports. The Company accounts for mark-to-market gains or losses every quarter end, are in line with the requirements of Ind AS 21. The details of foreign exchange earnings and outgo as required under Section 134 of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014 are mentioned below:

| Particulars | FY 2021-22 | FY 2020-21 |
|--------------------------|------------|------------|
| Foreign exchange earning | 1,073.34 | 1,366.19 |
| Foreign exchange outgo | 15,277.97 | 13,341.53 |

Covid-19 Pandemic

The COVID-19 Pandemic has been pacified in the year 2021-22 with infection coming down drastically. All sectors of business activities have reopened and businesses have recovered the lost ground and new opportunities opened up.

The vaccination measures initiated by Government and private sector helped in controlling the pandemic.

OPERATIONS

Your company has performed extremely well during the year. In a highly competitive, uncertain and volatile business environment, your Company achieved a turnover of Rs. 22181 Lakhs as against Rs. 17902 Lakhs achieved last year - an increase of more than 23%.

DIVIDEND

Based on the Company's healthy performance, the Board of Directors of your Company is pleased to recommend a Dividend of ₹ 1/- (Rupee One only) per Equity Share of ₹ 10/- (Rupees Ten only) each for the year ended March 31, 2022. The total Dividend outgo amounts to ₹ 30.897 Lakhs.

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 23, 2022 to Friday, September 30, 2022 (both days inclusive) for the purpose of payment of the Dividend for the Financial Year ended March 31, 2022 and 30th Annual General Meeting of the Company.

Pursuant to the Finance Act, 2020, Dividend income is taxable in the hands of the shareholders effective from April 1, 2020 and the Company is required to deduct tax at source from Dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

According to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), top 1,000 listed entities based on market capitalisation, calculated as on March, 31 of every Financial Year are required to formulate a Dividend Distribution Policy which shall be disclosed on the website of the listed entity and a weblink shall also be provided in their Annual Reports. Accordingly, your Company has adopted the Dividend Distribution Policy and the same can be accessed using the following link: <https://www.samratpharmachem.com/policy/dividend-distribution-policy/>

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION & PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education & Protection Fund.

SHARE CAPITAL

The issued, subscribed and paid-up Equity Share Capital of the Company as on March 31, 2022 was ₹ 308.97 Lakhs comprising of 3089700 Equity Shares of ₹ 10/- each. The Company has not issued any Equity Shares during FY 2021-22. There was no change in Share Capital during the year under review.

EXPORTS

During the year 2021-22 your company's export division registered FOB sales of Rs. 1073 Lacs from Rs. 1366 Lacs achieved last year. Your Company has initiated several export promotion measures to increase exports. The products of your Company have been well accepted in the international market and the Company expects better export turnover in the coming years.

DEMATERIALISATION

The equity shares of the Company have been dematerialized by joining the depositories viz. National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL). The ISIN (International Securities Identification Number) No. allotted to the Company is INE103E01016.

LISTING OF SHARES

The Company's shares are listed on the BSE Ltd. It has paid the listing fees of the said exchange for the period upto 31st March, 2023. Your Company has not been delisted on this exchange for non-payment of listing fees.

INSURANCE

The assets of the company have been adequately insured against all possible risks with ICICI Lombard General Insurance Co Ltd

WEBSITE

Your company's website address is www.samratpharmachem.com. The performance of the Company is regularly updated and made available on this website. The website provides other vital information about the Company.

SAFETY, HEALTH & ENVIRONMENT (SHE) POLICY

As a responsible corporate citizen, the Company is fully aware of its responsibilities for protection of the environment and to provide its employees a safe and hazard free work place. The Company has adopted a Safety, Health & Environment Policy that applies to all employees and activities. The work culture encourages total involvement and commitment of the employees to the SHE Policy.

Some of the activities carried out during the year are as follows.

Safety:

- Providing necessary equipment's and apparatus required for the safe operation of the manufacturing activities
- Observing the rules and regulations with regard to safety & precaution
- Consulting emergency control management team to monitor the safety of the plant

- Conducting regular safety audit
- Encouraging the workforce to use protective equipment's and maintain cleanliness
- Conducting seminars to impart knowledge to employees on safe operations
- Organising safety week to create safety awareness

Health:

- Conducting medical health check up for all the employees of the Company periodically
- Conducting lecture meetings for providing guidance and counselling on matters of health, diet and exercise
- Conducting seminars to impart knowledge on meditation, yoga and anti-stress therapy

Environment:

- Ensuring smooth functioning of the effluent treatment plant with respect to air, water and solid waste.
- Updating the ETP plant to make it more nature friendly
- Proper monitoring of the pollution levels in and around the plants
- Planting trees in and around the factory
- Complying with the prescribed norms of pollution control

PERSONNEL

As on 31st March 2022, the total number of employees on the payroll of the company were 28. Industrial relations with employees at various levels continue to be cordial.

DIRECTORS & KEY MANAGERIAL PERSONNEL

In pursuance to the provisions of the Companies Act, 2013, and Articles of Association of the company Mr. Megh Mehta, Director retires by rotation and being eligible has offered himself for re-appointment.

As per the provisions of the Act, the Independent Directors are not liable to retire by rotation. The Independent Directors of your Company have given the certificate of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 and the Listing Regulations. The details of training and familiarization program and Annual Board Evaluation process for Directors have been provided in the Corporate Governance Report. The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for key managerial personnel and other employees, forms part of the Corporate Governance Report of this Annual Report.

The company has received declaration from all the independent directors confirming that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013.

The company has devised a policy for the performance evaluation of independent directors, Board committees and other individual directors which include criteria for performance evaluation of non-executive directors and executive directors. The manner in which the evaluation is carried out has been explained in the Corporate Governance Report.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Your company has no subsidiaries, joint ventures or any associate companies during the year.

MEETING OF THE BOARD

During the year under review 6 Board Meetings were held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013. For further details please refer to the Corporate Governance Report attached to this Annual Report.

AUDIT COMMITTEE

The Audit Committee comprises of the 3 Directors namely, Mr. Mahendra Pipalia (Chairman) and Mr. Samir Kothary and Ms. Renu Dharod as other members of the committee.

This committee recommends and reviews the unaudited & audit financial results. it also recommends the appointment / re-appointment of Statutory Auditor, Tax Auditor & GST Auditor. It also oversees whistle blower policy and makes recommendation to the Board from time to time. The committee also guides the Board for improving MIS systems, digitalising business operations and making all operations online & law compliant. The Board has accepted all recommendations made by the audit committee during the year.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of the 3 Directors namely, Mr. Samir Kothary (Chairman), and Mr. Mahendra Pipalia and Ms. Renu Dharod as other members of the committee.

This committee recommends and reviews the appointment and remuneration of Directors. It has adopted a policy which deals with the appointment and remuneration of directors and key managerial personnel. The adopted policy decides about the manner of selection of executive directors, key managerial personnel, and independent directors. The policy also decides about the criteria to be followed for recommending the remuneration of directors and key managerial personnel.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises of the 3 Directors namely, Ms. Renu Dharod (Chairperson) and Mr. Mahendra Pipalia and Mr. Samir Kothary as other members of the committee.

The committee reviews investor services, reviews work done by the share transfer agent including adherence to the service standards & resolve investor grievance. The committee also advises the company on various shareholders' related matters.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises of the 3 Directors namely, Ms. Renu Dharod (Chairperson) and Mr. Mahendra Pipalia and Mr. Samir Kothary as other members of the committee.

The risk management committee of the board oversees and reviews the risk management framework as well as the assessment of risks, their management and mitigation procedures. They also discuss with senior management regarding enterprise risk management (ERM) and management of cyber security risks. They also assess business risk, credit risk, disaster management and proper coverage of insurance of the fixed assets of the Company including their safety and security.

HEALTH, SAFETY AND SUSTAINABILITY COMMITTEE

The Health, Safety and Sustainability Committee comprises of the 3 Directors namely, Ms. Renu Dharod (Chairperson) and Mr. Mahendra Pipalia and Mr. Samir Kothary as other members of the committee.

The Committee establishes with management long term environmental and social sustainability, health and safety goals and evaluate the Company's progress against those goals and report to the Board. It also considers and advises management of emerging environmental and social sustainability issues that may affect the business, performance or reputation of the Company and make recommendations, as appropriate, on how management can address such issues;

The committee monitors the company's risk management processes related to environmental and social sustainability, health and safety with particular attention to managing and minimising environmental risks and impacts. The Committee also advises the management on implementing, maintaining and improving environmental and social sustainability, health and safety strategies, implementation of which creates value consistent with long term preservation and enhancement of shareholder-value.

It also reviews handling of incident reports, pollution control measures, results of investigations into material events, findings from environmental and social sustainability, health and safety audits and the action plans proposed pursuant to the findings.

CONSTITUTION OF CSR COMMITTEE

The Company has constituted CSR Committee which comprises of 6 Directors namely, Mr. Lalit Mehta, Mr. Rajesh Mehta, Mr. Megh Mehta, Mr. Mahendra Pipalia, Mr. Samir Kothary & Ms. Renu Dharod. The Chairperson of the Committee is Ms. Renu Dharod.

The Committee formulates, reviews and recommends to the Board, a CSR policy indicating the activities to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013;

The brief outline of the corporate social responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure I** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. This Policy is available on the Company's website www.samratpharmachem.com

BOARD EVALUATION

The Board of Directors have carried out an annual evaluation of its own performance, Board Committees and individual directors pursuant to the provision of Act and the Corporate Governance requirement as prescribed by Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations"). The performance of Board was evaluated by the Board of Directors after seeking inputs from all directors on the basis of criteria such as Board Composition & Structure, Effectiveness of Board Process, Information and functioning, etc.

In separate meeting of Independent directors' performance of Non-Independent Directors, performance of the Board as whole and performance of Chairman was evaluated, taking into account the views of executive directors and non-executive directors.

POLICIES

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All our corporate governance policies are available on our website (www.samratpharmachem.com). These policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

Policies adopted by the Company:

| Name of the policy | Web link |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Archival Policy | https://www.samratpharmachem.com/governance-policies/ |
| Appointment of Independent Directors Policy | https://www.samratpharmachem.com/governance-policies/ |
| Related Party Transactions & its Materiality Policy | https://www.samratpharmachem.com/governance-policies/ |
| Familiarization Program for Independent Directors | https://www.samratpharmachem.com/governance-policies/ |
| Remuneration Policy | https://www.samratpharmachem.com/governance-policies/ |
| Privacy Policy | https://www.samratpharmachem.com/governance-policies/ |
| Preservation of Documents Policy | https://www.samratpharmachem.com/governance-policies/ |
| Quality Policy | https://www.samratpharmachem.com/governance-policies/ |
| Safety, Health & Environment (SHE) Policy | https://www.samratpharmachem.com/governance-policies/ |
| Corporate Social Responsibility Policy | https://www.samratpharmachem.com/governance-policies/ |
| Material Subsidiary and its Governance | https://www.samratpharmachem.com/governance-policies/ |
| Whistle-blower Policy | https://www.samratpharmachem.com/investor-policies/ |
| Materiality of Events Policy | https://www.samratpharmachem.com/investor-policies/ |
| Dividend Distribution Policy | https://www.samratpharmachem.com/investor-policies/ |
| Insider Trading Policy | https://www.samratpharmachem.com/investor-policies/ |
| Fair Code For Insider Trading Policy | https://www.samratpharmachem.com/investor-policies/ |
| Inquiry Leak of UPSI | https://www.samratpharmachem.com/investor-policies/ |
| Code of Conduct for Prohibition of Insider Trading | https://www.samratpharmachem.com/investor-policies/ |
| Legitimate Purposes Policy for sharing UPSI | https://www.samratpharmachem.com/investor-policies/ |

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

| ((₹) lakh) | | | | | |
|------------|------------------------------------------------------------|------------------------------|------------------------------|---------------------------------------------|-------------------------------------------------|
| Sr. No. | Name & Designation | Remuneration Paid FY 2021-22 | Remuneration Paid FY 2020-21 | Increase in remuneration from previous year | Ratio/Times per Median of employee remuneration |
| 1 | Mr. Lalit Mehta <i>Chairman & Managing Director</i> | 36.00 | 18.00 | 18.00 | 16.44 |
| 2 | Mr. Rajesh Mehta <i>Executive Director</i> | 30.00 | 17.40 | 12.60 | 13.70 |
| 3 | Mr. Megh Mehta <i>Executive Director</i> | 15.00 | 9.00 | 6.00 | 6.85 |
| 4 | Mr. Nishant Kankaria <i>Company Secretary</i> | 2.29 | 1.99 | 0.31 | 1.05 |

For more information on the remuneration of Executive Directors & KMP, please refer to the **Annexure II** to the Directors Report

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors report that: -

1. That the preparation of accounts for the Financial Year ended 31st March 2022, the applicable accounting standards read with requirements set out under Schedule III of the Act, have been followed along-with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the Financial Year and the Profit or Loss of the Company for the year on that date;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors' have prepared the accounts for the financial year ended 31st March 2022 on a going concern basis.
5. That the Directors have laid down internal financial control to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
6. That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by the management and the relevant board committees, including the audit committee the board is of the opinion that the company's internal financial controls were adequate and effective during the financial year 2021-22.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

As required under regulation 34 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Management Discussion and Analysis Report is enclosed as a part of this annual report.

CORPORATE GOVERNANCE

A separate report on Corporate Governance is provided together with a Certificate from the Corporate Governance Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations. A Certificate of the CEO and CFO of the Company in terms of Listing Regulations, inter-alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed to the annual report.

SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

During the year under review, there were no cases reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has complied with the applicable provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, including constitution of the Sexual Harassment Committee i.e. Internal Complaints Committee.:

| | |
|--------------------------------------------------------------|-----|
| No. of complaints filed during Financial Year 2021-22 | Nil |
| No. of complaints disposed off during Financial Year 2021-22 | NA |
| No. of complaints pending as on 31st March, 2022 | NA |

STATUTORY AUDITORS

M/s. Shah & Savla LLP, Chartered Accountants (FRN : 109364W / W100143) has been re-appointed as Statutory Auditors of your Company, for the second term of five consecutive years. The Auditors have confirmed that they are not disqualified from being re-appointed as Auditors of the Company. The Report given by the Auditors on the financial statement of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Companies Act, 2013.

STATUTORY AUDITORS REPORT

The report of Statutory Auditors alongwith notes to schedules is a part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their report. Further there is no incident of fraud requiring reporting by Auditors under section 143(12) of the Companies Act, 2013.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has in place adequate internal financial control procedures commensurate with its size and the nature of business.

The Company has appointed an Internal Auditor who periodically conducts audit of the adequacy and effectiveness of the internal controls laid down by the management and suggest improvements. During the year under review, no material or serious observation has been received from the Statutory Auditors of the Company for inefficiency or inadequacy of such controls.

The Audit Committee of the Board of Directors approves the annual internal audit plan and periodically reviews the progress of audits as per approved audit plans.

ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has undertaken an audit for the financial year 2021-22 for all applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder.

SECRETARIAL AUDITOR

Pursuant to provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s. A. A. Mulla & Associates a firm of company Secretaries in practice to undertake the Secretarial Audit of the Company for the financial year 2022-23. The Secretarial Audit Report submitted by the Secretarial Auditor is enclosed herewith as a part of this report and shown as **Annexure III**.

The Secretarial Audit Report contains qualification, reservation or adverse remark pertaining to non-compliance under SEBI (LODR) Regulations, 2015 which has been complied with & penalty imposed by BSE has been paid.

SECRETARIAL STANDARDS

The Company has complied with all the applicable provisions of Secretarial Standard-1 and Secretarial Standard-2 as issued by the Institute of Company Secretaries of India.

COST AUDITORS

The Company is required to maintain cost records under Companies (Cost Records and Audit) Rules, 2014, as amended from time to time. Accordingly, cost records have been maintained by the Company.

The Board of Directors, on the recommendation of the Audit Committee, appointed M/s. S. N. Addagatla & Co., Cost Accountants, (Firm Registration No. 103855), as Cost Auditors to conduct audit of the Company's cost records for FY 2022-23 at a remuneration of ₹ 90,000/- (Rupees Ninety Thousand only). The Cost Auditors, M/s. S. N. Addagatla & Co., Cost Accountants, have confirmed that they are free from disqualification specified under Section 141 (3) and Section 148 (3) read with Section 141 (4) of the Act and that the appointment meets the requirements of the Act. They have further confirmed their independent status and an arm's length relationship with the Company. As required under the provisions of the Act, the remuneration of Cost Auditors as approved by the Board of Directors is subject to ratification by the Members at the ensuing Annual General Meeting. An Ordinary Resolution for the ratification of remuneration of Cost Auditors for FY 2022-23 is provided in the Notice under Special Businesses.

Your Directors recommend the same for approval by the Members of the Company.

The Cost Auditor's Report will be filed within the prescribed period of 180 days from the close of the Financial Year.

COST ACCOUNTS AND COST RECORDS

The company is required to maintain cost records under section 148 of the Companies Act 2013 read with The Companies (Cost Records & Audit) Rules 2014. As required under the above mentioned provision, the cost accounts and cost records have been maintained by the company.

REPORTING OF FRAUD BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143 (12) of the Act and the Rules made thereunder.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

RELATED PARTY TRANSACTION / DISCLOSURE

There are no related party transactions made by the company during the year. None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2021-22 and hence does not form part of this report.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2022 is available on the Company's website on <https://www.samratpharmachem.com/annual-returns/>

LOANS, GUARANTEES AND INVESTMENTS

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

PARTICULARS OF EMPLOYEES

Under the provision of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), 1956 read with Companies (Particulars of Employees) Rules, 2014, the particulars of the employees as required to be mentioned in the Annual Report is not applicable to the company.

SHARES ISSUED UNDER EMPLOYEE STOCK OPTION SCHEME (ESOS)

No shares have been issued to the employees under Employee Stock Option Scheme (ESOS) during the year.

PUBLIC DEPOSITS

The Company has not invited and accepted deposits from the public during the financial year ended 31st March 2022.

DISCLOSURE OF PARTICULARS RELATING TO CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed pursuant to the provisions of Section 134 of the Act read with Rule 8 of the Companies (Accounts Rules), 2014, is given hereunder.

GREEN INITIATIVES

The electronic copies of Annual Report 2021-22 are sent to all members who have registered their email address with the company / depository participants.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Your Company continues to explore & implement measures that will help in conservation and saving of energy.

Measures taken & benefits derived are as follows:

- Hot water coming from steam traps is recycled & used as boiler feed water.
- Using economiser effectively to pre-heat boiler feed water.
- Timely & routine preventive maintenance of boiler.
- Improvement in unit operations leading to reduction in processing time in reactor, centrifuge, drier & other equipment's to minimize use of electricity.
- Hot water coming from steam traps is recycled & used as boiler feed water.

TECHNOLOGY ABSORPTION

The management has focused on productivity and quality improvement in order to optimize manufacturing costs. This has helped in achieving optimum manufacturing costs, improved quality of products and consequently enhanced customer satisfaction. The company uses indigenous technology.

DISCLOSURE REQUIREMENTS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

GENERAL

Your directors state that no disclosure or reporting is required in respect of the following matter as there were no transactions on these matters during the financial year under review.

- There are no material changes and commitments affecting the financial position of the company which have occurred between the end financial year 2021-22 & date of this report
- The company has not accepted any deposit within the meaning of sections 73 & 74 of the companies act 2013 read with companies (Acceptance of Deposits) Rules 2014.
- There are no significant material orders passed by the Regulators / Courts / Tribunals impacting the going concern status of the company and its operations in future.
- The auditors of the company have not reported any fraud as specified under section 143 (12) of the companies act 2013.
- There has been no change in the nature of business of the company.
- The company has not issued any sweat equity shares to its directors or employees.

- The company has not issued equity shares with differential rights as to dividend, voting or otherwise.
- There is no proceeding pending under the Insolvency & Bankruptcy Code 2016 and
- There was no instance of one time settlement with any bank or financial institution.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation towards all associates including customers, suppliers, financial institutions, bankers, employees, consultants, shareholders and to all those who have extended their committed support to the progress of the Company.

**By order of the Board of Directors
For Samrat Pharmachem Limited**

**Place : Mumbai
Date : 30 May 2022**

**Lalit Mehta
Chairman & Managing Director
DIN : 00216681**

Annexure I to the Directors Report

**Annual Report On The Corporate Social Responsibility (CSR) Activities
as on financial year ended on March 31, 2022**

[Pursuant to Section 135 of the Companies Act, 2013 and CSR rules as ammended]

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Samrat Pharmachem Limited core belief is to make a meaningful and positive contribution to the society as whole by way of looking for opportunity to help the needy and ensuring environment sustainability in the long run. We strive to enrich the lives of the community at large through our CSR initiatives. To achieve our objective, we strive to implement the projects through various non-governmental organisations (NGO) partners, government bodies and other social institutions.

Our vision is to create an environment where a person with the ability to feed far exceeds the person with need. This will create a long term self sustainable and compassionate environment.

We have identified the following areas to achieve our objective although not limited to these areas alone:

- *Education to the under privileged, Contributing to skill development programmes*
- *Contributing to programmes for environmental sustainability etc.*
- *Protection of national heritage, art and culture including restoration of historical places*
- *Setting up of public library*
- *Promotion and development of traditional arts and handicrafts*
- *Training & promotion of rural sports*
- *Conservation of natural resources, forests, animal welfare & endangered wild life*
- *Eradicating hunger, poverty & malnutrition, promoting health care including preventive healthcare, sanitation & providing safe drinking water*
- *Providing mobile toilets to prevent open defecation*
- *Construction of home for old aged people and orphans*
- *Income enhancement through farm based and other livelihood opportunities*
- *Promoting/supporting any activities covered under Schedule VII of the Companies Act, 2013.*

The Board had approved the CSR policy of the Company. It can be viewed at the company website www.samratpharmachem.com

2. Composition of the CSR Committee:

| Sr. No. | Name | Designation / Name of Directorship | Number of meetings of CSR Committee held during the year | Number of Meetings of CSR Committee attended during the year |
|---------|----------------------|----------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------|
| 1. | Ms. Renu Dharod | Chairperson Non-Executive, Independent Director | 4 | 4 |
| 2. | Mr. Lalit Mehta | Member Executive Director | 4 | 4 |
| 3. | Mr. Rajesh Mehta | Member Executive Director | 4 | 4 |
| 4. | Mr. Megh Mehta | Member Executive Director | 4 | 4 |
| 5. | Mr. Mahendra Pipalia | Member Non-Executive, Independent Director | 4 | 4 |
| 6. | Mr. Samir Kothary | Member Non-Executive, Independent Director | 4 | 4 |

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

Composition of the CSR committee shared above and is available on the Company's website on <https://www.samratpharmachem.com/board-committees/>

CSR Policy - <https://www.samratpharmachem.com/policy/corporate-social-responsibility/>

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

Not applicable

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

| Sr. No. | Financial Year | Amount available for set-off from preceding financial years (in Lakhs Rs.) | Amount required to be set-off from preceding financial years (in Lakhs Rs.) |
|---------|----------------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| 1 | 2020-21 | 0.17 | - |

6. Average net profit of the company for last three financial years (in Lakhs Rs.) : Rs. 509.55

| Particulars | F.Y. 2018-19 (31-03-19) | F.Y. 2019-20 (31-03-20) | F.Y. 2020-21 (31-03-21) |
|-------------------------|----------------------------|----------------------------|----------------------------|
| Profit Before Tax (Rs.) | 215.77 | 578.50 | 734.39 |

Total Profit Before Tax of 3 Years ₹ 1,528.66

Average Net Profit of 3 Years ₹ 509.55

7. a 2% of Average Net Profit for the purpose of CSR Expenditure of the Company as per Section 135(5) : ₹ 10.19
- b Surplus arising out of the CSR projects or programmes or activities of the previous financial years : ₹ 0.17
- c Amount required to be set off for the financial year, if any : ₹ 0.00
- d Total CSR obligation for the financial year (7a+7b-7c) : ₹ 10.36

8. a Details of CSR spent or unspent during the financial year

| Total Amount Spent for the Financial Year | Amount unspent | | | | |
|-------------------------------------------|-----------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per Section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) | | |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer |
| ₹ 10 | ₹ 0.17 | 31/03/2022 | - | - | - |

- b Details of CSR amount spent against ongoing projects for the financial year:

| Sr. No. | Name of the Project | Item from the list of activities in schedule VII to the Act | Local Area (Yes / No) | Location | Amount spent | Mode of implementation Direct (Yes / No) | Mode of implementation - Through implementing agency |
|---------|---------------------|-------------------------------------------------------------|-----------------------|----------|--------------|------------------------------------------|------------------------------------------------------|
| | | | | | | | Name / CSR registration no. |
| 1 | - | - | - | - | Nil | - | - |

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

| Sr. No. | Name of the Project | Item from the list of activities in schedule VII to the Act | Local Area (Yes / No) | Location | Amount spent (in Lakhs Rs.) | Mode of implementation - Direct (Yes / No) | Mode of implementation - Through implementing agency |
|--------------|---------------------|-------------------------------------------------------------|-----------------------|---------------------|-----------------------------|--------------------------------------------|-----------------------------------------------------------------------------|
| | | | | | | | Name / CSR registration no. |
| 1 | Health | i | No | Mumbai, Maharashtra | ₹ 1.08 | Yes | S. V. Foundation Public Charitable Trust CSR00006562 |
| 2 | Health | i | No | Mumbai, Maharashtra | ₹ 0.33 | Yes | Santokba And Premkorba Charitable Trust CSR00004881 |
| 3 | Health | i | No | Mumbai, Maharashtra | ₹ 2.78 | Yes | Access Life Assistance Foundation CSR00000715 |
| 4 | Education | ii | No | Mumbai, Maharashtra | ₹ 0.12 | Yes | Smt. Kumudben Dwarkadas Vora Industrial Home for Blind Women CSR00011329 |
| 5 | Education | ii | No | Mumbai, Maharashtra | ₹ 0.71 | Yes | Shree Pandit Ratanchandrajai Jain Kanyashala Trust CSR00005094 |
| 6 | Health | i | No | Mumbai, Maharashtra | ₹ 5.00 | Yes | Asiatic Charitable Trust CSR00009594 |
| 7 | Relief | viii | No | Pan India | ₹ 0.01 | Yes | P M Cares Fund |
| Total | | | | | ₹ 10.02 | | |

| | | | |
|---|------------------------------------------------------|---|---------|
| b | Amount spent in Administrative Overheads | : | Nil |
| c | Amount spent on Impact Assessment, if applicable | : | Nil |
| d | Total amount spent for the Financial Year (8a+8b+8c) | : | ₹ 10.02 |
| e | Excess amount for set off, if any | : | ₹ 0.00 |

| Sr. No. | Particulars | Amount in Lakhs (Rs.) |
|---------|-------------------------------------------------------------------------------------------------------------|-----------------------|
| 1. | Two percent of average net profit of the Company as per Section 135(5) | 10.19 |
| 2. | Total amount spent for the financial year | 10.02 |
| 3. | Excess amount spent for the financial year | Nil |
| 4. | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| 5. | Amount available for set off in succeeding financial years | 0.17 |

9. a Details of Unspent CSR amount for the preceding three financial years:

| Sr. No. | Preceding Financial year | Amount transferred to Unspent CSR Account under Section 135 (6) (Rs.) | Amount spent in the reporting Financial Year (Rs.) | Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any | | | Amount remaining to be spent in succeeding financial years (Rs.) |
|---------|--------------------------|-----------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------------------------------|--------------|------------------|------------------------------------------------------------------|
| | | | | Name of the fund | Amount (Rs.) | Date of transfer | |
| 1 | - | Nil | Nil | - | Nil | - | - |

b Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| Sr. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project Duration | Total amount allocated for the project | Amount spent on the project in the reporting Financial Year | Cumulative amount spent at the end of reporting Financial Year | Status of the project - Completed / Ongoing |
|---------|------------|---------------------|---------------------------------------------------|------------------|----------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------|
| 1 | - | - | - | - | Nil | Nil | Nil | NA |

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

- a Date of creation or acquisition of the capital asset(s)
Nil
- b Amount of CSR spent for creation or acquisition of capital asset:
Nil
- c Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
Not applicable
- d Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
Not applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

CSR Projects were identified but not executed within the stipulated time.

**By order of the Board of Directors
For Samrat Pharmachem Limited**

**Lalit Mehta
Chairman & Managing Director
DIN : 00216681**

**Renu Dharod
Chairperson CSR Committee
DIN: 07063088**

Annexure II to the Directors Report

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2021-22, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director(s) and Company Secretary during the financial year 2021-22.

| Sr. No. | Name of the Director(s) / KMP | Designation | Ratio of remuneration of each Director to median remuneration of Employees |
|---------|-------------------------------|------------------------------|----------------------------------------------------------------------------|
| 1 | Lalit Mehta | Chairman & Managing Director | 16.44 |
| 2 | Rajesh Mehta | Executive Director | 13.70 |
| 3 | Megh Mehta | Executive Director | 6.85 |
| 4 | Nishant Kankaria | Company Secretary | 1.05 |

- ii. The Company has 28 permanent Employees on the rolls of Company as on 31st March, 2022.
- iii. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.
- a) The Non-Executive Directors of the Company are entitled to sitting fee as per the statutory provisions and within the limits approved by the Members. The remuneration of Non-Executive Directors, details of which are provided in the Corporate Governance Report and is governed by the Differential Remuneration Policy, as detailed in the said Report. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.
- b) Percentage increase in remuneration indicates annual target total compensation increases, as approved by the Nomination and Remuneration Committee of the Company during the financial year 2021-22.

**By order of the Board of Directors
For Samrat Pharmachem Limited**

Lalit Mehta
Chairman & Managing Director
DIN : 00216681

Annexure III to the Directors Report**Form MR-3****Secretarial Audit Report**

For The Financial Year Ended March 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Samrat Pharmachem Limited
[CIN: L24230GJ1992PLC017820]

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Samrat Pharmachem 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 Samrat Pharmachem Limited's books, papers, minute 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, the explanation and clarifications given to me, the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic. I hereby report that in my opinion, the Company has, during the financial year commencing from 1st April, 2021 and ending on 31st March, 2022, 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 made available to me and maintained by M/s. Samrat Pharmachem Limited for the financial year ended on 31st March, 2022, according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder, as applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the rules made thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under The Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and takeovers) Regulation, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018;
Not applicable to the company during the audit period
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
Not applicable to the company during the audit period
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
Not applicable to the company during the audit period
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
Not applicable to the company during the audit period
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: ***Not applicable to the company during the audit period***
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
Not applicable to the company during the audit period
- vi. Other laws applicable to the Company are as under :
 - i. The Factories Act, 1948
 - ii. Environment Protection Act, 1986
 - iii. The Environmental Impact Assessment Notification, 2006
 - iv. Water (Prevention & Control of Pollution) Act 1974 and rules there under
 - v. Air (Prevention & Control of Pollution) Act 1981 and rules there under
 - vi. Hazardous Wastes (Management & Handling) Rules 1989 and Amendment Rules, 2003
 - vii. The Child Labour (Prohibition & Regulation) Act, 1986
 - viii. The Industrial Employment (Standing Order) Act, 1946
 - ix. The Inflammable Substances Act, 1952
 - x. The Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011
 - xi. The Petroleum Act, 2002
 - xii. The Poisons Act, 1919
 - xiii. The Indian Boiler Act, 1923
 - xiv. Manufacture, storage and Import of Hazardous Chemicals Rules, 1989
 - xv. The Payment of Wages Act, 1936
 - xvi. The Public Liability Insurance Act, 1991
 - xvii. Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - xviii. The Energy Conservation Act, 2001
 - xix. Food Safety & Standard Act 2006 & Food Safety And Standards Rules, 2011

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board and general meetings.

- ii. The Listing Agreement entered into by the Company with BSE Limited read with the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. as mentioned above except:

- i. The company has been issued show cause notice by BSE Limited for violation of following regulation under SEBI (LODR) Regulation, 2015 during the year under review

- a. **Regulation 24A:**

- Submission of Annual Secretarial Compliance Report for the year ended 31st March, 2021**

The Company had delayed submission of the Annual Secretarial Compliance Report for the year ended 31st March, 2021 to the stock exchange as against the requirements of submission within 60 days from the close of the financial year.

BSE Limited imposed penalty of Rs. 63,720/- for delay in submission of Annual Secretarial Compliance Report for the year ended 31st March, 2021 vide email dated 29-July-2021.

The Company had submitted Annual Secretarial Compliance Report for the year ended 31st March, 2021 on 27-July-2021 late by 27 days with the stock exchange thereby violating the provision of Regulation 24A of the SEBI (LODR), Regulation, 2015.

The Company has paid the penalty imposed by BSE on 15-September-2021.

I further report that:

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

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, 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.

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

I further report that as per the explanations given to me and the representations made by the Management and relied upon by me there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Mumbai
Date : 30 May 2022

For A.A. Mulla & Associates
Company Secretaries

Aqueel A. Mulla
Proprietor
FCS NO. 2973
C.P. No.3237
UDIN:F002973D000437330

'Annexure A'

To,
The Members,
Samrat Pharmachem Limited
[CIN: L24230GJ1992PLC017820]

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

- 1 Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- 2 I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
- 3 I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4 Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- 5 The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
- 6 The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For A.A. Mulla & Associates
Company Secretaries

Place : Mumbai
Date : 30 May 2022

Aqueel A. Mulla Proprietor
FCS NO. 2973
C.P. No.3237
UDIN: F002973D000437330

CORPORATE GOVERNANCE REPORT

We at Samrat Pharmachem believe that for a Company to succeed it must maintain global standards of Corporate Conduct towards its customers, suppliers, employees, bankers, shareholders and the society at large. The Company believes that it is rewarding to be better managed and governed and to identify and align its activities with national interest. To that end we as a Company have always focused on Good Corporate Governance - which is a key driver of sustainable corporate growth and long term value & wealth creation.

Above all else, Corporate Governance must balance individual interest with Corporate Goals and operate within accepted norms of propriety, equity, fair play and a sense of justice. Achieving this balance depends upon how accountable and transparent companies are. Accountability improves decision-making and thereby builds stakeholders confidence.

Corporate Governance is not merely compliance - it is an ongoing measure of superior delivery of company's objects with a view to translate opportunities into reality. It involves leveraging its resources and aligning its activities to consumer need, shareholders benefit and employee growth, thereby delighting all its stakeholders while minimizing risks.

The Company has a good corporate practice complies with the requirements stipulated under regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, with regard to corporate governance.

COMPANY'S PHILOSOPHY

Samrat Pharmachem Limited is committed to the best practices in the area of Corporate Governance. The company believes that proper corporate governance facilitates effective management and control of business. This in turn, enables the company to maintain a high level of business ethics and to optimize the value of all its stakeholders. The objectives can be summarized as under:

- To enhance shareholders value.
- To protect interest of shareholders and other stakeholders including customers, suppliers, banks, employees and society at large.
- To ensure transparency and integrity in communication and to make available full, accurate and clear information to all concerned.
- To ensure accountability for performance and to achieve excellence at all levels.
- To provide corporate leadership of highest standards for other to follow.

Samrat Pharmachem Limited is committed to:

- Ensuring that the Board of Directors of the Company meet regularly, provide effective leadership, exercise control over management and monitor executive performance.
- Establishing a framework of strategic control and continuously reviewing its efficacy.
- Establishing clearly documented and transparent management processes for policy development, implementation and review, decision-making, monitoring, control and reporting.
- Providing free access to the Board to all relevant information, advices and resources as are necessary to enable it to carry out its role effectively.
- Ensuring that all employees are responsible for compliance issues with all applicable statutes, regulations, code of conduct, policies as laid down by the Board and report deviation or misconduct, if any, to the Board.

The concept of Corporate Governance hinges on the total transparency, integrity and accountability of the management team. Even before the code become mandatory, the Company has been following the Corporate Governance practices like striking out reasonable balance in the composition of Board of Directors and setting up business committees, adequate disclosure and business to be deliberated by the Board etc. Your Company is committed to follow good corporate governance practices and improve upon them year after year.

II. BOARD OF DIRECTORS

i. *Composition of the Board*

The composition of the board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act. As of March 31, 2022, the Company has 6 directors. Of the 6 Directors, 3 (i.e. 50%) are Executive Directors and 3 (i.e. 50%) are Non-executive Independent Directors. The profiles of the Directors are available at <https://www.samratpharmachem.com/board-of-directors/>

ii. *Independent Directors*

Independent directors are Non-executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. . Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

iii. *Directors' attendance record and Directorship held*

The names and categories of the directors on the board, their attendance at board meetings held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2022 are given herein below. Other directorships do not include directorships of private limited companies, Section 8 companies and of companies incorporated outside India. Chairmanships / memberships of board committees shall include only audit committee and stakeholders' relationship committee.

| Name of the Director | Category | Number of Board meetings during the year 2021-22 | | Whether attended last AGM held on September 30, 2021 | Number of directorships in other Public Companies | | Number of committee positions held in other Public Companies | |
|-------------------------------------------------------|----------------------------|--------------------------------------------------|----------|------------------------------------------------------|---------------------------------------------------|--------|--------------------------------------------------------------|--------|
| | | Held | Attended | | Chair man | Member | Chair man | Member |
| Mr. Lalit Mehta (Chairperson & MD) DIN 00216681 | Non-Independent, Executive | 6 | 6 | Yes | - | - | - | - |
| Mr. Rajesh Mehta (CFO) DIN 00216731 | Non-Independent, Executive | 6 | 6 | Yes | - | - | - | - |
| Mr. Megh Mehta DIN 07287394 | Non-Independent, Executive | 6 | 6 | Yes | - | - | - | - |
| Mr. Mahendra Pipalia DIN 00216959 | Independent, Non-Executive | 6 | 5 | Yes | - | - | - | - |
| Mr. Samir Kothary DIN 00216603 | Independent, Non-Executive | 6 | 5 | Yes | - | - | - | - |
| Ms. Renu Dharod DIN 00216731 | Independent, Non-Executive | 6 | 5 | Yes | - | - | - | - |

None of the Directors is a member of more than 10 Board-level Committees or a Chairman of more than 5 such committees, as required under SEBI (Listing Obligations & Disclosures Requirements) Regulation, 2015.

iv. *Number of Board Meetings*

6 Board Meetings were held during the year and the maximum interval between 2 Board Meetings was not more than 4 calendar months. The dates on which the said meetings were held is as under :-

| Sr No | Date of Board Meeting |
|-------|-----------------------|
| 1 | 30th June, 2021 |
| 2 | 13th August, 2021 |
| 3 | 13th November, 2021 |
| 4 | 10th February, 2022 |
| 5 | 2nd March, 2022 |
| 6 | 31st March, 2022 |

The necessary quorum was present for all the meetings.

v. *Selection of Independent Directors*

The company has constituted Nomination and Remuneration Committee for appointment of independent directors on the Board of the company. The committee inter alia considers qualification, positive attributes, area of expertise and no. of directorship and membership held in various committees of other companies.

The Board considers the committee's recommendation and take appropriate decision. Every Independent Director at the first meeting of Board in which he / she participates as a Director and thereafter at every first meeting of the Board in every financial year gives a declaration that he/she meets with the criteria of independence as provided under law.

vi. *Independent Directors Meeting*

During the year a separate meeting of the independent directors was held inter-alia to review the performance of non-independent directors and the board as a whole.

vii. *Directors Induction and Familiarization program*

The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The provision of an appropriate induction program for new Directors and ongoing training for existing directors is a major contributor to the maintenance of high Corporate Governance standards of the Company.

The Independent Directors, from time to time request management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise. The induction process is designed to:

- a. Familiarize with the nature of Business of the Company.
- b. Roles and Responsibilities.
- c. Nature of industry including competition/export potential.
- d. The business model and Corporate Plans (Long Term and Short Term) of the Company

viii. *Code of Conduct*

The company has in place a comprehensive Code of Conduct applicable to all the employees and on Executive Directors including Independent Directors. The code is applicable to Non- Executive Directors including Independent Directors to such an extent as may be applicable to them depending on their roles and responsibilities. The code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code has been posted on the website of the company www.samratpharmachem.com. The code is circulated to the Directors and management personnel and its compliance is affirmed by them annually.

ix. *Details of equity shares of the Company held by the Directors as on March 31, 2022 are given below:*

| Name | Category | Number of equity shares |
|------------------|----------------------------|-------------------------|
| Mr. Lalit Mehta | Non-Independent, Executive | 431,498 |
| Mr. Rajesh Mehta | Non-Independent, Executive | 383,542 |
| Mr. Megh Mehta | Non-Independent, Executive | 46,650 |

III. COMMITTEES OF THE BOARD**A Audit Committee**

- i. The audit committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act.
- ii. The audit committee performs the following functions:
 - Overseeing the company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
 - Recommending the appointment of auditors of the Company, terms of appointment, fixation of audit fee and approval for payment of any other services;
 - Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - ⇒ Matters required to be included in the directors' responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of the Act
 - ⇒ Changes, if any, in accounting policies and practices and reasons for the same
 - ⇒ Major accounting entries involving estimates based on the exercise of judgment by management
 - ⇒ Significant adjustments made in the financial statements arising out of audit findings
 - ⇒ Compliance with listing and other legal requirements relating to financial statements
 - ⇒ Disclosure of any related party transactions
 - ⇒ Qualifications in the draft audit report
 - Reviewing with the management, the quarterly financial statements before submission to the board for approval;
 - Reviewing with the management and external and internal auditors, the adequacy of internal control system;
 - Reviewing the adequacy of internal audit system;
 - Discussing with internal auditors any significant finding and follow up on such issues;
 - Reviewing the findings of any internal investigation by internal auditors in matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and then reporting such matter to the Board;
 - Discussing with the statutory auditors before the audit commences on the nature and scope of audit as well as having post-audit discussion to ascertain any area of concerns;
 - Examining reasons for substantial default in the payment to depositors, bankers, shareholders (in case of non-payment of declared dividends) and creditors, if any;
 - Reviewing compliance with the provision of regulation 9(1) & (2) of the SEBI Insider Trading Regulation 2015 - Internal control atleast once in a financial year
 - Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
 - To review the functioning of whistle blower mechanism
 - The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
 - Carrying out any other function as is mentioned in the terms of reference of the audit committee;
 - To mandatorily review the following information:
 - ⇒ Management discussion and analysis of financial condition and results of operations;
 - ⇒ Statement of significant related party transactions (as defined by the audit committee), submitted by management;

- ⇒ Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - ⇒ Internal audit reports relating to internal control weaknesses; and
 - ⇒ The appointment, removal and terms of remuneration of the chief internal auditor.
- iii. The previous annual general meeting (AGM) of the Company was held on September 30, 2021 and was attended by Mr. Mahendra Pipalia, Chairman of the audit committee.

- iv. Composition of Audit Committee and details of meetings attended:

| Name | Category | Number of meetings during the financial year 2021-22 | |
|---------------------------------|----------------------------|------------------------------------------------------|----------|
| | | Held | Attended |
| Mr. Mahendra Pipalia (Chairman) | Independent, Non-Executive | 4 | 4 |
| Mr. Samir Kothary (Member) | Independent, Non-Executive | 4 | 4 |
| Ms. Renu Dharod (Member) | Independent, Non-Executive | 4 | 4 |

- v. 4 audit committee meetings were held during the year and the gap between two meetings did not exceed 4 months. The dates on which the said meetings were held are as follows:
June 30, 2021; August 13, 2021; November 13, 2021 and February 10, 2022
The necessary quorum was present for all the meetings.

B Nomination and Remuneration Committee

- i. The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.
- ii. The nomination and remuneration committee performs the following functions:
- Recommend to the board the appointment or reappointment of directors.
 - Devise a policy on board diversity.
 - Carry out evaluation of every director's performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors. This shall include "formulation of criteria for evaluation of independent directors and the board".
 - Recommend to the board the remuneration policy for directors, executive team or key managerial personnel as well as the rest of the employees.
 - On an annual basis, recommend to the board the remuneration payable to the directors and oversee the remuneration to executive team or key managerial personnel of the Company.
 - Oversee familiarisation programmes for directors.
 - Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

- iii. Composition of Nomination and Remuneration Committee and details of meetings attended:

| Name | Category | Number of meetings during the financial year 2021-22 | |
|-------------------------------|----------------------------|------------------------------------------------------|----------|
| | | Held | Attended |
| Mr. Samir Kothary (Chairman) | Independent, Non-Executive | 4 | 4 |
| Mr. Mahendra Pipalia (Member) | Independent, Non-Executive | 4 | 4 |
| Ms. Renu Dharod (Member) | Independent, Non-Executive | 4 | 4 |

- iv. During the year 4 meetings of the nomination and remuneration committee were held. The dates on which the said meetings were held are as follows:
June 30, 2021; August 13, 2021; November 13, 2021 and February 10, 2022
- v. The Company does not have any employee stock option scheme.

vi. **Remuneration to Directors: sitting fees, salary, perquisites and commissions**a. **Executive Directors**

((₹) lakh)

| Name | Salary | Perquisites |
|------------------|--------------|-------------|
| Mr. Lalit Mehta | 36.00 | - |
| Mr. Rajesh Mehta | 30.00 | - |
| Mr. Megh Mehta | 15.00 | - |
| Total | 81.00 | - |

b. **Independent Non-Executive Directors**

((₹) lakh)

| Name | Commission | Sitting Fees |
|----------------------|------------|--------------|
| Mr. Mahendra Pipalia | - | 1.25 |
| Mr. Samir Kothary | - | 1.25 |
| Ms. Renu Dharod | - | 1.25 |
| Total | - | 3.75 |

C Stakeholders' relationship committee

- i. The Company had a shareholders / investors grievance committee of directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc.

- ii. Composition of Stakeholders' Relationship Committee and details of meetings attended:

| Name | Category | Number of meetings during the financial year 2021-22 | |
|-------------------------------|----------------------------|------------------------------------------------------|----------|
| | | Held | Attended |
| Ms. Renu Dharod (Chairperson) | Independent, Non-Executive | 4 | 4 |
| Mr. Samir Kothary (Member) | Independent, Non-Executive | 4 | 4 |
| Ms. Mahendra Pipalia (Member) | Independent, Non-Executive | 4 | 4 |

- iii. During the year 4 meetings of the Stakeholders' relationship committee were held. The dates on which the said meetings were held are as follows:

June 30, 2021; August 13, 2021; November 13, 2021 and February 10, 2022

- iv. Mr. Nishant Kankaria acts as compliance officer of the company.

- v. Investor complaints received and redressed during the year 2021-22

| Opening balance | Received during the year | Resolved during the year | Closing balance |
|-----------------|--------------------------|--------------------------|-----------------|
| 0 | 0 | 0 | 0 |

D Risk Management Committee

The board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Composition of Risk Management Committee and details of meetings attended:

| Name | Category | Number of meetings during the financial year 2021-22 | |
|-------------------------------|----------------------------|------------------------------------------------------|----------|
| | | Held | Attended |
| Ms. Renu Dharod (Chairperson) | Independent, Non-Executive | 4 | 4 |
| Mr. Samir Kothary (Member) | Independent, Non-Executive | 4 | 4 |
| Mr. Mahendra Pipalia (Member) | Independent, Non-Executive | 4 | 4 |

During the year 4 meetings of the Risk management committee were held. The dates on which the said meetings were held are as follows:

June 30, 2021; August 13, 2021; November 13, 2021 and February 10, 2022

E Health, Safety and Sustainability Committee

The Health, safety and sustainability committee of directors is responsible for framing and implementation of broad guidelines / policies with regard to the health, safety and sustainability activities of the Company review the policies, processes and systems periodically and recommend measures for improvements from time to time.

Composition of Health, Safety and Sustainability Committee and details of meetings attended:

| Name | Category | Number of meetings during the financial year 2021-22 | |
|-------------------------------|----------------------------|------------------------------------------------------|----------|
| | | Held | Attended |
| Mr. Samir Kothary (Chairman) | Independent, Non-Executive | 4 | 4 |
| Mr. Mahendra Pipalia (Member) | Independent, Non-Executive | 4 | 4 |
| Ms. Renu Dharod (Member) | Independent, Non-Executive | 4 | 4 |

During the year 4 meetings of the Health, Safety and Sustainability Committee were held. The dates on which the said meetings were held are as follows:

June 30, 2021; August 13, 2021; November 13, 2021 and February 10, 2022

F CSR Committee

The CSR Committee is constituted in line with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder.

Term of reference

The committee recommends to the Board, the amount of expenditure to be incurred on CSR activities. The committee frames the transparent monitoring mechanism for implementation of CSR Project / Program / Activities to be undertaken by the Company as required under Schedule VII of the Companies Act and for monitoring the CSR policies from time to time.

Composition of CSR Committee and details of meetings attended:

| Name | Category | Number of meetings during the financial year 2021-22 | |
|-------------------------------|----------------------------|------------------------------------------------------|----------|
| | | Held | Attended |
| Ms. Renu Dharod (Chairman) | Independent, Non-Executive | 4 | 4 |
| Mr. Mahendra Pipalia (Member) | Independent, Non-Executive | 4 | 4 |
| Mr. Samir Kothary (Member) | Independent, Non-Executive | 4 | 4 |
| Mr. Lalit Mehta (Member) | Chairperson & MD | 4 | 4 |
| Mr. Rajesh Mehta (Member) | Executive Director | 4 | 4 |
| Mr. Megh Mehta (Member) | Executive Director | 4 | 4 |

During the year 4 meetings of the Corporate Social Responsibility Committee were held. The dates on which the said meetings were held are as follows:

June 30, 2021; August 13, 2021; November 13, 2021 and February 10, 2022

IV. GENERAL BODY MEETINGS

i. General meeting

a. Annual General Meeting:

Details of the last three Annual General Meetings (AGMs) along with special resolutions passed:

| Financial Year | Date | Time | Venue | Special Resolutions Passed | |
|----------------|-------------|-----------|-----------------------------------------------------------------|----------------------------|-----------------------------------------------------------------------------------------------------------|
| 2018-19 | 28/Sep/2019 | 1.00 p.m. | Plot No. A2/3445, GIDC, Phase 4, Ankleshwar - 393 002, Gujarat. | 1 | Re-appointment of Mr. Mahendra Indulal Pipalia (DIN: 00216959), as an Independent Director of the Company |
| | | | | 2 | Re-appointment of Mr. Samir Harsukhrai Kothary (DIN: 00216603), as an Independent Director of the Company |
| 2019-20 | 31/Dec/2020 | 1.00 p.m. | VC / OAVM | 1 | Re-appointment of Mr. Lalit Damodar Mehta as Chairman & Managing Director of the Company |
| | | | | 2 | Re-appointment of Mr. Rajesh Lalit Mehta as an Executive Director of the Company |
| | | | | 3 | Re-appointment of Mr. Megh Rajesh Mehta as an Executive Director of the Company |
| | | | | 4 | Re-appointment of Ms. Renu Piyush Dharod as an Independent Director of the Company |
| 2020-21 | 30/Sep/2021 | 1.00 p.m. | VC / OAVM | | No Special Resolution was passed during the year |

b. Extraordinary General Meeting : No extraordinary general meeting was held during the year 2021-22

ii. Postal Ballot

Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern

During the year under review, no special resolution has been passed through the exercise of postal ballot.

Details of special resolution proposed to be conducted through postal ballot:

Nil

V. DISCLOSURES

i. Related Party transactions

As required under Regulation 23 of SEBI Listing Regulations and as defined under the Act, the company has not entered into any transaction of a material nature with the Promoters, Directors or the Management, their relatives etc. that may have any potential conflict with the interests of the company. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link-

<https://www.samratpharmachem.com/governance-policies/>

ii. Stock Exchange/ SEBI Compliances

As per Schedule V (C) 10(b) to the SEBI Listing Regulations, the company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. However, few penalties were imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority relating to small non compliances, details of which are listed below.

- The Company had delayed submission of the Annual Secretarial Compliance Report to the stock exchange as against the requirement of submission within 60 days of the close of the financial year. BSE Limited imposed penalty of Rs. 63720/- for delay in submission of Annual Secretarial Compliance Report of the Financial Year ended 31st March, 2021 vide email dated 29-July-2021. The Company has paid the penalty imposed by BSE on 15-September-2021.

iii. Whistle Blower Policy

The Company has adopted a whistle blower policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for employees and directors to report concerns about unethical behaviour. No person has been denied access to the chairman of the audit committee. The said policy has been also put on the website of the company at the following link-

<https://www.samratpharmachem.com/investor-policies/>

iv. Materiality of Events Policy

The Company has also adopted Policy on Determination of Materiality of Events as required under Regulation 30 of SEBI Listing Regulations

<https://www.samratpharmachem.com/investor-policies/>

v. Archival Policy

The Company has adopted Policy for archival of documents as required under Regulation 9 of SEBI Listing Regulations.

<https://www.samratpharmachem.com/governance-policies/>

- vi. **Code Of Conduct For Prevention Of Insider Trading**
The Company has adopted revised Code of Conduct pursuant to the provisions of the SEBI (Prohibition of Insider Trading] Regulations, 2015, for prevention of insider trading in the shares of the Company. The comprehensive Code has been disseminated on the intranet and strictly implemented aiming at maintaining the highest ethical standards. The Code which is applicable to promoters, directors, auditors, employees of the Company and their immediate relatives, prescribes the procedures to be followed while dealing in the shares of the Company. The Code prohibits the said persons to deal in the shares of the Company on the basis of any unpublished price sensitive information available to them by virtue of their position in the Company.

The transactions in the shares of the Company are also subjected to the trading window closure periods announced by the Company, from time to time.

- vii. **Reconciliation of share capital audit**
As defined under Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No D&CC / FITTC/ Cir-16/2002 dated December 31, 2002, a qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National securities depository limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

- viii. **Code of Conduct**
As per Regulation 17 of the SEBI Listing Regulations, the members of the board and senior management personnel have affirmed the compliance with the Code applicable to them during the year ended March 31, 2022. The Annual Report of the Company contains a Certificate by the CEO and Managing Director in terms of SEBI Listing Regulations on the compliance declarations received from Independent Directors, Non-executive Directors and Senior Management.

- ix. A certificate has been received from Mr. Aqueel A Mulla, Practising Company Secretary, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

- x. Shah & Savla LLP, Chartered Accountants (Firm Registration No. FRN: 109364W / W100143) has been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees for FY 2022 is given below:

| Particulars | Amount (In Rs.) |
|-------------------------------------------------------------|-----------------|
| Services as statutory auditors (including quarterly audits) | 310,000 |
| Other matters | 3,500 |
| Total | 313,500 |

- xi. The company has not given any loan or advances in the nature of loans to firms / companies in which directors are interested
- xii. Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46 (2) / Listing Regulations.

VI. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India immediately after they are approved by the Board which include The Indian Express and Vadodara Samachar. The results are also displayed on the Company's website "www.samratpharmachem.com". A Management Discussion and Analysis Report is a part of this Integrated Annual Report.

VII. GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting

| | |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AGM No. | 30th Annual General Meeting |
| Date | 30/09/2022 |
| Time | 2.00 p.m. |
| Venue | The Company is conducting meeting through VC / OAVM pursuant to the MCA General Circular No. 2/2022 dated May 05, 2022 and as such there is no requirement to have a venue for the AGM. |

ii. Financial Calendar

| | | | |
|----------------|---------------------|-----------|----------------------|
| Financial Year | 1 April 2021 | To | 31 March 2022 |
|----------------|---------------------|-----------|----------------------|

iii. Book Closure

The annual book closure period is from & to following dates, inclusive of both days.

| | |
|----------------------------|----------------------------|
| Book Closure Date (From) | Book Closure Date (To) |
| Friday, September 23, 2022 | Friday, September 30, 2022 |

iv. Listing on Stock Exchanges

| Name of the Stock Exchange | Stock Code | Address |
|----------------------------|------------|------------------------------------------------------------------|
| BSE Limited (BSE) | 530125 | P. J. Towers, Dalal Street, Mumbai - 400 001, Maharashtra. |

Listing fees as applicable have been paid.

v. Corporate Identity number (CIN) of the Company

| | |
|---------------------------|-----------------------|
| Corporate Identity Number | L24230GJ1992PLC017820 |
|---------------------------|-----------------------|

vi. Market Price Data

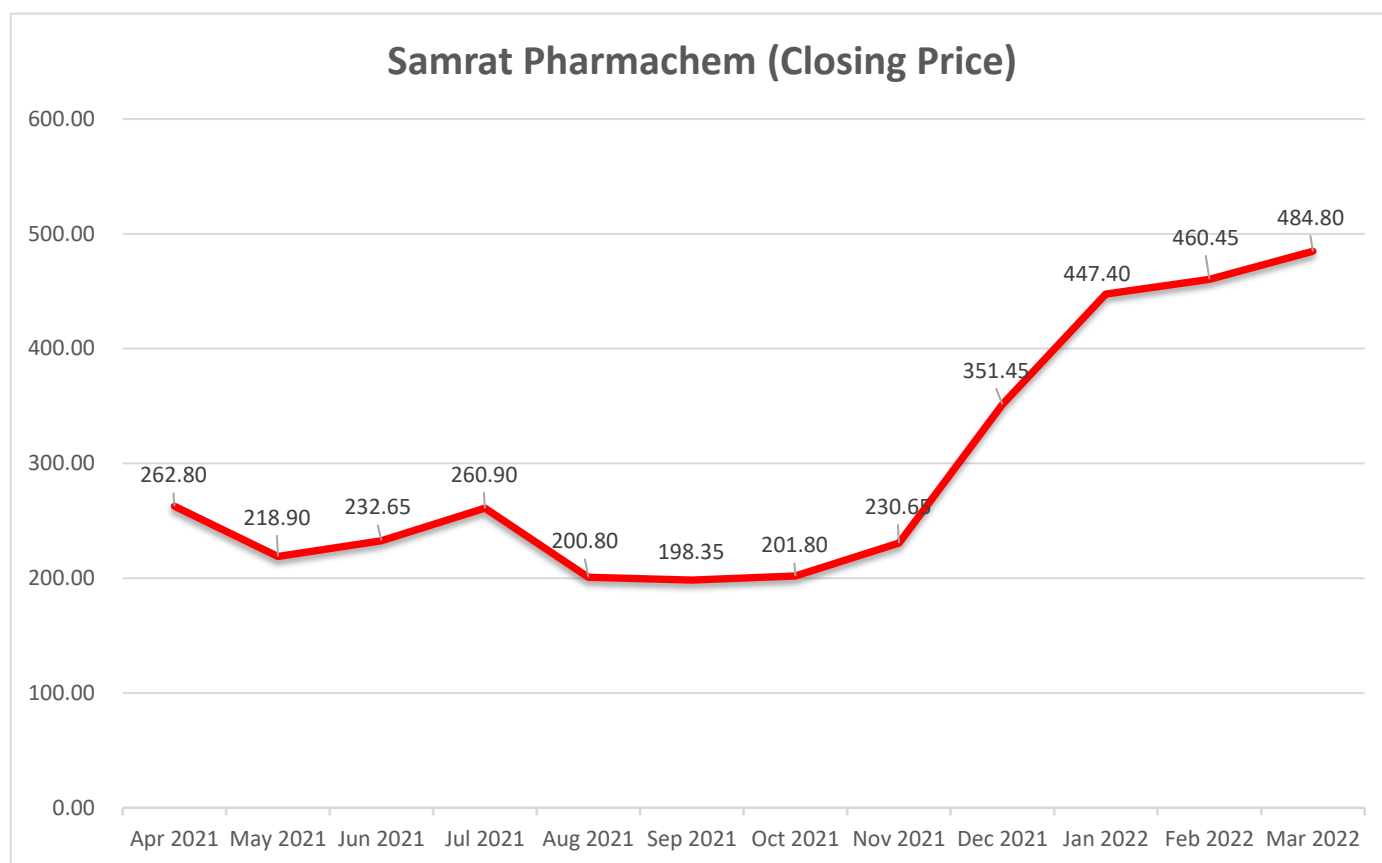
Monthly high and low (based on daily closing prices) of Samrat Pharmachem Limited on BSE for the year ended 31st March, 2022

| Month | High | Low | Total number of equity shares traded |
|----------------|--------|--------|--------------------------------------|
| April 2021 | 262.80 | 135.00 | 356,015 |
| May 2021 | 285.00 | 216.00 | 236,971 |
| June 2021 | 264.50 | 206.00 | 149,976 |
| July 2021 | 304.95 | 220.00 | 355,531 |
| August 2021 | 276.00 | 176.25 | 110,860 |
| September 2021 | 225.00 | 170.00 | 96,490 |
| October 2021 | 225.00 | 188.00 | 105,099 |
| November 2021 | 282.95 | 200.05 | 245,482 |
| December 2021 | 360.00 | 215.60 | 433,557 |
| January 2022 | 578.00 | 342.55 | 566,740 |
| February 2022 | 568.00 | 424.95 | 140,052 |
| March 2022 | 509.50 | 415.20 | 138,168 |

Source: www.bseindia.com/markets/equity/EQReports/StockPrcHistori.aspx

vii. Performance of the share price of the Company

| Month | Samrat Pharmachem (Closing Price) |
|----------|-----------------------------------|
| Apr 2021 | 262.80 |
| May 2021 | 218.90 |
| Jun 2021 | 232.65 |
| Jul 2021 | 260.90 |
| Aug 2021 | 200.80 |
| Sep 2021 | 198.35 |
| Oct 2021 | 201.80 |
| Nov 2021 | 230.65 |
| Dec 2021 | 351.45 |
| Jan 2022 | 447.40 |
| Feb 2022 | 460.45 |
| Mar 2022 | 484.80 |



viii. Registrars and share transfer agents :

| | |
|---------------------------------------|---------------------------------------------------------------|
| Name | Link Intime India Private Limited |
| Address | C/101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083. |
| Telephone | 91-22-49186000 |
| Fax | 91-22-49186060 |
| Contact Person (Client Relation Team) | Ms. Shweta Poojari |
| Email | rnt.helpdesk@linkintime.co.in |
| Website | www.linkintime.co.in |

ix. Share transfer system:

88.21% of the equity shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company. Shares in physical form are processed by Registrar and Transfer Agent, M/s. Link Intime India Pvt. Ltd. The share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by M/s Link Intime India Private Limited.

x. Shareholding as on March 31, 2021

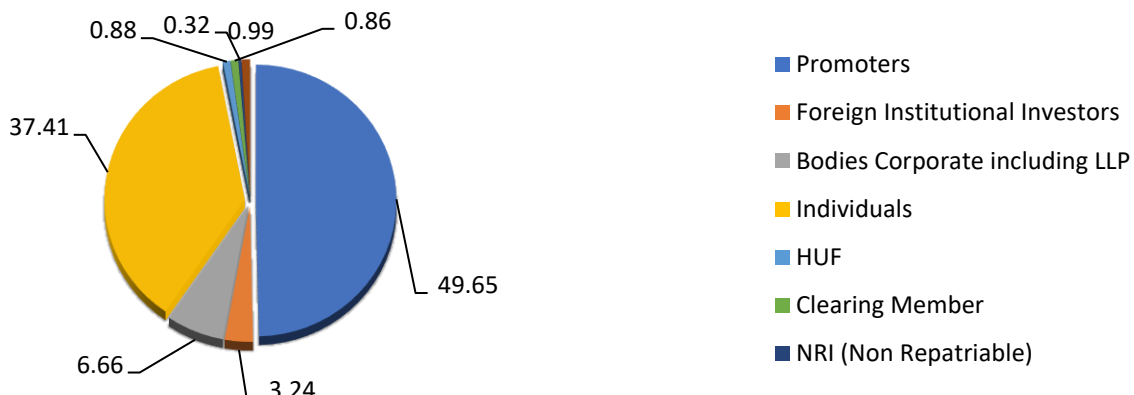
a. Distribution of equity shareholding as on March 31, 2022

| No. of Shares (From - To) | Number of Shareholders | Percentage of Shareholders | Number of Shares Held | Percentage of total share capital |
|---------------------------|------------------------|----------------------------|-----------------------|-----------------------------------|
| 1 - 500 | 4,387 | 92.16 | 471,758 | 15.27 |
| 501 - 1000 | 204 | 4.29 | 157,802 | 5.11 |
| 1001 - 2000 | 82 | 1.72 | 118,442 | 3.83 |
| 2001 - 3000 | 20 | 0.42 | 52,490 | 1.70 |
| 3001 - 4000 | 14 | 0.29 | 50,056 | 1.62 |
| 4001 - 5000 | 12 | 0.25 | 54,734 | 1.77 |
| 5001 - 10000 | 15 | 0.32 | 113,783 | 3.68 |
| ***** | | | | |
| 10001 - * | 26 | 0.55 | 2,070,635 | 67.02 |
| | 4,760 | 100.00 | 3,089,700 | 100.00 |

b. Categories of equity shareholders as on March 31, 2022

| Category | Number of equity shares held | Percentage of holding |
|---------------------------------|------------------------------|-----------------------|
| Promoters | 1,533,983 | 49.65 |
| Foreign Institutional Investors | 100,000 | 3.24 |
| Bodies Corporate including LLP | 205,860 | 6.66 |
| Individuals | 1,155,706 | 37.41 |
| HUF | 27,168 | 0.88 |
| Clearing Member | 26,532 | 0.86 |
| NRI (Non Repatriable) | 9,969 | 0.32 |
| NRI | 30,482 | 0.99 |
| GRAND TOTAL | 3,089,700 | 100.00 |

Categories of equity shareholders



c. Top ten equity shareholders (Public) of the Company as on March 31, 2022

| Sr. No. | Name of the Shareholder | Number of equity shares held | Percentage of holding |
|---------|------------------------------------|------------------------------|-----------------------|
| 1 | Sangeetha S | 102,000 | 3.30 |
| 2 | Llyods Securities Overseas Limited | 100,000 | 3.24 |
| 3 | Anshul Specialty Molecules | 50,444 | 1.63 |
| 4 | Tina Goyal | 37,799 | 1.22 |
| 5 | Sharad Kanayalal Shah | 35,000 | 1.13 |
| 6 | Ritu Garg | 26,198 | 0.85 |
| 7 | Alert Consultants & Credit Pvt Ltd | 25,000 | 0.81 |
| 8 | V G Capital Marketing Pvt Ltd | 23,981 | 0.78 |
| 9 | Namita Goyal Gupta | 20,992 | 0.68 |
| 10 | Supreme Industrial Supply LLP | 20,000 | 0.65 |

xi. Dematerialisation of shares and liquidity

The Company has arrangement with National Securities Depository Ltd. (NSDL) and Central Depository Services [India] Ltd. (CDSL) for demat facility. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE103E01016.

| Dematerialisation Status as on 31/03/2022 | No. of Shares | Percentage of Capital |
|----------------------------------------------------------------------------|----------------|-----------------------|
| Held in dematerialised form in National Securities Depository Ltd. (NSDL) | 2269915 | 73.47 |
| Held in dematerialised form in Central Depository Services (I) Ltd. (CDSL) | 460475 | 14.90 |
| Physical | 359310 | 11.63 |
| Total | 3089700 | 100.00 |

- xii. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity
The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence, as on March 31, 2022, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.
- xiii. Commodity price risk or foreign exchange risk and hedging activities:
The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.
- xiv. Equity shares in the suspense account
Nil
- xv. Plant Locations
- 1) Plot No. A2/3445, GIDC, Phase 4, Ankleshwar-393 002, Gujarat, India.
 - 2) Plot No. A2/3444, GIDC, Phase 4, Ankleshwar-393 002, Gujarat, India.
- xvi. Address for correspondence
Samrat Pharmachem Limited
Plot No. A2/3445,
GIDC, Phase 4,
Ankleshwar - 393 002,
Gujarat, India.
Tel: +91-7045456789 / 7046456789
Email: contact@samratpharmachem.in
Website: www.samratpharmachem.com

**By order of the Board of Directors
For Samrat Pharmachem Limited**

**Place : Mumbai
Date : 30 May 2022**

**Lalit Mehta
Chairman & Managing Director
DIN : 00216681**

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

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

I confirm that the Company has in respect of the year ended 31 March 2022, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

**By order of the Board of Directors
For Samrat Pharmachem Limited**

**Lalit Mehta
Managing Director**

**Place : Mumbai
Date : 30 May 2022**

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of
Samrat Pharmachem Limited**

I have examined the compliance of the conditions of Corporate Governance by Samrat Pharmachem Limited ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For A.A. Mulla & Associates
Company Secretaries**

**Place : Mumbai
Date : 30 May 2022**

**Aqueel A. Mulla
Proprietor
FCS NO. 2973
C.P. No.3237
UDIN : F002973D000437682**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**as on financial year ended on March 31, 2022**

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

To,
The Members
Samrat Pharmachem Limited
Plot No. A2/3445,
GIDC- Phase 4,
Ankleshwar-393002,
Gujarat.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Samrat Pharmachem Limited** having CIN: **L24230GJ1992PLC017820** and having registered office at Plot No. A2/3445, GIDC- Phase 4, Ankleshwar-393002, Gujarat. (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs.

| Sr No. | Name of Director | DIN | Date of Appointment as director |
|--------|--------------------------|----------|---------------------------------|
| 1 | Lalit Damodar Mehta | 00216681 | 16/06/1992 |
| 2 | Rajesh Lalit Mehta | 00216731 | 01/04/2008 |
| 3 | Megh Rajesh Mehta | 07287397 | 01/10/2015 |
| 4 | Samir Harsukhrai Kothary | 00216603 | 30/07/2003 |
| 5 | Mahendra Indulal Pipalia | 00216959 | 17/03/2003 |
| 6 | Renu Piyush Dharod | 07063088 | 14/02/2015 |

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

For A.A. Mulla & Associates
Company Secretaries

Place : Mumbai
Date : 30 May 2022

Aqueel A. Mulla
Proprietor
FCS NO. 2973
C.P. No.3237
UDIN : F002973D000437704

CERTIFICATION BY MANAGING DIRECTOR**The Board of Directors****Samrat Pharmachem Limited**

Plot No. A2/3445,
GIDC, Phase 4,
Ankleshwar - 393 002,
Gujarat.

I, Mr. Lalit Mehta, Managing Director of Samrat Pharmachem Limited certify to the Board, that I have reviewed the financial statement and cash flow statement of the company for the financial year ended 31 March 2022.

- 1 To the best of my knowledge, I certify that:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading
 - b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations, and
 - c) there are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct
- 2 For the purposes of financial reporting, I accept the responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and I accept the responsibility to the auditors and the audit committee, and further state that there were no deficiencies in the design or operation such internal control.
- 3 I do further certify that there has been:
 - a) no significant changes in internal controls during the year
 - b) no significant changes in accounting policies during the year, and
 - c) no instances of fraud, of which I am aware during the period
- 4 I further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

**By order of the Board of Directors
For Samrat Pharmachem Limited**

**Lalit Mehta
Managing Director**

**Place : Mumbai
Date : 30 May 2022**

CERTIFICATION BY CHIEF FINANCIAL OFFICER (CFO)

I, Mr. Rajesh Mehta, Chief Financial Officer (CFO), of Samrat Pharmachem Limited, to the best of my knowledge and belief, certify that:-

1. I have reviewed the Balance Sheet and Profit and Loss account (Standalone) for the financial year ended 31 March 2022 and all its schedules and notes on accounts, as well as the Cash Flow Statements and the Directors' Report and annexure thereto.
2. Based on my knowledge and information, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
3. Based on my knowledge and information, these statements together present true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
4. To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
5. The Company's other certifying officers and I, are responsible for establishing and maintaining disclosure controls and procedures for the Company, and we have:-
 - a) Designed such disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and
 - b) Evaluated the effectiveness of the Company's disclosure, controls and procedure.
6. The Company's other certifying officers and I, have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and audit committee of the Company's Board of Directors (and persons performing the equivalent functions):
 - a) All significant deficiencies in the design or operation of internal controls;
 - b) All significant changes in internal control during the year;
 - c) All significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - d) Instances of significant fraud, if any, of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
7. I further declare that all Board members and senior management personnel have affirmed Compliance with the Code of Conduct for Board and Senior Management Personnel for the current year.

**By order of the Board of Directors
For Samrat Pharmachem Limited**

**Rajesh Mehta
Chief Financial Officer**

**Place : Mumbai
Date : 30 May 2022**

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Your Company is a producer of pharmaceutical chemicals. The intermediates produced are used in pharmaceutical and chemical industries. Your Company is amongst the manufacturers who produce for local and international needs of the pharmaceuticals and chemicals industry. The pharmaceutical and chemical industry is growing at a rapid pace every year. This results into growth of the support or intermediate industry like us.

OPPORTUNITIES AND THREATS

The company looks forward optimistically for all round growth in turnover & profitability in the ensuing years. Your company has taken effective steps to realize the dream performance in the years to come. The company intends to double its turnover in a short period of time. The company has taken effective measures to improve quality of products and its productivity to outwit competitor from domestic and international market.

The company has registered good sales growth & earned reasonable profit during the current financial year. The company has plans to widen the product range by increasing the basket of products thereby enlarging the customer and sales base.

PRODUCT PERFORMANCE

The company has two plants producing varied items. The basic purpose of producing in two different plants is to improve efficiency and manageability. Your Company shall achieve sustainable growth in both plants by modernization and automation of operations. According to your Directors, these plants facilitate better division of labour, enable us to develop expertise in each plant and their respective items, and hence improve productivity and profitability of the Company.

BUSINESS OUTLOOK

The Indian chemicals industry will outpace its Chinese counterpart and double its share of the global market to ~6% by 2026 from 3-4% in fiscal 2022. This will drive a strong revenue growth of 18-20% this fiscal and 14-15% in the next fiscal, compared to single-digit growth reported in the previous two fiscals. The Indian pharmaceutical market is expected to grow at 8-11% CAGR to US\$29-33 Billion by 2025.

RISKS AND CONCERNS

Currency Risk :

Volatility in currency exchange movements results in transaction and translation exposure. Our functional currency is the Indian Rupee. Appreciation of the Rupee against any major currency could impact the reported revenue in Rupee terms, the profitability and also result in collection losses.

Following a currency hedging policy that is aligned with market best practices, to limit impact of exchange volatility on receivables and payables, forecasted revenue and other current assets and liabilities. Hedging strategies are decided and monitored by the Risk Management Committee of the Board convened on a regular basis.

Competition Risk : We feel that the major business risks are the stiff competition due to low priced products from countries like China and also from domestic manufacturers for certain products. However the company is trying to expand its range of products to cater to different segment of customers and market in order to absorb fall in sales and margins.

Credit Risk : We have been able to reduce the irrecoverable amounts to a very negligible level, notwithstanding the inevitability of having some debts which are not recoverable. Due to strict monitoring and disciplined distribution channels, we do not foresee any material risk on this count.

Dead Stocks/Slow moving items/Rejections Risk : Sometimes the quality of finished product becomes bad or is rejected by a customer. The Company has taken every step in the raw material procurement stage, production stage, packing stage, testing stage and delivery stage to minimize the risk of rejection. If due to some unforeseen reasons the goods are rejected or are not as per our in-house standards, the company has made a system to reprocess all such failed material. Minimum cost is incurred to make them into acceptable standards again. Further the products that have irregular demand or are sold in lesser quantities round the year are manufactured as per customers order only. Thus the company is successful in handling dead stocks, slow moving items and rejections.

Fire, Theft & Explosion Risk : The Company has been quite conscious of the inherent risk in our business. A lot of measures to safeguard the fixed assets and stocks in the factory are taken. The management has been regularly updating the risk profile and take necessary corrective steps like educating workers, insisting workers to wear gum boots, gloves, eye goggles, helmets etc, installing firefighting equipments, putting sign boards, banning smoking in the premises, keeping hazardous materials in a safe and protected place etc. Apart from these measures, the company has also underwritten the various risks like fire, theft & burglary, earthquake, floods, riots, public liability, sale/purchase in transit etc with ICICI Lombard General Insurance Co Ltd.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has instituted adequate internal controls, managed by professionals. The control mechanism duly supported by efficient integrated software ensures a proper documentation, accounting, reporting and safeguarding of assets. The Company has also well-defined and established system of internal audit, which is periodically reviewed by the audit committee and steps taken to strengthen the control measures. The management and audit committee of the Board periodically reviews the observations and findings of the statutory auditors and ensures adherence to the well laid down policies, guidelines and procedures forming part of the internal control system.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

A satisfactory business performance with average volume growth in key products and business units, combined with productivity improvement, cost management and working capital management have contributed to the good operating results for the year. Also sharp focus on cost and margins has resulted in enhanced operational efficiency.

Financial Performance

Income Statement (₹) in Crores

| Particulars | 31-03-2022 | 31-03-2021 | 31-03-2020 | 31-03-2019 | 31-03-2018 |
|--------------|------------|------------|------------|------------|------------|
| Revenue | 221.81 | 179.02 | 137.45 | 111.14 | 92.52 |
| Other Income | 0.55 | 0.46 | 0.57 | 0.46 | 0.25 |
| Total Income | 222.36 | 179.48 | 138.03 | 111.59 | 92.77 |
| Expenditure | -198.17 | -171.64 | -131.81 | -109.52 | -87.43 |
| Interest | -0.68 | -1.28 | -0.98 | -1.06 | -0.86 |
| PBDT | 24.20 | 7.84 | 6.21 | 2.58 | 5.33 |
| Depreciation | -0.60 | -0.49 | -0.43 | -0.42 | -0.41 |
| PBT | 23.60 | 7.34 | 5.79 | 2.16 | 4.92 |
| Tax | -6.42 | -2.01 | -1.55 | -0.62 | -1.70 |
| Net Profit | 17.19 | 5.33 | 4.24 | 1.54 | 3.22 |
| Equity | 3.09 | 3.09 | 3.09 | 3.09 | 3.09 |
| EPS | 55.62 | 17.26 | 13.71 | 4.97 | 10.41 |
| CEPS | 57.54 | 18.85 | 15.09 | 6.32 | 11.74 |
| OPM % | 11.21 | 5.09 | 4.52 | 2.32 | 5.76 |
| NPM % | 7.75 | 2.98 | 3.08 | 1.38 | 3.48 |

Source: <https://www.bseindia.com/stock-share-price/financials/results/530125>

KEY FINANCIAL RATIOS

In accordance with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector-specific financial ratios.

The Company has identified the following ratios as key financial ratios:

| Particulars | 31-03-2022 | 31-03-2021 |
|-------------------------------------|------------|------------|
| Debtors Turnover (Number of Days) | 63.01 | 62.00 |
| Inventory Turnover (Number of Days) | 15.95 | 10.89 |
| Current Ratio | 1.98 | 1.73 |
| Interest Coverage Ratio | 36.91 | 7.15 |
| Debt Equity Ratio | 0.16 | 0.30 |
| Operating Profit Margin (%) | 0.11 | 0.05 |
| Net Profit Margin (%) | 0.08 | 0.03 |

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONTS

The industrial relations have been satisfactory in the Registered Office Cum Factory and at the Corporate Office. Steps are also being taken to focus on managerial and behavioural competence across the organization. Information Technology has been a focused area for improving the operational efficiency and as a tool for decision-making.

CAUTIONARY STATEMENT

Statement in the report of Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning applicable securities laws or regulations. These statements are based on certain assumptions and expectations for future events. Actual results could differ materially from those of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting global and domestic demand supply, finished goods prices in the domestic and overseas market in which the Company operates, raw materials cost and availability, changes in Government regulations, tax regimes, economic developments within India and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise and forward looking statements, on the basis of any subsequent development, information or events.

**By order of the Board of Directors
For Samrat Pharmachem Limited**

**Lalit Mehta
Chairman & Managing Director
DIN : 00216681**

**Place : Mumbai
Date : 30 May 2022**

Independent Auditor`s Report

**To the Members of,
Samrat Pharmachem Limited**

Report on the Audit of Financial Statements**Opinion**

We have audited the accompanying financial statements of Samrat Pharmachem Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit & Loss (including the Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity of the Company for the year then ended and notes to the financial statements including summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) rules, 2015 as amended, and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March 2022, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity 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 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 there under, 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 on financial statements.

Key Audit Matters

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

We have determined the matter described below to be the key audit matters to be communicated in our report.

a) Revenue Recognition :

The Company has adopted "Ind-AS 115 - Revenue from Contracts with Customers" which is the revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit.

- Revenue for the Company consists primarily of sale of manufactured goods recognized as per the accounting policy described in Note 2(m) to the accompanying financial statements.

- The Company recognises revenue from sale of goods when it satisfies its performance obligation, in accordance with the principles of Ind-AS 115, Revenue from Contracts with Customers, adopted by the Company from the current year, by transferring the control of goods to its customers through delivery evidenced by acknowledgement of receipt of goods by such customers.
- Considering the large volume of revenue transactions near period end there may be a risk of revenue recognition occurring before the satisfaction of the performance obligations by the company in accordance with the applicable Incoterms.
- Considering the above factors, revenue recognition was identified as a key audit matter for the current year audit.

Auditors Response:**Principal Audit Procedure**

Our audit work included, but was not limited to, the following procedures:

- Obtained an understanding of the revenue and receivable business process, and assessed the appropriateness of the accounting policy adopted by the company for revenue recognition.
- Evaluated design and implementation of the key controls around revenue recognition including controls around contract approvals, invoice verification, transporter confirmations and customer acknowledgements.
- Tested operating effectiveness of the above identified key controls over revenue recognition near period end.
- For samples selected from revenue recorded during specific period, before and after year end:
 - o Verified the customer contracts for delivery terms.
 - o Verified the customer acknowledgements to evidence proof of delivery for domestic sales at or near period end and
 - o tracked shipments through bill of lading for export sales
- Tested the appropriateness of the disclosures made in the financial statements for revenue recorded during the year.

Key Observations

- Based on our audit work, we did not identify any evidence of material misstatement in the revenue recognised in the year ended on 31 March 2022.

b) Litigation, claims and related provisions:

The company is in the pharmaceutical industry which is heavily regulated, resulting in increased exposure to litigation risk. These provisions are based on judgement and incorporated accounting estimates by management in determining the likelihood and magnitude of an unfavorable outcome on the claims.

Auditors response:

Evaluating the design and testing the operating effectiveness of controls in respect of the recognition and measurement of provisions towards litigation and claims in compliance with Ind-AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Corroborating management's assessment by

- making enquiries with the in-house/outsourced legal counsel of the company;
- verifying correspondence, orders and appeals in respect of open litigation;
- Obtaining confirmations from external legal counsels where relevant and/ or evaluating legal opinions obtained by the management.

c) Property, Plant and Equipments:

Peculiarity and technical complexities of Property, Plant and Equipments, Capital Work-In-Progress used in the operations and different IT systems used for maintaining Fixed Asset Register (FAR) requires more attention to ensure reasonably accurateness and completeness of financial reporting in respect of Property, Plant and Equipments and Capital W.I.P.

Further, due to technical complexities management is required to assess and make estimates/judgments about capitalization, estimated useful life, impairment etc. which has material impact on Balance Sheet and operating results.

Auditors Response :

Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

- We assessed the Company's process regarding maintenance of records, Valuation and accounting of transactions relating to Property, Plant and Equipment and Capital W.I.P. as per the Ind-AS 16
- We have carried out substantive audit procedures at financial and assertion level to verify the capitalization of asset as Property, Plant and Equipment and Capital W.I.P.
- We have verified the maintenance of records and accounting of transactions regarding capital work in progress by carrying out substantive audit procedures at financial and assertion level.
- We have reviewed management judgement pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment in accordance with Schedule II of Companies Act, 2013.
- We have verified the capitalization of borrowing cost incurred on qualifying asset in accordance with the Ind-AS 23 Borrowing Cost.

d) Inventory

Inventories constitutes material component of financial statement. Correctness, completeness and valuation are critical for reflecting true and fair financial results of operations.

Auditors Response:

Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

- We assessed the Company's process regarding Maintenance of records, Valuation and accounting of transactions relating to Inventory as per the Ind-AS 2.

- We have evaluated the design of Internal Controls relating to recording and valuation of Inventory.
- We have carried out substantive audit procedures at financial and assertion level to verify the allocation of overheads to Inventory.
- We have verified the process documents in respect of the physical verification of Inventory carried out by the management to verify the balance of the inventory at the year end.
- We have verified the compliance with the standard norms relating to production as framed and timely updated by the management.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises of Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report, but does not include the Financial Statements and our Auditors' Report thereon which we obtained prior to the date of this Auditor's Report, and the remaining section of the Company's Annual Report, which are expected to be made available to us after that date.

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 on the other information that we obtained prior to the date of this Auditor's Report, 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.

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), Cash Flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
 - i. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity and dealt with by this Report are in agreement with the books of account;
 - iv. in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;
 - v. On the basis of written representations received from the directors as on 31st March 2022, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2022, from being appointed as a director in terms of Section 164 (2) of the Act.
 - vi. with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
 - vii. 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, amended:

In our opinion and according to the 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. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.

- viii. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) the Company has disclosed the impact of pending litigations on its financial positions in its financial statements. (Refer to Note 42 to the financial statements)
 - b) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d)
 - i) The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - ii) The Management has represented, that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - iii) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
 - e) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. In the previous financial year company had not declared any dividend and hence nothing is required to be reported on the compliance of section 123.

For Shah & Savla LLP
Chartered Accountants
FRN: 109364W / W100143

Mulesh M Savla
Partner
Membership No.: 038404

UDIN : 22038404AKAGXP7490
Place: Mumbai
Date: 30 May 2022

Annexure A to the Independent Auditors' Report

The annexure referred to in our report to the members of Samrat Pharmachem Limited ('the Company') for the year Ended on 31st March, 2022, we report that:

- (i) According to the information and explanations given to us, in respect of Property, Plant and Equipment & Intangible Assets.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The Company has maintained proper records showing full particulars of intangible assets.
 - b) As explained to us, the Company has a program of verification of Property, Plant and Equipment, so as to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
 - d) The Company has not revalued any of its Property, Plant and Equipment including Right of Use Assets and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
 - a) According to the information and explanation given to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
 - b) According to the information and explanation given to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- (iii) According to the information and explanation given to us and the records of the company examined by us, during the year:
 - a) The Company has not made Investments in Companies, firms, Limited Liability Partnerships or any other parties and hence reporting under clause 3(iii)(a) of the Order is not applicable.
 - b) The Company has not provided loans, advances in nature of loans, guarantee and security to Companies, firms, Limited Liability Partnerships or any other parties. Therefore, the requirements to report under clause 3(iii) (b) to (f) of the order are not applicable to the company.

- (iv) In our opinion and according to information and explanation given to us, there are no loans, investments or guarantees and security given in respect of which provisions of section 185 and 186 of the Act are applicable hence reporting under paragraph 3(iv) of the Order is not applicable.
- (v) In our opinion, the Company has not accepted any deposits from public 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) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- Undisputed statutory dues, including Goods and Service tax (GST), Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of GST, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues which were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
 - There were no dues referred in sub clauses (a) above which have not been deposited on account of disputes as at March 31, 2022, other than following :

| Sr. No. | Name of the Statute | Nature of Dues | Amount (in Rs.) | Period to which amount relates | Forum where dispute is pending |
|----------------|----------------------------|-----------------------|------------------------|---------------------------------------|---------------------------------------|
| 1 | Income Tax Act, 1961 | Income tax | ₹ 715,740 | A.Y. 2011-12 | CIT(Appeals), Bharuch |

- (viii) According to the information and explanations given to us, no transactions relating to previously unrecorded income were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
- (ix) According to the information and explanations given to us, in respect of borrowings:
- The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
 - The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - In our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
 - According to the information and explanation given to us and on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

- e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- f) The Company does not have any subsidiary or associate or joint venture and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.
- c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc. as required by the applicable accounting standards.
- (xiv) a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence, provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clauses 3(xvi) a b c & d of the order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory Auditors during the year. Accordingly, clause 3(xviii) of the order is not applicable.

- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has not fully spent the required amount towards Corporate Social Responsibility (CSR) and there is unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of section 135(6) of the said Act. (Refer to Note 47 to the financial Statements)
- (xxi) According to the information and explanations given to us, the Company does not have subsidiary, associate and joint venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For Shah & Savla LLP
Chartered Accountants
FRN: 109364W / W100143

Mulesh M Savla
Partner
Membership No.: 038404

UDIN : 22038404AKAGXP7490
Place: Mumbai
Date: 30 May 2022

Annexure B to the Independent Auditors' Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")****Opinion**

We have audited the internal financial controls with reference to financial statements of Samrat Pharmachem Limited ("the Company") as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Shah & Savla LLP
Chartered Accountants
FRN: 109364W / W100143

Mullesh M Savla
Partner
Membership No.: 038404

UDIN : 22038404AKAGXP7490
Place: Mumbai
Date: 30 May 2022

BALANCE SHEET AS AT 31 MARCH, 2022

(Amount in Lakh Rupees)

| | Particulars | Note No. | 31-Mar-2022 | | 31-Mar-2021 | |
|------------|--------------------------------------|----------|-------------|-----------------|-------------|-----------------|
| | | | Rs. | Rs. | Rs. | Rs. |
| A | <u>ASSETS</u> | | | | | |
| 1 | Non-Current Assets | | | | | |
| | Property, Plant and Equipment | 3 | 997.72 | | 939.39 | |
| | Capital work-in-progress | 3 | - | | - | |
| | Intangible assets | 3 | 0.85 | | 0.94 | |
| | Intangible assets under development | 3 | - | | - | |
| | Financial Assets | | | | | |
| | Investments | | - | | - | |
| | Loans | 4 | 20.57 | | 20.47 | |
| | Deferred tax assets (net) | | - | | - | |
| | Other non-current assets | 5 | 59.70 | | 46.46 | |
| | Total Non-current assets | | | 1,078.84 | | 1,007.26 |
| 2 | Current Assets | | | | | |
| | Inventories | 6 | 1,241.60 | | 1,139.99 | |
| | Financial Assets | | | | | |
| | Investments | 7 | 1.00 | | 0.10 | |
| | Trade Receivables | 8 | 4,357.46 | | 3,300.54 | |
| | Cash and Cash Equivalents | 9 | 1,726.75 | | 250.58 | |
| | Loans | 10 | 1.50 | | 1.80 | |
| | Other Financial Assets | | - | | - | |
| | Other current assets | 11 | 54.05 | | 39.37 | |
| | Total Current Assets | | | 7,382.36 | | 4,732.38 |
| | Total Assets | | | 8,461.19 | | 5,739.65 |
| B | <u>EQUITY AND LIABILITIES</u> | | | | | |
| 1 | Equity | | | | | |
| | Equity Share capital | 12 | 308.97 | | 308.97 | |
| | Other Equity | 13 | 4,373.20 | | 2,654.72 | |
| | Total Equity | | | 4,682.17 | | 2,963.69 |
| 2 | Liabilities | | | | | |
| (a) | Non-Current Liabilities | | | | | |
| | Financial Liabilities | | | | | |
| | Borrowings | | - | | - | |
| | Provisions | | - | | - | |
| | Deferred Tax Liabilities (Net) | 14 | 46.09 | | 43.26 | |
| | Other Non-Current Liabilities | | - | | - | |
| | Total Non-Current liabilities | | | 46.09 | | 43.26 |
| (b) | Current Liabilities | | | | | |
| | Financial Liabilities | | | | | |
| | Borrowings | 15 | 751.97 | | 879.37 | |
| | Trade Payables due to: | | | | | |
| | - Micro & Small Enterprises | | - | | - | |
| | - Others | 16 | 2,334.10 | | 1,766.02 | |
| | Other Financial Liabilities | | - | | - | |

| | | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------|--------|-----------------|-------|----------|
| | Other Current Liabilities | 17 | 87.72 | | 17.09 | |
| | Provisions | 18 | 559.14 | | 70.23 | |
| | Total Current Liabilities | | | 3,732.93 | | 2,732.71 |
| | Total Liabilities | | | 8,461.19 | | 5,739.65 |
| | | | | | | |
| | Contingent Liabilities & Commitments | | | | | |
| | Notes to the Financial Statements | 1 to 49 | | | | |
| <p>AS PER OUR REPORT OF EVEN DATE</p> <p>For Shah & Savla LLP Chartered Accountants</p> <p>Mullesh M Savla Partner Membership No.: 038404 FRN: 109364W / W100143 Place: Mumbai Date: 30 May 2022</p> | | | | | | |
| <p>FOR AND ON BEHALF OF THE BOARD OF DIRECTORS</p> <p>Lalit Mehta Managing Director [DIN: 00216681]</p> <p>Rajesh Mehta Executive Director [DIN: 00216731]</p> <p>Megh Mehta Executive Director [DIN: 07287394]</p> <p>Mahendra Pipalia Director [DIN: 00216959]</p> <p>Samir Kothary Director [DIN: 00216603]</p> <p>Renu Dharod Director [DIN: 07063088]</p> | | | | | | |

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

(Amount in Lakh Rupees)

| | Particulars | Note No. | 31-Mar-2022 | | 31-Mar-2021 | |
|----|------------------------------------------------------------------|----------|-------------|------------------|-------------|------------------|
| | | | Rs. | Rs. | Rs. | Rs. |
| | <u>Income</u> | | | | | |
| A. | Revenue from operations | 19 | | 22,181.17 | | 17,901.78 |
| B. | Other income | 20 | | 55.08 | | 46.28 |
| C. | Total Income | | | 22,236.24 | | 17,948.06 |
| | <u>Expenses</u> | | | | | |
| | Cost of Material Consumed | 21 | 19,023.42 | | 16,201.76 | |
| | Purchase of Traded Goods | | - | | - | |
| | Changes in inventories of FG, WIP & Traded goods | 22 | (33.33) | | 222.75 | |
| | Employee benefits expense | 23 | 177.47 | | 149.80 | |
| | Finance costs | 24 | 67.45 | | 127.67 | |
| | Depreciation and amortization expense | 3 | 59.47 | | 49.29 | |
| | Other expenses | 25 | 579.28 | | 460.64 | |
| | Total expenses | | | 19,873.76 | | 17,211.90 |
| D. | Profit before exceptional and extraordinary items and tax | | | 2,362.48 | | 736.16 |
| E. | Exceptional items | | | 2.34 | | 1.77 |
| F. | Profit before extraordinary items and tax | | | 2,360.14 | | 734.39 |
| G. | Extraordinary Items | | | - | | - |
| H. | Profit before tax | | | 2,360.14 | | 734.39 |
| E. | Tax expense: | | | | | |
| | Provision for Taxation | | | | | |
| | - Current Tax | | 638.25 | | 172.04 | |
| | - Taxation of Earlier Years | | 0.57 | | 0.25 | |
| | - Deferred Tax | | 2.84 | | 28.78 | |
| | Total Tax | | | 641.65 | | 201.07 |
| F. | Profit / (Loss) for the year | | | 1,718.49 | | 533.32 |
| G. | Other Comprehensive Income | | | - | | - |
| H. | Total Comprehensive Income for the year | | | 1,718.49 | | 533.32 |
| I. | Earnings per equity share: | | | | | |
| | (1) Basic | | | 55.62 | | 17.26 |
| | (2) Diluted | | | 55.62 | | 17.26 |
| | Notes to the Financial Statements | 1 to 49 | | | | |

AS PER OUR REPORT OF EVEN DATE

For Shah & Savla LLP
Chartered Accountants

Mullesh M Savla
Partner
Membership No.: 038404
FRN: 109364W / W100143
Place : Mumbai
Date : 30 May 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Lalit Mehta
Managing Director
[DIN: 00216681]

Rajesh Mehta
Executive Director
[DIN: 00216731]

Megh Mehta
Executive Director
[DIN: 07287394]

Mahendra Pipalia
Director
[DIN: 00216959]

Samir Kothary
Director
[DIN: 00216603]

Renu Dharod
Director
[DIN: 07063088]

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

Rs. In Lakhs

| Particulars | Equity share capital | Retained Earnings | Other Comprehensive Income | Total Other Equity |
|--------------------------------------------|----------------------|-------------------|----------------------------|--------------------|
| Balances at 31 Mar 2020 | 308.97 | 2,121.40 | - | 2,121.40 |
| Transfer from statement of profit and loss | - | 533.32 | - | 533.32 |
| Other comprehensive income | - | - | - | - |
| Balances at 31 Mar 2021 | 308.97 | 2,654.72 | - | 2,654.72 |
| Transfer from statement of profit and loss | - | 1,718.49 | - | 1,718.49 |
| Dividend declared | - | - | - | - |
| Dividend distribution tax | - | - | - | - |
| Other comprehensive income | - | - | - | - |
| Balances at 31 Mar 2022 | 308.97 | 4,373.20 | - | 4,373.20 |

For Shah & Savla LLP
Chartered Accountants

Mulesh M Savla
Partner
Membership No.: 038404
FRN: 109364W / W100143
Place : Mumbai
Date : 30 May 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Lalit Mehta
Managing Director
[DIN: 00216681]

Mahendra Pipalia
Director
[DIN: 00216959]

Rajesh Mehta
Executive Director
[DIN: 00216731]

Samir Kothary
Director
[DIN: 00216603]

Megh Mehta
Executive Director
[DIN: 07287394]

Renu Dharod
Director
[DIN: 07063088]

NOTE 1 GENERAL INFORMATION

Samrat Pharmachem Limited is a public limited company domiciled in India incorporated under the provisions of the Companies Act ('the Company'). The Company's principal activities are manufacturing and selling chemicals. The shares of the Company are listed on stock exchanges in India.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES & OTHER EXPLANATORY INFORMATION**a Basis of Preparation**

The financial statements of the Company have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 as notified under section 133 of Companies Act, 2016 (the "Act") and other relevant provisions of the Act.

The standalone financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial assets and financial liabilities that have been measured at fair value. These standalone financial statements are presented in Indian Rupees which is also the Company's functional currency. Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the figures presented in the current year.

b Use of Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions of some of the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and the amount of revenue and expenses during the period reported. However any revision to accounting estimates or difference between the actual results and estimates are recognized prospectively in the period in which the result are known/ materialized.

c Property, Plant and Equipment and Intangible Assets**Land**

Land (other than investment property) held for use in production or administration is stated at cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings and other equipment

Buildings and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment, computers and vehicles) are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the management. Buildings and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses. Cost of property, plant and equipment not ready for the intended use before reporting date is disclosed as capital work in progress. Subsequent expenditure incurred on an item of property, plant and equipment is added to the book value of that asset only if this increases the future benefits from the existing asset beyond its previously assessed standard of performance. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss within other income or other expenses. The components of assets are capitalized only if the life of the components vary significantly and whose cost is significant in relation to the cost of respective asset. The life of components in assets are determined based on technical assessment and past history of replacement of such components in the assets. Tangible assets are carried at the cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. The cost of tangible assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Assets which are retired from active use and are held for disposal are stated at the lower of their net book value or net realizable value. Cost of tangible assets, not ready for the intended use as at balance sheet date, are disclosed as "capital work in progress".

Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use. Expenditure on Research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

d Depreciation and amortization

Depreciation on Property, Plant & Equipment is provided on straight line method and in the manner prescribed in Schedule II to the Companies Act, 2013, over its useful life specified in the Act, or based on the useful life of the assets as estimated by Management based on technical evaluation and advice. The residual value is 5% of the acquisition cost which is considered to be the amount recoverable at the end of the asset's useful life. The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end.

e Investments

Current investments are carried at lower of cost or quoted / fair value, computed category wise. Long term investments are stated at cost. Provision for diminution in value of long term investments is made only if such decline is other than temporary in the opinion of the management.

f Borrowing costs

Borrowing cost that is attributable to the acquisition or construction of qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

g Provision for Current Tax & Deferred Tax

Provision for current tax is made after taking into considerations benefits admissible under the provisions of The Income Tax Act, 1961. Deferred Tax resulting from the timing differences between the taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable/virtual certainty that the asset will be realized in future.

h Provision for Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

i Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year adjusted for the effects of all dilutive potential equity shares.

j Foreign Currency Transactions

i) Transactions denominated in foreign currencies are recorded at exchange rate prevailing on the date of transaction for Sales and Custom rates for Purchases as on date of the transaction.

ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates

iii) Non-monetary foreign currency items are carried at cost.

iv) Any income or expense on account of exchange difference either on settlement or on translation is recognized as revenue except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such asset.

k Inventories

Inventories of finished goods, raw materials, and work in progress are carried at lower of cost or net realisable value. The cost of inventories of items that are not ordinarily interchangeable are assigned by specific identification of their individual costs. Other inventory items are recorded using first-in-first-out cost formula. The inventories include the relevant duties, taxes, and cess other than those subsequently recoverable by the enterprise from the taxing authorities that were incurred to bring the inventory to their present location and conditions.

l Cash Flow Statement

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of the past or future cash receipts or payments. The cash flows from regular revenue generating, investing & financing activities of the company are segregated.

m Revenue Recognition

Sales turnover for the year includes sales value of goods and other recoveries such as Octroi, Transportation Charges etc, but excludes Excise duty and GST. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Export incentives are recognized when it is probable to receive such benefits. Revenue from sale of scrap and licences are recognized as and when they are sold. Interest income from financial assets is recognized on accrual basis.

n Retirement Benefits

The Company's contribution to Provident Fund and ESIC is accounted on accrual basis and charged to Profit and Loss Account. The Company accounts for liability for Gratuity of employees on the basis of Actuarial Valuation/Management Estimates. Gratuity is payable to Employees after Retirement or Resignation of Employees; whereas there is no defined policy enabling the employees to avail encashment of leave.

o Impairment of Assets

An asset is treated as impaired when the carrying cost of the Asset exceeds its recoverable value. An impairment loss is charged to the Profit & Loss account in the year in which an asset is identified as impaired. The Impairment loss recognized in prior accounting periods is increased / reversed where there has been change in the estimate of recoverable amount. The recoverable value is the higher of the net selling price and value in use.

p Leases

Assets leased by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss on a straight-line basis.

q Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

r Financial Assets and Financial Liabilities

Financial assets (other than trade receivables) and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit and loss which are measured initially at fair value.

Trade receivables are recognized at their transaction price as the same do not contain significant financing component.

For the purpose of subsequent measurement financial assets and financial liabilities are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset and the financial liability.

Note: 3 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS*Rs. In Lakhs*

| Particulars | Land | Buildings | Plant & Equipment | Furniture & Fixtures | Vehicles | Total | Capital work in progress |
|---------------------------------|-------------|---------------|-------------------|----------------------|-------------|-----------------|--------------------------|
| Gross carrying amount | | | | | | | |
| At April 1, 2020 | 8.91 | 512.34 | 522.93 | 89.42 | 2.07 | 1,135.68 | 108.08 |
| Additions | - | 119.24 | 153.04 | - | - | 272.28 | 11.16 |
| Disposals / Transfers | - | - | (16.36) | - | - | (16.36) | 119.24 |
| Transfer to investment property | - | - | - | - | - | - | - |
| At March 31, 2021 | 8.91 | 631.58 | 659.60 | 89.42 | 2.07 | 1,391.60 | - |
| Additions | - | 1.30 | 112.36 | 13.07 | 0.90 | 127.63 | - |
| Disposals / Transfers | - | - | (37.37) | - | (1.45) | (38.83) | - |
| Transfer to investment property | - | - | - | - | - | - | - |
| At March 31, 2022 | 8.91 | 632.88 | 734.59 | 102.49 | 1.52 | 1,480.40 | - |
| Accumulated depreciation | | | | | | | |
| At April 1, 2020 | - | 96.66 | 262.28 | 56.74 | 1.85 | 417.53 | - |
| Depreciation for the year | - | 9.37 | 31.28 | 8.55 | 0.06 | 49.26 | - |
| Disposals / Transfers | - | - | (14.59) | - | - | (14.59) | - |
| Transfer to investment property | - | - | - | - | - | - | - |
| At March 31, 2021 | - | 106.03 | 278.97 | 65.28 | 1.91 | 452.20 | - |
| Depreciation for the year | - | 10.37 | 40.14 | 8.76 | 0.10 | 59.38 | - |
| Disposals / Transfers | - | - | (27.52) | - | (1.38) | (28.90) | - |
| Transfer to investment property | - | - | - | - | - | - | - |
| At March 31, 2022 | - | 116.41 | 291.59 | 74.05 | 0.63 | 482.68 | - |
| Net carrying amount | | | | | | | |
| At March 31, 2021 | 8.91 | 525.55 | 380.63 | 24.14 | 0.16 | 939.39 | - |
| At March 31, 2022 | 8.91 | 516.47 | 442.99 | 28.45 | 0.89 | 997.72 | - |

Plant and equipment include computers and office equipment

CAPITAL WORK-IN-PROGRESS**Capital work in progress ageing schedule****At March 31, 2022***Rs. In Lakhs*

| Particulars | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-------------|-------------|-------------------|-------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |
| Total | - | - | - | - | - |

At March 31, 2021*Rs. In Lakhs*

| Particulars | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-------------|-------------|-------------------|-------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |
| Total | - | - | - | - | - |

Other Intangible Assets*Rs. In Lakhs*

| Particulars | Computer Software | Intangible assets under development |
|----------------------------|-------------------|-------------------------------------|
| Gross carrying amount | | |
| At April 1, 2020 | 8.22 | - |
| Additions | 0.58 | - |
| Disposals | - | - |
| At March 31, 2021 | 8.80 | - |
| Additions | - | - |
| Disposals | - | - |
| At March 31, 2022 | 8.80 | - |
| Accumulated amortisation | | |
| At April 1, 2020 | 7.83 | - |
| Disposals | - | - |
| Amortisation for the year | 0.02 | - |
| At March 31, 2021 | 7.85 | - |
| Disposals | - | - |
| Amortisation for the year | 0.09 | - |
| At March 31, 2022 | 7.95 | - |
| Net carrying amount | | |
| At March 31, 2021 | 0.94 | - |
| At March 31, 2022 | 0.85 | - |

Note 4 FINANCIAL ASSETS - LOANS (NON-CURRENT)

| Particulars | 31-Mar-2022 | | 31-Mar-2021 | |
|----------------------------------------------------------|-------------|-----------|-------------|-----------|
| | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs |
| Loans and advances to related parties | | - | | - |
| Other loans and advances (Unsecured, considered good) | | | | |
| - Staff Loans | | 20.57 | | 20.47 |
| Total | | 20.57 | | 20.47 |

Note 5 OTHER NON CURRENT ASSETS

| Particulars | 31-Mar-2022 | | 31-Mar-2021 | |
|---------------------------------------------------|-------------|-----------|-------------|-----------|
| | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs |
| Security Deposits (Unsecured, considered good) | | | | |
| - Deposits with various authorities | | 56.81 | | 41.15 |
| Provident Fund Refund Receivable | | - | | 1.21 |
| Tds Credit Receivable (Igst 2%) | | - | | 1.21 |
| Tds Exces Payment | | - | | 0.02 |
| Income tax refund receivable | | - | | - |
| Income tax deposited under appeal | | 2.89 | | 2.89 |
| Debts due by related parties | | - | | - |
| Un-amortized Employee Cost | | - | | - |
| Total | | 59.70 | | 46.46 |

Note 6 INVENTORIES

| Sr. No. | Particulars | 31-Mar-2022 | | 31-Mar-2021 | |
|---------|-----------------------------------------------------------------------------------|-------------|-----------|-------------|-----------|
| | | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs |
| a. | Raw Materials and components (Valued at lower of cost or net realisable value) | 327.83 | | 257.33 | |
| | Traded goods | - | | - | |
| | Goods-in transit | - | 327.83 | - | 257.33 |
| b. | Work-in-progress (Valued at lower of cost or net realisable value) | 16.57 | | 7.81 | |
| | Goods-in transit | - | 16.57 | - | 7.81 |
| c. | Finished goods (Valued at lower of cost or net realisable value) | 889.58 | | 865.01 | |
| | Goods-in transit | - | 889.58 | - | 865.01 |

| | | | | | |
|----|------------------------------------------------------------------------|------|-----------------|------|-----------------|
| d. | Stores and spares (Valued at lower of cost or net realisable value) | - | | - | |
| | Goods-in transit | - | - | - | - |
| e. | Loose Tools (Valued at Not Applicable) | - | | - | |
| | Goods-in transit | - | - | - | - |
| f. | Packing Material (Valued at lower of cost or net realisable value) | 7.62 | | 9.83 | |
| | Goods-in transit | - | 7.62 | - | 9.83 |
| | Total Inventories | | 1,241.60 | | 1,139.99 |

Note 7 CURRENT INVESTMENTS

Disclosure pursuant to Note no.N (i) and (ii) of Part I of Schedule III to the Companies Act, 2013

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|-------------------------------------------------------------------|-------------|-------------|
| | Rs. Lakhs | Rs. Lakhs |
| (a) Investment in Equity instruments | - | - |
| (b) Investments in preference shares | - | - |
| (c) Investments in Government or Trust securities | - | - |
| (d) Investments in Debentures or Bonds | - | - |
| (e) Investments in Mutual Funds | 1.00 | 0.10 |
| (f) Investments in partnership firms* | - | - |
| (g) Other non-current investments (specify nature) | - | - |
| Gross Total | 1.00 | 0.10 |
| <u>Less:</u> Provision for diminution in the value of Investments | - | - |
| Total Current Investments | 1.00 | 0.10 |

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|--------------------------------------------------------------------------------------------|-------------|-------------|
| | Rs. Lakhs | Rs. Lakhs |
| Aggregate amount of quoted investments (Market value Rs. 1.01) (Previous Year Rs. 0.15) | 1.00 | 0.10 |
| Aggregate amount of unquoted investments (Previous Year Rs. __) | - | - |

| Details of Current Investments | | | | | | | | | | | |
|--------------------------------|------------------------------------------------|---------------------------------------------------------|-----------------------|-------------|-------------------|--------------------------|-----------------------|-------------|------------------|-------------|--------------------|
| Sr. No | Name of the Body Corporate | Subsidiary / Associate / JV/ Controlled Entity / Others | No. of Shares / Units | | Quoted / Unquoted | Partly Paid / Fully paid | Extent of Holding (%) | | Amount Rs. Lakhs | | Basis of Valuation |
| | | | 31-Mar-2022 | 31-Mar-2021 | | | 31-Mar-2022 | 31-Mar-2021 | 31-Mar-2022 | 31-Mar-2021 | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
| (a) | Investment in Equity Instruments | | | | | | | | | | |
| (b) | Investments in Preference Shares | | | | | | | | | | |
| (c) | Investments in Government or Trust securities | | | | | | | | | | |
| (d) | Investments in Debentures or Bonds | | | | | | | | | | |
| (e) | Investments in Mutual Funds | | 881.88 | 48.05 | Quoted | Fully paid | | | 1.00 | 0.10 | Cost |
| (f) | Investments in partnership firms* | | | | | | | | | | |
| (g) | Other non-current investments (specify nature) | | | | | | | | | | |
| | Total Current Investments | | | | | | | | 1.00 | 0.10 | |

| * G. Investment in NOT APPLICABLE (Name of the Firm) | |
|-------------------------------------------------------------|------------------|
| Name of the Partners | Share of Capital |
| Partner 1 | - |
| Partner 2 | - |
| Total Capital | - |

Note 8 TRADE RECEIVABLES

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|-----------------------------------------------|------------------|------------------|
| | Rs. Lakhs | Rs. Lakhs |
| Trade receivables considered good - Unsecured | 4,357.46 | 3,300.54 |
| Trade receivables - credit impaired | 2.27 | - |
| | 4,359.73 | 3,300.54 |
| Allowance for credit loss | 2.27 | - |
| Total Trade Receivable | 4,357.46 | 3,300.54 |

Trade Receivables Ageing (based on bill due date)

| Particulars | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|--------------------------------------------------------------|--------------------|-------------------|-------------|-------------|-------------------|----------|
| Undisputed - considered good | 4,352.15 | 5.31 | - | - | - | 4,357.46 |
| Undisputed - which have significant increase in credit risk | - | - | 0.94 | 0.33 | 1.00 | 2.27 |
| Total | | | | | | 4,359.73 |
| Less: Allowance for Credit Loss (Reserve for Doubtful Debts) | | | | | | (2.27) |
| | | | | | | 4,357.46 |

Previous Year

| Particulars | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|--------------------------------------------------------------|--------------------|-------------------|-------------|-------------|-------------------|----------|
| Undisputed - considered good | 3,298.27 | 0.94 | 0.33 | 1.00 | - | 3,300.54 |
| Undisputed - which have significant increase in credit risk | - | - | - | - | - | - |
| Total | | | | | | 3,300.54 |
| Less: Allowance for Credit Loss (Reserve for Doubtful Debts) | | | | | | - |
| | | | | | | 3,300.54 |

Note 9 CASH AND CASH EQUIVALENTS

| Particulars | 31-Mar-2022 | | 31-Mar-2021 | |
|--------------------------------------------------------------|-------------|-----------|-------------|-----------|
| | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs |
| Balances with banks | | 1,466.45 | | 20.07 |
| Cash on hand | | 3.90 | | 4.11 |
| <u>D. OTHER BANK BALANCES</u> | | | | |
| Fixed deposit with banks (Maturity with less than 12 months) | | - | | - |

| | | | | |
|--------------------------------------------------------------|--|-----------------|--|---------------|
| Fixed deposit with banks (maturity upto 3 months) | | - | | - |
| Fixed deposit with banks (Maturity 3 months to 12 months) | | 30.00 | | - |
| Fixed deposit with banks (Maturity with more than 12 months) | | 226.40 | | 226.40 |
| Total | | 1,726.75 | | 250.58 |

Note 10 FINANCIAL ASSET - LOANS (CURRENT)

| Particulars | 31-Mar-2022 | | 31-Mar-2021 | |
|-----------------------------------|-------------|-------------|-------------|-------------|
| | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs |
| Related parties | | - | | - |
| Others | | | | |
| - Secured, considered good | | - | | - |
| - Unsecured, considered good | | 1.50 | | 1.80 |
| (Current portion of Staff Loans) | | | | |
| Sundry Creditors For Fixed Assets | | - | | - |
| Considered Doubtful | - | | - | |
| Less: Provision for doubtful | - | - | - | - |
| Total | | 1.50 | | 1.80 |

Note 11 OTHER CURRENT ASSETS

| Particulars | 31-Mar-2022 | | 31-Mar-2021 | |
|-------------------------------------------|-------------|--------------|-------------|--------------|
| | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs |
| <u>Related to Income Tax</u> | | - | | - |
| <u>Others</u> | | | | |
| Gst Credit / Refund Receivable | - | | - | |
| Cenvat / Gst / Customs Credit Balance | - | | - | |
| Bank Fdr Accrued Interest | 3.07 | | 2.23 | |
| Travel Card | 3.65 | | 3.67 | |
| Export Incentive Receivable | 40.24 | | 29.52 | |
| Advances Given | 3.40 | | 1.69 | |
| Prepaid Expenses | 1.69 | | 2.26 | |
| Spl Employees Group Gratuity (Icici Bank) | 2.00 | | - | |
| | | 54.05 | | 39.37 |
| Total | | 54.05 | | 39.37 |

Note 12 SHARE CAPITAL

| a Share Capital | 31-Mar-2022 | | 31-Mar-2021 | |
|--------------------------------------------------------------------------------------------|-------------|-----------|-------------|-----------|
| | Number | Rs. Lakhs | Number | Rs. Lakhs |
| Authorised Equity Shares of Rs. 10 each | 5,000,000 | 500.00 | 5,000,000 | 500.00 |
| Issued Equity Shares of Rs. 10 each | 3,089,700 | 308.97 | 3,089,700 | 308.97 |
| Subscribed & Paid up Equity Shares of Rs. 10 each fully paid | 3,089,700 | 308.97 | 3,089,700 | 308.97 |
| Subscribed but not fully Paid up Equity Shares of Rs. 10 each, not fully paid up | - | - | - | - |
| Total | 3,089,700 | 308.97 | 3,089,700 | 308.97 |

b Reconciliation of number of shares outstanding is set-out below

| Particulars - Equity Shares | 31-Mar-2022 | | 31-Mar-2021 | |
|-------------------------------------------------|-------------|-----------|-------------|-----------|
| | Number | Rs. Lakhs | Number | Rs. Lakhs |
| Shares outstanding at the beginning of the year | 3,089,700 | 308.97 | 3,089,700 | 308.97 |
| Shares Issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 3,089,700 | 308.97 | 3,089,700 | 308.97 |

c Shareholders holding more than 5% of the aggregate shares in the Company

| Name of Shareholder | 31-Mar-2022 | | 31-Mar-2021 | |
|---------------------|--------------------|--------------|--------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Lalit Damodar Mehta | 431,498 | 13.97% | 431,498 | 13.97% |
| Rajesh Lalit Mehta | 383,542 | 12.41% | 381,042 | 12.33% |
| Premal Lalit Mehta | 175,281 | 5.67% | 175,281 | 5.67% |

Details of shares held by promoters**March 31, 2022**

| Name of the Promoter | No. of shares at the end of the year | % of Total Shares | % change during the year |
|-----------------------------|---------------------------------------------|--------------------------|---------------------------------|
| Lalit Damodar Mehta | 431,498 | 13.97% | 0.00% |
| Rajesh Lalit Mehta | 383,542 | 12.41% | 0.08% |
| Premal Lalit Mehta | 175,281 | 5.67% | 0.00% |
| Kaushal Lalit Mehta | 150,586 | 4.87% | 0.00% |
| Jaya Lalit Mehta | 119,300 | 3.86% | 0.00% |
| Rupal Rajesh Mehta | 82,182 | 2.66% | 0.08% |
| Kalpana Premal Mehta | 70,300 | 2.28% | 0.00% |
| Falguni Kaushal Mehta | 66,400 | 2.15% | 0.00% |
| Megh Rajesh Mehta | 46,650 | 1.51% | 0.09% |
| Maitri Megh Mehta | 8,244 | 0.27% | 0.10% |
| | 1,533,983 | 49.65% | 0.35% |

Details of shares held by promoters**March 31, 2021**

| Name of the Promoter | No. of shares at the end of the year | % of Total Shares | % change during the year |
|-----------------------------|---------------------------------------------|--------------------------|---------------------------------|
| Lalit Damodar Mehta | 431,498 | 13.97% | 0.00% |
| Rajesh Lalit Mehta | 381,042 | 12.33% | 0.00% |
| Premal Lalit Mehta | 175,281 | 5.67% | 0.00% |
| Kaushal Lalit Mehta | 150,586 | 4.87% | 0.00% |
| Jaya Lalit Mehta | 119,300 | 3.86% | 0.00% |
| Rupal Rajesh Mehta | 79,682 | 2.58% | 0.00% |
| Kalpana Premal Mehta | 70,300 | 2.28% | 0.00% |
| Falguni Kaushal Mehta | 66,400 | 2.15% | 0.00% |
| Megh Rajesh Mehta | 43,900 | 1.42% | 0.00% |
| Maitri Megh Mehta | 5,244 | 0.17% | 0.17% |
| | 1,523,233 | 49.30% | 0.17% |

- d** There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and there were no buy back of shares during the last 5 years immediately preceding 31-Mar-2022

e Terms/ rights attached to equity shares

The Company has equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share.

Note 13 OTHER EQUITY

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|------------------------------------------------|-----------------|-----------------|
| | Rs. Lakhs | Rs. Lakhs |
| Surplus | | |
| Opening balance | 2,654.72 | 2,121.40 |
| (+) Net Profit/(Net Loss) for the current year | 1,718.49 | 533.32 |
| (+) Transfer from Reserves | - | - |
| (-) Proposed Dividends | - | - |
| (-) Interim Dividends | - | - |
| (-) Transfer to Reserves | - | - |
| Closing Balance | 4,373.20 | 2,654.72 |
| Total | 4,373.20 | 2,654.72 |

Note 14 DEFERRED TAX LIABILITY (NET)

The Company has accounted for taxes on income in accordance with IND AS 12 – Income Tax issued by the Ministry of Corporate Affairs. Consequently, the net incremental deferred tax (liability) / asset is charged / credited to Profit and Loss Account. The year end position of taxes on income is as under:

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|-------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| | Rs. Lakhs | Rs. Lakhs |
| Deferred tax liability | | |
| Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting | 60.23 | 52.99 |
| Others | - | - |
| Gross deferred tax liability | 60.23 | 52.99 |
| Deferred tax asset | | |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | - | - |
| Unabsorbed Depreciation as per Tax | - | - |
| Difference in stock value as per accounts and as per tax | 13.56 | 9.73 |
| Reserve for doubtful debts | 0.57 | - |
| Gratuity liability (not paid) | - | - |
| Gross deferred tax asset | 14.13 | 9.73 |
| Net deferred tax liability / (asset) | 46.09 | 43.26 |

Note 15 BORROWINGS – CURRENT

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------|
| | Rs. Lakhs | Rs. Lakhs |
| Secured | | |
| Other loans and advances | | |
| Cash Credit from ICICI bank | 751.97 | 879.37 |
| (Secured by hypothecation of Stock, Book Debts, and first charge over Fixed Assets. As a collateral security, the promoter directors Mr. Lalit Mehta and Mr. Rajesh Mehta have given their personal guarantee) | | |
| Period of Maturity | Cash Credit Account | |
| Number and amount of Instalments due | Not Applicable | |
| Rate of Interest | 9.20% | |
| Other significant terms | - | |
| Current Maturities of Long Term Debt | - | - |
| Total | 751.97 | 879.37 |

Note 16 TRADE PAYABLES

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|---------------------------------------|-----------------|-----------------|
| | Rs. Lakhs | Rs. Lakhs |
| (a) Sundry Creditors For Goods | 2,318.21 | 1,764.89 |
| (b) Sundry Creditors For Expenses | 15.41 | 1.14 |
| (c) Sundry Creditors For Fixed Assets | 0.48 | - |
| Total Trade Payables | 2,334.10 | 1,766.02 |

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008, which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). There are no dues to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 as at 31-Mar-2022 and 31-Mar-2021 respectively based on the information received and available with the Company.

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| | Rs. Lakhs | Rs. Lakhs |
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year. | - | - |
| The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year; | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act; | - | - |
| The amount of interest accrued and remaining unpaid at the end of the year | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise. | - | - |

Trade Payables Ageing (based on bill due date)

| Particulars | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|---------------------|------------------|-------------|-------------|-------------------|----------|
| Undisputed - MSME | - | - | - | - | - |
| Undisputed - Others | 2,334.10 | - | - | - | 2,334.10 |

| Particulars | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|---------------------|------------------|-------------|-------------|-------------------|----------|
| Undisputed - MSME | - | - | - | - | - |
| Undisputed - Others | 1,766.02 | - | - | - | 1,766.02 |

Note 17 OTHER CURRENT LIABILITIES

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|-------------------------------------------------------------------------------|-------------|-------------|
| | Rs. Lakhs | Rs. Lakhs |
| - | | |
| (a) Current maturities of finance lease obligations | - | - |
| (b) Interest accrued but not due on borrowings | - | - |
| (c) Interest accrued and due on borrowings | - | - |
| (d) Income received in advance | - | - |
| (e) Unpaid dividends | - | - |
| (f) Application money received for allotment of securities and due for refund | - | - |
| interest accrued on (e) above | | |
| (g) Unpaid matured deposits and interest accrued thereon | - | - |

| | | |
|------------------------------------------------------------|--------------|--------------|
| (h) Unpaid matured debentures and interest accrued thereon | - | - |
| (i) Other payables (specify nature) | | |
| - Tcs Credit Received | - | 0.01 |
| - Advances Received Against Order/Goods | - | - |
| - Liability Towards Group Gratuity | - | - |
| - Gst Payable | 84.46 | 14.47 |
| - Deferred Gain On Forward Contract | - | - |
| - Tds / Tcs Payable | 3.26 | 2.61 |
| Total | 87.72 | 17.09 |

Note 18 PROVISIONS - CURRENT

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|--------------------------------------------|---------------|--------------|
| | Rs. Lakhs | Rs. Lakhs |
| (a) Provision for employee benefits | | |
| Salary & Reimbursements | - | - |
| Provision For Employee Benefits (Pf,Esic) | 1.27 | 1.21 |
| (b) Others (Specify nature) | | |
| Provision For Audit Fees | 5.05 | 1.55 |
| Provision for Taxation | 552.82 | 67.46 |
| Total | 559.14 | 70.23 |

Note 19 REVENUE FROM OPERATIONS

| Particulars | 31-Mar-2022 | | 31-Mar-2021 | |
|------------------------------------|-------------|------------------|-------------|------------------|
| | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs |
| Sale of products | 25,395.36 | | 20,432.87 | |
| Sale of services | - | | - | |
| Other operating revenues | - | | - | |
| Foreign Exchange Fluctuation | 6.03 | | 4.10 | |
| Gross Revenue | | 25,401.39 | | 20,436.97 |
| <u>Less:</u> | | - | | |
| Excise duty | - | | - | |
| GST | 3,220.22 | | 2,535.19 | |
| Sales tax | - | 3,220.22 | - | 2,535.19 |
| Net Revenue From Operations | | 22,181.17 | | 17,901.78 |

Note 20 OTHER INCOME

| Particulars | 31-Mar-2022 | | 31-Mar-2021 | |
|---------------------------------------------------------------------|-------------|--------------|-------------|--------------|
| | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs |
| Interest Income (in case of a company other than a finance company) | | | | |
| Fdr & Other Interest Received | 12.94 | | 7.71 | |
| Interest on Staff Loans | - | | - | |
| Interest on Deposits | 0.93 | | 0.84 | |
| Insurance Claim Income | - | | 0.12 | |
| Reserve for Doubtful Debts reversed | - | 13.86 | 22.70 | 31.37 |
| Export Incentives | 10.71 | | 14.91 | |
| Income From Sale Of Scrap - Shown Under Sales | 0.49 | | - | |
| Licences Sale | 29.25 | 40.46 | - | 14.91 |
| Net gain / (loss) on sale of investments | | 0.75 | | - |
| Total | | 55.08 | | 46.28 |

Note 21 COST OF MATERIAL CONSUMED

| Particulars | 31-Mar-2022 | | 31-Mar-2021 | |
|-----------------------------------|-------------|------------------|-------------|------------------|
| | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs |
| <u>Materials Consumed</u> | | | | |
| <u>Opening Stock</u> | | | | |
| Raw Materials | 257.33 | | 776.97 | |
| Packing Materials | 9.83 | | 4.19 | |
| Consumables including Spare Parts | - | | | |
| | | 267.17 | | 781.16 |
| Add : Cost of Purchases | | 19,091.70 | | 15,687.76 |
| <u>Less : Closing Stock</u> | | | | |
| Raw Materials | 327.83 | | 257.33 | |
| Packing Materials | 7.62 | | 9.83 | |
| Consumables including Spare Parts | - | | - | |
| | | 335.45 | | 267.17 |
| Cost of Material consumed | | 19,023.42 | | 16,201.76 |

Note 22 (INCREASE) / DECREASE IN INVENTORIES

| Particulars | 31-Mar-2022 | | 31-Mar-2021 | |
|-------------------------------------------------|-------------|----------------|-------------|---------------|
| | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs |
| Inventories at the end of the year | | | | |
| Work-in-progress | 16.57 | | 7.81 | |
| Finished Goods | 889.58 | | 865.01 | |
| Traded Goods | - | 906.15 | - | 872.82 |
| Inventories at the beginning of the year | | | | |
| Work-in-progress | 7.81 | | 9.06 | |
| Finished Goods | 865.01 | | 1,086.51 | |
| Traded Goods | - | 872.82 | - | 1,095.57 |
| Net (Increase) / Decrease in Inventories | | - 33.33 | | 222.75 |

Note 23 EMPLOYEE BENEFIT EXPENSES

| Particulars | 31-Mar-2022 | | 31-Mar-2021 | |
|--------------------------------------------------------------------------------------------|-------------|---------------|-------------|---------------|
| | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs |
| (a) Salaries, Wages and bonus | | | | |
| Other Employees | | 73.43 | | 70.91 |
| Directors' Remuneration | | 81.00 | | 44.40 |
| (b) Contributions to - | | | | |
| Provident fund | 7.32 | | 7.06 | |
| Employee State Insurance Corporation | 0.93 | | 0.90 | |
| Employee Insurance | - | | - | |
| (c) Gratuity fund contributions | 2.87 | | 17.28 | |
| (d) Social security and other benefit plans for overseas employees | - | | - | |
| (e) Expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP) | - | | - | |
| (f) Staff welfare expenses | 11.92 | 23.04 | 9.26 | 34.49 |
| Total | | 177.47 | | 149.80 |

Note 24 FINANCE COST

| Particulars | 31-Mar-2022 | | 31-Mar-2021 | |
|----------------------------------------------|-------------|--------------|-------------|---------------|
| | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs |
| <u>Interest Charges</u> | | | | |
| Interest on Term Loan | - | | 0.38 | |
| Interest on other borrowings | 36.40 | 36.40 | 93.33 | 93.71 |
| - | | | | |
| <u>Other borrowing costs</u> | | | | |
| Bank Charges and commission incl L/c, others | 31.05 | | 33.96 | |
| Car hire Purchase Finance charges | - | 31.05 | - | 33.96 |
| - | | | | |
| Total | | 67.45 | | 127.67 |

Note 25 OTHER EXPENSES

| Particulars | 31-Mar-2022 | | 31-Mar-2021 | |
|---------------------------------------------|-------------|---------------|-------------|---------------|
| | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs |
| 1. Manufacturing Expenses | | | | |
| Contract Labour | 80.31 | | 68.17 | |
| Job Work Charges | - | | - | |
| Power Charges | 32.36 | | 29.72 | |
| Fuel Consumed | 6.16 | | 3.00 | |
| Gas Charges | 89.51 | | 73.61 | |
| Water & Drainage Charges | 4.23 | | 4.68 | |
| Analytical & Testing / Fire, Safety Charges | 10.73 | | 9.57 | |
| Insurance Charges | 5.74 | | 4.02 | |
| Notional Excise On Stock Of Finished Goods | - | | - | |
| Repairs To Factory Building | 47.40 | | 16.99 | |
| Repairs To Plant & Machinery | 80.45 | | 61.27 | |
| Effluent Treatment & Pollution Control | 14.10 | | 14.86 | |
| Electrical Equipment & Maintenance Exps | 0.74 | | - | |
| Other Manufacturing Expenses | 4.93 | | 0.59 | |
| | | 376.66 | | 286.50 |
| 2. Other Expenses : | | | | |
| Directors' Sitting Fees | 3.75 | | 2.85 | |
| Office Electricity | 0.97 | | 0.84 | |
| Society Maintenance Charges | 1.78 | | 2.97 | |
| Rates & Taxes | 3.64 | | 3.66 | |
| Profession Tax | 0.02 | | 0.02 | |
| Legal & Professional Charges | 21.15 | | 17.72 | |
| Printing, Stationery & Periodicals | 11.93 | | 8.02 | |
| Conveyance - Local | 3.35 | | 2.92 | |
| Vehicle Expenses | 1.28 | | 1.11 | |
| Travelling - Outdoor | 1.17 | | 0.29 | |

| | | | | |
|----------------------------------------------|-------|---------------|-------|---------------|
| Telephone, Internet & Communication Expenses | 2.46 | | 2.97 | |
| Postage & Courier Charges | 1.15 | | 0.58 | |
| Auditor'S Remuneration | 6.90 | | 2.58 | |
| Stock Exchange, Mca & Custodial Fees | 4.10 | | 4.65 | |
| Software And Hardware Maintenance | 4.52 | | 3.15 | |
| Office Maintenance, Repairs & Renewals | 2.26 | | 3.07 | |
| Insurance | 0.66 | | 0.36 | |
| Advertisement (Statutory) | 0.61 | | 0.48 | |
| Security Charges | 6.57 | | 3.73 | |
| Stipend | - | | 0.07 | |
| C.S.R. Expenses | 10.19 | | 8.41 | |
| Sundry Expenses | 1.89 | | 1.35 | |
| Donation | 3.00 | | 0.65 | |
| | | 93.35 | | 72.44 |
| Export Expenses | 2.94 | | 0.01 | |
| Clearing & Forwarding | 35.23 | | 24.94 | |
| Advertisement & Publicity | 2.37 | | 3.75 | |
| Business Promotion | 3.25 | | 3.71 | |
| Bad Debts Written Off | - | | 22.70 | |
| Reserve For Doubtful Debts | 2.27 | | - | |
| Discount | 1.69 | | - | |
| | | | 0.14 | |
| Commission & Brokerage | 35.25 | | 32.12 | |
| Gst / Sales Tax | - | | - | |
| Insurance - Goods-In-Transit (Sales) | 6.72 | | 3.64 | |
| Travelling - Foreign | - | | - | |
| | | | 1.57 | |
| Delivery Charges | 19.57 | | 12.54 | |
| | | 109.27 | | 101.70 |
| Total | | 579.28 | | 460.64 |

NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rs. Lakhs)

- 26** The value on realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. According to the management, provision for all the known liabilities is adequate.
- 27** Balances in Debtors, Creditors, loans, advances, and other current assets are subject to confirmation and reconciliation.
- 28** Auditors' remuneration in accordance with paragraph 4B of part II of Schedule III to the Companies Act 2013 is as under:

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|---------------------------|-------------|-------------|
| As Statutory Auditors | 3.10 | 1.20 |
| As Tax Auditors | 0.50 | 0.50 |
| As VAT Auditors | 0.75 | 0.75 |
| As Cost Auditors | 2.55 | - |
| As Secretarial Auditors | - | - |
| Company Law Matters | - | - |
| Management Services | - | - |
| Other Services | - | 0.13 |
| Reimbursement of expenses | - | - |
| | 6.90 | 2.58 |

- 29** Earning per share is calculated as under:

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|-----------------------------------------------|-------------|-------------|
| Basic earning per share | | |
| Net profit after Taxation | 1,718.49 | 533.32 |
| Number of shares issued (Nominal Value Rs.10) | 3,089,700 | 3,089,700 |
| Basic earning per share | 55.62 | 17.26 |
| Diluted earning per share | | |
| Net profit after Taxation | 1,718.49 | 533.32 |
| Number of shares issued (Nominal Value Rs.10) | 3,089,700 | 3,089,700 |
| Diluted earning per share | 55.62 | 17.26 |

- 30** Directors' Remuneration

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|------------------------------------------------------------|-------------|-------------|
| Within the limits of Schedule V to the Companies Act 2013. | 81.00 | 44.40 |

- 31** Disclosure of Provisions as required by Ind AS-12 is as under:

| Particulars | Opening Balance | Additional provisions during the year | Amount Used & Unused amount reversed during the year | Closing Balance |
|----------------------|-----------------|---------------------------------------|------------------------------------------------------|-----------------|
| | | Rs. | Rs. | Rs. |
| Income tax provision | 67.46 | 638.25 | 152.90 | 552.82 |

32 Related Party Disclosures, as required by Ind AS-24 are given below:

The company has the following related parties :

- a) Holding Company
Nil
- b) Fellow Subsidiaries with whom transactions have taken place
Nil
- c) Enterprise where Key Mannegerial Personnel has Significant Influence
Nil
- d) Key Management Personnel
Mr. Lalit Mehta
Mr. Rajesh Mehta
Mr. Megh Mehta
- e) Entity that has significant influence
Nil
- f) Transaction with related parties for the year ended 31 March 2022

| Sr. No. | Transaction | Enterprise where Key Mannegerial Personnel has Significant Influence | Key management personnel | Entity that has significant influence | Total |
|---------|-------------------------------------|----------------------------------------------------------------------|--------------------------|---------------------------------------|-------|
| 1 | Issue of Shares | - | - | - | - |
| 2 | Expenses incurred | - | - | - | - |
| 3 | Expenses incurred on behalf of | - | - | - | - |
| 4 | Interest on unsecured loan | - | - | - | - |
| 5 | Interest received on unsecured loan | - | - | - | - |
| 6 | Unsecured loan paid to | - | - | - | - |
| 7 | Unsecured loan received from | - | - | - | - |
| 8 | Repayment of loan to | - | - | - | - |
| 9 | Managerial remuneration & Incentive | - | 81.00 | - | 81.00 |

g) Transaction with related parties for the year ended 31 March 2021

| Sr. No. | Transaction | Enterprise where Key Mannegerial Personnel has Significant Influence | Key management personnel | Entity that has significant influence | Total |
|---------|-------------------------------------|----------------------------------------------------------------------|--------------------------|---------------------------------------|-------|
| 1 | Issue of Shares | - | - | - | - |
| 2 | Expenses incurred | - | - | - | - |
| 3 | Expenses incurred on behalf of | - | - | - | - |
| 4 | Interest on unsecured loan | - | - | - | - |
| 5 | Interest received on unsecured loan | - | - | - | - |
| 6 | Unsecured loan paid to | - | - | - | - |
| 7 | Unsecured loan received from | - | - | - | - |
| 8 | Repayment of loan to | - | - | - | - |
| 9 | Managerial remuneration & Incentive | - | 44.40 | - | 44.40 |

h) The balances receivable from and payable to related parties as at 31 March 2022

| Sr. No. | Transaction | Enterprise where Key Mannegerial Personnel has Significant Influence | Key management personnel | Entity that has significant influence | Total |
|---------|------------------------|----------------------------------------------------------------------|--------------------------|---------------------------------------|-------|
| 1 | Unsecured loan payable | - | - | - | - |
| 2 | Expense Payable | - | - | - | - |
| 3 | Rent Payable | - | - | - | - |

i) The balances receivable from and payable to related parties as at 31 March 2021

| Sr. No. | Transaction | Enterprise where Key Mannegerial Personnel has Significant Influence | Key management personnel | Entity that has significant influence | Total |
|---------|------------------------|----------------------------------------------------------------------|--------------------------|---------------------------------------|-------|
| 1 | Unsecured loan payable | - | - | - | - |
| 2 | Expense Payable | - | - | - | - |
| 3 | Rent Payable | - | - | - | - |

33 Value of imports calculated on C.I.F basis by the company during the financial year in respect of:

| Particulars | | 31-Mar-2022 | 31-Mar-2021 |
|-------------|----------------------------|-------------|-------------|
| i | Raw materials; | 15,277.97 | 13,341.53 |
| ii | Components and spare parts | - | - |
| iii | Capital goods | - | - |
| iv | Trading Goods | - | - |

34 Other Expenses in Foreign Currency:

| Particulars | | 31-Mar-2022 | 31-Mar-2021 |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| i | Royalty, Know-how, Professional and Consultation fees, Interest, and Other matters | 2.19 | 0.74 |
| ii | Total value of all imported / indigenous raw materials, spare parts and components consumed and the percentage of each to the total consumption | - | - |
| iii | Amount remitted in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related; | - | - |
| iv | Earnings in foreign exchange classified under the following heads, namely | | |
| i | Export of goods calculated on F.O.B. basis | 1,073.34 | 1,366.19 |
| ii | Royalty, know-how ,professional and consultation fees; | - | - |
| iii | Interest and dividend | - | - |
| iv | Other income, indicating the nature thereof | - | - |
| | | - | - |

35 Information of major Raw Material Consumption

| Particulars | 31-Mar-2022 | | 31-Mar-2021 | |
|--------------------|-------------|--------------|-------------|--------------|
| | Quantity | Rupees Lakhs | Quantity | Rupees Lakhs |
| Iodine Crude | 513.87 MT | 15,403.92 | 504.77 MT | 13,798.53 |
| Grand Total | 513.87 MT | 15,403.92 | 504.77 MT | 13,798.53 |

36 The turnover is shown net of all indirect taxes viz. GST.

37 The disclosure of "Employee Benefits" as per Ind AS-19 are as follows:

(A) Defined contribution plans:

Provident fund, ESIC:

The Company has recognized the following amounts in the Profit and Loss Account for the year:

(i) Contribution to Provident Fund (Employer's Contribution) Rs. 7.32 Lakhs

(ii) Contribution to ESIC (Employer's Contribution) Rs. 0.93 Lakhs

(B) Defined Benefit Plans

(i) Disclosure of Gratuity Liabilities

The Company has taken a group gratuity policy with LIC to cover its gratuity liabilities

- 38** Since the company has only one primary product line and its operations are restricted to only one geographical area, the financial statements itself may be considered to be the segment results as per the disclosure requirements of Ind AS-108

39 Contingent Liabilities and Commitments

| Particulars | 31-Mar-2022 | 31-Mar-2021 |
|----------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| Claims against the company not acknowledged as debt | | |
| a. Income tax assessment dues for AY 2011-12 under appeal pending before first appellate authority | - | - |
| b. Income tax assessment dues for AY 2011-12 under appeal pending before first appellate authority (Interest Income) | 7.16 | 7.16 |

- 40** The management has made full inquiries and is of the view that assets of the Company in form of fixed assets and Inventories are good in nature, and are stated at appropriate value of the respective assets; and there is no necessity as to impairment / write down provision in the accounts.

- 41** Disclosures required under Ind AS-17 on "Leases"

Finance Lease - Assets Given on Lease

The Company has not given any of its assets on lease.

| Operating Lease - Assets Taken on Lease | 31-Mar-2022 | 31-Mar-2021 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Total of future minimum lease payments under non-cancellable operating leases for each of the following periods: | - | - |
| - Not later than one year, | - | - |
| - Later than one year and not later than five years; | - | - |
| - Later than five years; | - | - |
| Total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date | - | - |
| Lease payments recognized in the statement of profit and loss for the period, with separate amounts for minimum lease payments and contingent rents | - | - |
| sub-lease payments received (or receivable) recognized in the statement of profit and loss for the period | 0 | 0 |
| General description of the lessee's significant leasing arrangements including, but not limited to, the following: Basis on which contingent rent payments are determined; Existence and terms of renewal or purchase options and escalation clauses; and Restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing. | Not Applicable | Not Applicable |

| Operating Lease - Assets Given on Lease | 31-Mar-2022 | 31-Mar-2021 |
|-----------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| Gross carrying amount | - | - |
| Accumulated depreciation | - | - |
| Accumulated impairment losses | - | - |
| the depreciation recognized in the statement of profit and loss for the period | - | - |
| Impairment losses recognized in the statement of profit and loss for the period | - | - |
| impairment losses reversed in the statement of profit and loss for the period; | - | - |
| Future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following periods | - | - |
| Not later than one year; | - | - |
| Later than one year and not later than five years; | - | - |
| Later than five years; | - | - |
| Total contingent rents recognized as income in the statement of profit and loss for the period | - | - |

42 Ratios

| Sr | Particulars | Formula | 31-Mar-2022 | 31-Mar-2021 | Reason for variance |
|----|---------------------------------------|---------------------------------------------------------------------------------------------------------------------|-------------|-------------|----------------------------------------------------|
| 1 | Current Ratio | Current Asset / Current Liabilities | 1.98 | 1.73 | Increase in current assets |
| 2 | Debt-Equity Ratio | Debt (incl. Short Term Borrowing) / Total (Shareholders) Equity | 0.16 | 0.30 | Increase in total equity |
| 3 | Debt Service Coverage Ratio | (Profit after Tax + Interest + Depreciation + Profit/Loss on Fixed Assets) / Total Debt Service (interest payments) | 27.43 | 5.58 | Increase in profits and reduction in interest cost |
| 4 | Return on Equity Ratio (%) | Profit after Tax / Average (Shareholders) Equity | 44.95% | 19.77% | Increase in profits |
| 5 | Inventory Turnover Ratio | Cost of Goods Sold (COGS) / Average Inventory | 15.95 | 10.89 | Reduction in COGS |
| 6 | Trade Receivables Turnover Ratio | Revenue from Operations (Net Credit Sales) / Average Trade Receivables | 5.79 | 5.89 | - |
| 7 | Trade Payables Turnover Ratio | Net Credit Purchases / Average Trade Payables | 9.29 | 7.66 | Increase in Credit Purchases |
| 8 | Net (Working) Capital Turnover Ratio | Revenue from Operations (Net Sales) / Average Working Capital | 7.85 | 10.01 | Increase in Average Working Capital |
| 9 | Net Profit Ratio (%) | Profit after Tax / Revenue from Operations (Net Sales) | 7.75% | 2.98% | Increase in profits |
| 10 | Return on Capital Employed (%) | Earnings before Interest & Tax / Average Capital Employed | 63.56% | 32.03% | Increase in profits |
| 11 | Return on Investment (Annualised) (%) | Income on Investments / Average Investment in Mutual Funds | 136.29% | 0.00% | Profit on sale of investments |

43 Corporate Social Responsibility (CSR)

| Sr | Particulars | 31-Mar-2022 | 31-Mar-2021 |
|----|----------------------------------------------------------------|---------------------------------------------------------|------------------------------|
| 1 | Amount required to be spent by the company during the year | 10.19 | 8.58 |
| 2 | Amount of expenditure incurred | 10.02 | 8.41 |
| 3 | Shortfall at the end of the year | 0.17 | 0.17 |
| 4 | Total of previous years shortfall | - | - |
| 5 | Reason for shortfall | Could not identify project | Could not identify project |
| 6 | Nature of CSR activities | Covid Relief, Skill Development, Education, Health Care | Education, Skill Development |
| 7 | Details of related party transactions | - | - |
| 8 | Movements in the provision during the year (if provision made) | - | - |

44 Other Statutory information

- a. There are no transactions or balance outstanding on account of any transaction with companies struck off under section 248 of the Companies Act 2013 or Section 560 of the Companies Act 1956
- b. The Company does not have any Capital work-in-progress or intangible assets under development, whose completion is over due or has exceeded its cost to its original plan.
- c. The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayment.
- d. No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- e. The Company is not declared as "willful defaulter" by any bank or financial institution or other lender.
- f. All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the end of the year
- g. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- h. No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
- i. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall:
 - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries)
 - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- j. The Company has not received any fund from any person or entity, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding Party (Ultimate Beneficiaries)
 - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- k. The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961
- l. Details of Crypto Currency or Virtual Currency: The Company has not operated in any crypto currency transactions
- 45** The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.
- 46** The Company has a system of reviewing its pending litigations and proceedings, if any, and provide for where Provisions are required and disclose the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made adequate provision in the financial statements and the contingent liabilities are disclosed in Note 42.
- 47** Current assets, Loans & Advances have a value of realisation in the ordinary course of business at least equal to the amount at which they are stated.
- 48** Figures in the financial statements are rounded off to nearest Lakh Rupees
- 49** Previous year figures have been re-grouped & re-arranged wherever necessary.

AS PER OUR REPORT OF EVEN DATE

For Shah & Savla LLP
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
For Samrat Pharmachem Limited

Mullesh M Savla
Partner
Membership No.: 038404
FRN: 109364W / W100143
Place : Mumbai
Date : 30 May 2022

Lalit Mehta
Managing Director
[DIN: 00216681]

Mahendra Pipalia
Director
[DIN: 00216959]

Rajesh Mehta
Executive Director
[DIN: 00216731]

Samir Kothary
Director
[DIN: 00216603]

Megh Mehta
Executive Director
[DIN: 07287394]

Renu Dharod
Director
[DIN: 07063088]

CASH FLOW STATEMENT FOR THE YEAR ENDED**31 MARCH, 2022**

| Particulars | 31-Mar-22 Rs. Lakhs | 31-Mar-21 Rs. Lakhs |
|--------------------------------------------------|------------------------|------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax And Extraordinary Items | 2,360.14 | 734.39 |
| Adjustments For : | | |
| Depreciation | 59.47 | 49.29 |
| Profit/Loss On Sale Of Assets | 2.34 | 1.77 |
| Profit/Loss On Sale Of Investments | -0.75 | 0.00 |
| Finance Cost | 67.45 | 127.67 |
| Bad Debts, Reserve For Doubtful Debts & Discount | 3.96 | -0.14 |
| Interest/Dividend Income | -13.86 | -8.55 |
| | 118.61 | 170.04 |
| | | |
| Operating Profit Before Working Capital Changes | 2,478.75 | 904.43 |
| Adjustments For : | | |
| Trade Receivables | -1,056.92 | -519.26 |
| Other Receivables | -30.84 | 126.14 |
| Inventories | -101.61 | 736.75 |
| Trade And Other Payables | 642.27 | -542.86 |
| | -547.10 | -199.23 |
| | | |
| Cash Generated From Operations | 1,931.65 | 705.19 |
| Direct Taxes Paid | -153.46 | -225.43 |
| | -153.46 | -225.43 |
| | | |
| Cash Flow Before Extraordinary Items | 1,778.19 | 479.76 |
| Extraordinary Items | | |
| Net Cash From Operating Activities | 1,778.19 | 479.76 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase Of Fixed Assets | -127.63 | -272.86 |
| Sale/Realization Of Fixed Assets | 7.58 | 0.00 |
| Capital Work-In-Progress | 0.00 | 108.08 |
| Addition/Realization Of Investments/FDR | -30.15 | -134.95 |
| Interest/Dividend Received | 13.02 | 7.39 |
| Net Cash Used In Investing Activities | -137.17 | -292.34 |

| | Continued ... | |
|----------------------------------------------------------|------------------------|------------------------|
| Particulars | 31-Mar-22 Rs. Lakhs | 31-Mar-21 Rs. Lakhs |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds From Issue Of Share Capital | 0.00 | 0.00 |
| Interest & Finance Charges Paid | -67.45 | -127.46 |
| Proceeds/Repayment - Long Term Borrowings | 0.00 | -31.21 |
| Proceeds/Repayment - Short Term Borrowings | -127.40 | -30.30 |
| Net Cash Used In Financing Activities | -194.84 | -188.97 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 1,446.17 | -1.56 |
| CASH AND CASH EQUIVALENTS AT 1/Apr (Opening Balance) | 24.18 | 25.74 |
| CASH AND CASH EQUIVALENTS AT 31/Mar (Closing Balance) | 1,470.35 | 24.18 |

AS PER OUR REPORT OF EVEN DATE
For Shah & Savla LLP

Mulesh M Savla
Partner
Membership No.: 038404
FRN: 109364W / W100143
Place: Mumbai
Date: 30 May 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Lalit Mehta
Managing Director
[DIN: 00216681]

Mahendra Pipalia
Director
[DIN: 00216959]

Rajesh Mehta
Executive Director
[DIN: 00216731]

Samir Kothary
Director
[DIN: 00216603]

Megh Mehta
Executive Director
[DIN: 07287394]

Renu Dharod
Director
[DIN: 07063088]

IODINE

History of Iodine

In early 1800's while manufacturing saltpetre (potassium nitrate, KNO_3), Bernard Courtois, a chemist, added too much sulfuric acid to seaweed ash, causing the iodine to evaporate and thus creating iodine crystals.

It was in 1811, Bernard Courtois, with the help of three friends Charles-Bernard Desormes, Nicolas Clément and Joseph Louis Gay-Lussac, verified Iodine to be a new element and published an article in a French journal (Annales de Chimie) in December, 1813.

In 1820, the pharmacological properties of iodine were recognized, with Courtois starting commercial production of iodine. Although Courtois passed away in 1838 (1777 – 1838) his contribution to the medical field was acknowledged and he received a Montyon Prize from the Dijon Academy in 1831.

Approximately **220 years** have passed since iodine was recognized as an element. And now, the third century of iodine chemistry has begun.

About Iodine & Iodine Industry in 2021

The earth's mass can be accounted for 99.6% by only 32 chemical elements, and the remaining 0.4% is apportioned among 64 elements in trace quantities. Iodine is 61st on this list, making it one of the least abundant non-metallic elements in earth's composition.

The dominant producers of Iodine today are Chile and Japan. They account to approximately 90% of the world's iodine reserves & production. Iodine is found in Northern part of Atacama Desert & west of the Andes Mountains in Chile, Minami Kanto gas field & Southern Kanto gas field, which is mostly in Chiba Prefecture just east of Tokyo, Japan.

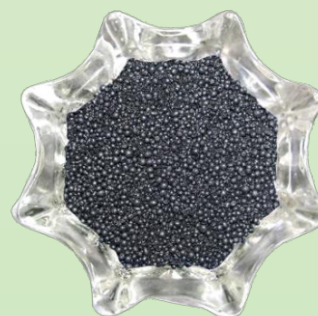
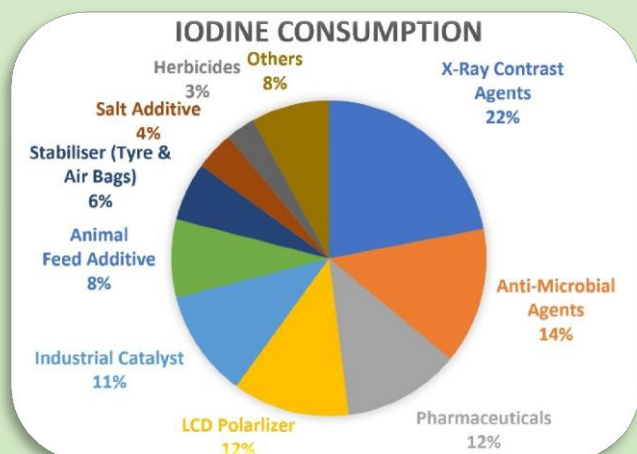
Iodine is also recycled, approximately around 6,000 Metric Tons / Annually, mostly by companies in India, Europe & America. This amount corresponds to approximately 18% of the total world iodine demand and is additional to the iodine recovered and recycled internally by many industrial users.

It is estimated that the existing global reserves of iodine will support iodine production for at least the next 200 years. Their lifespan is likely to be further extended by developments in production efficiency and iodine recycling from industrial uses.

| Region | Origin | Estimated Reserves (In MT's) | Production in 2021 (in MT's) |
|--------------|------------------------------|------------------------------|------------------------------|
| Japan | Underground Brines | 50,00,000 | 9,000 |
| Chile | Caliche Ore | 18,00,000 | 22,000 |
| Others | Seaweed / Underground Brines | 7,14,000 | 833 |
| Total | | 75,14,000 | 31,833 |

Uses of Iodine

Iodine is deeply rooted in our everyday life. Products containing iodine atoms or molecules demonstrate properties such as "Adding nutrition, blocks X-rays, strong anti-bacterial effect, act as a stabiliser at high temperatures, shows high reactivity, forms various compounds with most other elements, radioactive isotopes of iodine can also be used to treat thyroid cancer. It is also used as a catalyst in the industrial production of acetic acid and some polymers."



| | |
|-------------------|--------------------------|
| Molecular Formula | : I_2 |
| Molecular Weight | : 253.81 g/mol |
| Boling Point | : 185.24° C |
| Melting Point | : 113.6° C |
| Density | : 4.93 g/cm ³ |

Book-Post



If undelivered please return to :

Samrat Pharmachem Limited

Plot No. A2/3445,
GIDC, Phase 4,
Ankleshwar - 393 002,
Gujarat.